



A G E N D A

Meeting of the Scotts Valley City Council

Date: September 2, 2015

Time: 6:00 p.m.

CITY OF SCOTTS VALLEY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	MEETING LOCATION City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	POSTING: The agenda was posted 8-28-15 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .
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Elected Officials Dene Bustichi, Mayor Donna Lind, Vice Mayor Stephany E. Aguilar, Council Member Randy Johnson, Council Member Jim Reed, Council Member	City Staff Members Steve Ando, City Manager Kirsten Powell, City Attorney Corrie Kates, Community Dev Dir/Deputy City Mgr Scott Hamby, Public Works Director John Weiss, Chief of Police Tracy Ferrara, City Clerk
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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

SPECIAL SET MATTER Presentation of Mayor's Proclamation for Childhood
Cancer Awareness Month

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 8-19-15
- B. Approve check register – 8-21-15
- C. Approve response to Santa Cruz County Civil Grand Jury 2014-2015 Final Report and authorize staff to forward the responses to the Grand Jury and Presiding Judge
- D. Approve Memorandum of Understanding (MOU's) with the Scotts Valley Police Bargaining Unit and the Scotts Valley Police Supervisors Association, for the term July 1, 2015 through June 30, 2018

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. Oral Presentation on Designation of Cotoni-Coast Dairies as National Monument and Request for City Endorsement (CityManager/Ando)
- 2. Consider introduction and adopt Ordinance No. 189, an Urgency Ordinance of the City of Scotts Valley imposing a temporary moratorium on the establishment of commercial operations engaged in the sale of firearms, ammunition, and/or explosive devices within the City of Scotts Valley and declaring the urgency thereof (Planning/Kates)
- 3. Consider approval of first reading and introduction of the Ordinance No. 190, adding Chapter 5.38 to Title 5 of the Scotts Valley Municipal Code requiring firearms dealers to meet certain requirements and to obtain a firearms dealers license, and approve Resolution No. 1908 establishing a one-time firearms dealer license fee of \$100, to locally regulate and enforce the sales of firearms (Police)
- 4. Consideration of Siltanen Park improvements (PublicWorks/Hamby)
- 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:

- (1) Conference with legal counsel regarding real property negotiations.
Legal Authority: Govt Code Section 54956.8
APN: 022-212-22
Staff Present: City Manager, City Attorney, Community Development Director/Deputy City Manager, Public Works Director, Recreation Division Manager
- (2) Conference with legal counsel regarding real property negotiations.
Legal Authority: Govt Code Section 54956.8
APN's: 024-301-01 and 024-301-02
Staff Present: City Manager, City Attorney, Community Development Director/Deputy City Manager, Public Works Director, Recreation Division Manager
- (3) Conference with legal counsel regarding existing litigation.
Legal Authority: Govt Code Section 54956.9a
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
Staff Present: City Manager, City Attorney, Community Development Director/Deputy City Manager
- (4) Conference with labor negotiator re employee negotiations with Mid Management Group and Management Group
Legal Authority: Govt Code Section 54957.6
Name of Case: N/A
Staff Present: City Manager, City Attorney, Community Development Director/Deputy City Manager
- (5) City Manager Performance Evaluation
Legal Authority: Govt Code Section 54957
Staff Present: City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKEN DURING CLOSED SESSION

ADJOURNMENT

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; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

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.



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City of Scotts Valley

Mayor's Proclamation

CHILDHOOD CANCER AWARENESS MONTH ~ SEPTEMBER 2015

- WHEREAS,** the American Cancer Fund for Children and Kids Cancer Connection report cancer is the leading cause of death by disease among U.S. children between infancy and age 15. This tragic disease is detected in more than 15,000 of our country's young people each and every year; and
- WHEREAS,** one in five of our nation's children loses his or her battle with cancer. Many infants, children and teens will suffer from long-term effects of comprehensive treatment, including secondary cancers; and
- WHEREAS,** founded over twenty years ago by Steven Firestein, a member of the philanthropic Max Factor cosmetics family, the American Cancer Fund for Children, Inc. and Kids Cancer Connection, Inc. are dedicated to helping these children and their families; and
- WHEREAS,** the American Cancer Fund for Children and Kids Cancer Connection provide a variety of vital patient psychosocial services to children undergoing cancer treatment at Lucile Packard Children's Hospital at Stanford in Palo Alto, UCSF Benioff Children's Hospital Oakland, as well as participating hospitals throughout the country, thereby enhancing the quality of life for these children and their families; and
- WHEREAS,** the American Cancer Fund for Children and Kids Cancer Connection also sponsor nationwide Courageous Kid recognition award ceremonies and hospital celebrations in honor of a child's determination and bravery to fight the battle against childhood cancer; and
- WHEREAS,** it is important for all Scotts Valley residents to recognize the impact of pediatric cancer on families within our community and honor the lives of children in our community whose lives have been cut short by cancer.

NOW, THEREFORE, I, Dene Bustichi, Mayor of Scotts Valley, do hereby declare September as Childhood Cancer Awareness Month in the City of Scotts Valley and do hereby honor Jacob's Heart Children's Cancer Support Services for 16 years of outstanding support to our community and acknowledge the organization's contributions to Childhood Cancer Awareness Month, honoring children with cancer in our community.



Dene Bustichi, Mayor

Signed and sealed this 2nd day of September 2015

MINUTES

Meeting of the Scotts Valley City Council

Date: August 19, 2015

POSTING:

The agenda was posted on 8-14-15
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
Vice Mayor Lind
Council Member Aguilar
Council Member Johnson
Council Member Reed

City Manager Ando
City Attorney Powell
Comm Dev Dir/Deputy City Mgr Kates
Public Wks Director Hamby
Police Chief Weiss
Police Lieutenant Wilson
Recreation Division Manager Ard
City Clerk Ferrara

COMMITTEE REPORTS: None.

CITY MANAGER REPORT: None.

PUBLIC COMMENT

Wendy Brannan, SV resident, recommended that the City Council develop a long term maintenance plan for City facilities and amenities.

**ALTERATIONS TO
CONSENT AGENDA**

CM Aguilar requested that Item G be moved to the regular agenda for discussion.

M/S: Lind/Aguilar

To approve the Consent Agenda as amended moving Item G to the regular agenda for discussion.

Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)

Consent Agenda:

- A. Approve City Council meeting minutes of 8-5-15, 7-22-15
- B. Approve check register – 8-11-15, 8-7-15, 7-31-15, 7-27-15
- C. Approve resolutions for abandonment of storm drain easement, APN 023-033-05:
 - (1) Approve Resolution No. 1895.6 approving the storm drain easement dedication for APN 023-033-05;
 - (2) Approve Resolution No. 1895.7 approving the summary vacation of portion of a storm drain easement for APN 023-033-05 (portion); and
 - (3) Approve Resolution No. 1895.8 approving the summary vacation of storm drain easement for APN 023-033-05
- D. Approve second reading and adoption of Ordinance No. 16-ZC-201.1 approving Zone Change No. ZC15-02 for a 12,096 square foot portion of an existing parcel on Erba Lane from public/quasi public parcel to high density residential, APN 022-480-19 (ptn) and waive the reading thereof
- E. Approve exclusive license agreement between the City of Scotts Valley and the Scotts Valley Water District for a recycled water fill station to be located on the north end of APN 022-211-36
- F. Approve Memorandum of Understanding between the City of Scotts Valley and the Service Employees International Union, Local 521, for the term July 1, 2015 through June 30, 2017

**ALTERATIONS TO
REGULAR AGENDA**

CM Ando stated that additional information and documents had been provided to the Council on their dais, regarding Item 1, that were received after the agenda was published.

M/S: Lind/Aguilar

To approve the Regular Agenda as amended moving Item G from the Consent Agenda to the Regular Agenda for discussion.

Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)

REGULAR AGENDA

- G. **Approve the agreement for professional services between the City of Scotts Valley and the Recreation Accessibility Consultants, LLC in the amount of \$33,449 for a system-wide access audit & development of a transition plan**

Wendy Brannan, SV resident, requested that Camp Evers Fishing Park listed in the audit be changed to the correct name of “Vern Hart Fishing Park”, and she requested the inclusion of the following: Glenwood Open Space, community garden, skate park, recreation offices, storage facilities, all parking lots and the tennis court area.

Ellen Buckingham, SV resident, expressed concerns regarding access issues to City parks and facilities and requested the consultant evaluate all areas.

Mayor Bustichi asked RDM Ard if the items noted by Ms. Brannan could be included in the audit.

RDM Ard stated that some of the items noted were already included, and that all City facilities would be included audit.

M/S: Aguilar/Lind

To approve the agreement for professional services between the City of Scotts Valley and the Recreation Accessibility Consultants, LLC in the amount of \$33,449 for a system-wide access audit & development of a transition plan.

Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)

1. **Consider approval of first reading and introduction of the Ordinance No. 189, adding Chapter 5.38 to Title 5 of the Scotts Valley Municipal Code requiring firearms dealers to meet certain requirements and to obtain a firearms dealers license, and approve Resolution No. 1908 establishing a firearms dealer license fee of \$150.00, to locally regulate and enforce the sales of firearms**

PL Wilson presented the written staff report and responded to questions from Council.

PC Weiss provided additional detail regarding this item and responded to questions from Council.

VM Lind recommended that gun shops not be allowed in homes and stated that she would like existing gun shops who are grandfathered in to comply with the security steps.

The following spoke in opposition to this ordinance:

Lee Ewing, owner of Pacific Military Arms and Service
Chris Culligan, SLV resident
Richard Veil, Santa Cruz resident
David Ralston, SV resident
Chuck Gilbert, SV resident
Robert De Forge, owner of Santa Cruz Armory
Bob Ro, General Manager of Santa Cruz Armory
Brannon Schell, owner of NorCal MedTac and employee of Santa Cruz Armory
Michael Mancebo, Santa Cruz resident
Perry Ralston, owner of Perry's Sporting Goods
Ruben Lopez, SV resident
Dave Truslow, San Jose resident
Matt Snow, SLV resident
Nathan Taylor, SV resident
John Crites, SV resident
Chris Parker, SV resident
Grant Wrathall, Santa Cruz resident
Annette Mello, SLV resident
Ken Lewis, SLV resident
Eric Sharping

The following spoke in support of this ordinance:

Martin Spierings, SV resident

Jack Dilles, SV resident, recommended applying this to existing businesses

Mayor Bustichi stated that he does not support this ordinance because he feels it is repetitive with state and federal regulations. He recommended working with local gun shop owners to evaluate possible options to enhance safety.

VM Lind stated that she supports the idea of City Police and Planning staff working with the local gun shop owners to work on key items to bring back to Council.

CM Johnson stated that he does not support this ordinance and agreed with Mayor Bustichi's comments regarding this ordinance. He recommended on-site inspections and working with local gun shop owners.

CM Aguilar recommended changes as follows should this come back to the Council: removing high risk alcohol area, removing 1,000 foot proximity requirements, mainly focus on schools, do not require video surveillance that requires recording facial features, and incorporate security systems for existing businesses.

The majority of the Council agreed to have City Police Department and Planning Department staff work with local gun shop owners to evaluate possible options to enhance safety for existing and potential future firearms dealers.

2. Consideration of Scotts Valley Library upgrades

CM Ando presented the written staff report and responded to questions from Council.

CM Aguilar spoke in support of a new roof and new HVAC units. She stated that she would only support the bond if the City were able to get additional funding to use toward the theater.

CM Reed stated that he is not in support of the Attain plan, which would include expanding into the space that the Scotts Valley Community Theater Guild is now renovating. He spoke in support of the Gain plan, which would include sound proofing. He stated that he would like to see bond amounts more equitably structured.

CM Johnson spoke in opposition to the bond based on its current structure and expressed concerns about the amount of return to Scotts Valley, based on our needs, and the inequality of what the costs would be to Scotts Valley citizens compared to the benefits received from the bond measure.

Mayor Bustichi spoke in opposition to the bond based on its current structure and expressed concerns about the amount of return to Scotts Valley, based on our needs, and the inequality of what the costs would be to Scotts Valley citizens compared to the benefits received from the bond measure. He stated that he would like to see parity with what Live Oak would be receiving.

Lee Besse, Scotts Valley Community Theater Guild, requested that the Theater Guild be included in any discussions regarding the roof, HVAC, and soundproofing.

The Council stated that they would like to get at least what everyone else would be getting as it relates to non-library facilities.

CM Reed stated that he would like to see any additional funding be used for integration with the Town Center, the Theater, the Boys & Girls Club, and recreation facilities.

3. Consideration of Siltanen Park Little League Lights project funding

PWD Hamby presented the written staff report and responded to questions from Council.

Mayor Bustichi stated that he would like to have some idea of whether the City will have community support for this project before considering funding.

CA Powell explained the process that is required for this project. She stated that initial costs for the environmental review would be approximately \$15,000 assuming an EIR is not required.

CM Johnson stated that he would like to know what the benefits to Scotts Valley would be for this kind of investment and expressed concerns regarding the costs.

Corky Roberson, Scotts Valley Little League, spoke regarding the project, stated that the Board agreed to pay 50%, and responded to questions from Council.

CM Aguilar asked if the Board would be willing to pay 50% of the \$15,000 to go through the CEQA/negative declaration process.

Mr. Roberson agreed to the \$7,500 cost for the CEQA/negative declaration process.

Mayor Bustichi clarified that participation in the CEQA/negative declaration process would not guarantee that the lights would be approved and funded.

Wendy Brannan, SV resident, expressed concerns about light and noise issues, parking lot improvements, benefits based on costs, additional unforeseen expenses, and the improvements needed at other facilities.

CA Powell stated that the process for this project would start with Little League applying for a use permit application in order to begin the CEQA/negative declaration process, and should additional environmental review be needed staff would come back to the Council for additional direction.

M/S: Lind/Johnson

To authorize Little League to begin the use permit application process, approve the expenditure of up to \$7,500 to share in the cost of the CEQA/negative declaration process with Little League (approximately \$15,000), and to return to Council for additional direction should an EIR be required.

Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)

4. Consideration of update to school site modulars and Skypark tennis area improvements

PWD Hamby presented the written staff report and responded to questions from Council.

CM Johnson stated that he did not support bathrooms and a storage area for the tennis courts and that he could not support new modulars this year.

VM Lind recommended applying for grant monies for the modular buildings.

CM Aguilar recommended moving forward with a grant application and loan application at the same time to expedite the process. She stated that she did not feel restrooms were an appropriate expenditure at this time for the tennis court area.

CM Reed stated that he would like more information to help Council prioritize the expenditure of funds. He supports the modulars and feels they are a top priority, but recommended the tennis court area be considered after the modulars.

Eric Seib, Parks & Recreation Commission Chair, spoke in support of the staff recommendations.

Wendy Brannan, SV resident, recommended looking at the use of park impact fees for restrooms at the tennis courts based on the increased use.

Marcia Bliss, past SV resident, spoke in support of including restrooms at the tennis courts due to the increased use for pickle ball and dodge ball. She also stated that they have no storage for pickle ball nets at this time and they have to load and bring them every weekend to the courts for set-up.

Dan Bliss, just returned from a national pickle ball tournament in Oregon, and recommended approving the improvements as requested by staff.

Mayor Bustichi stated that he would like some time to prioritize the issues in items 4 and 5, and make a more informed decision.

M/S: Reed/Bustichi

To continue this item to allow time to further evaluate these projects.

Carried 5/0 (AYES: Bustichi, Johnson, Lind, Reed; ABSTAIN: Aguilar)

5. Consideration of Siltanen Park improvements

Wendy Brannan, SV resident, expressed concerns about ADA compliance, building safety, and barbecue area safety.

M/S: Reed/Bustichi

To continue this item to allow time to further evaluate these projects.

Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)

6. Future Council agenda items

None.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 9:50 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 Mid Management Group, Management Group, Scotts Valley Police Bargaining Unit, Scotts Valley Police Supervisors Association.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 10:15 p.m.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Bustichi announced that there was nothing to report.

ADJOURNMENT The meeting adjourned at 10:15 p.m.

Approved: _____
Dene Bustichi, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
003216	ADVANTAGE DRIVING SCHOOL	105142	08/21/15	1,596.00
002059	ALCOPRO, INC	105143	08/21/15	91.00
001818	ALLIANT INSURANCE SERVIC	105144	08/21/15	296.00
000881	ALVAREZ INDUSTRIES INC.	105145	08/21/15	1,589.00
001528	AMERICAN MESSAGING	105146	08/21/15	69.16
003319	ARMSTRONG/KILEY	105147	08/21/15	1,460.00
000998	ASSOCIATED SERVICES CO.	105148	08/21/15	98.61
000097	AT&T	105149	08/21/15	9.27
001822	BC LABORATORIES INC.	105150	08/21/15	274.00
001963	BELLVILLE/WAYNE	105151	08/21/15	157.50
003419	BIKE DOJO, LLC	105152	08/21/15	595.00
000437	BRASS KEY LOCKSMITH	105153	08/21/15	4.01
001956	CENTRAL COAST CISM TEAM	105154	08/21/15	187.50
003005	CHALLENGER SPORTS CORPOR	105155	08/21/15	3,571.40
001051	COASTAL EVERGREEN CORP	105156	08/21/15	850.00
000761	COMMUNITY BRIDGES	105157	08/21/15	2,224.75
003374	CRIMINAL JUSTICE COUNCIL	105158	08/21/15	3,000.00
003043	CSG CONSULTANTS, INC	105159	08/21/15	3,428.49
000207	DEPARTMENT OF JUSTICE	105160	08/21/15	74.00
003354	ELITE MARTIAL ARTS, INC	105161	08/21/15	63.00
003035	FELTON DENTAL CENTER	105162	08/21/15	1,190.00
003460	GISSING/DEBORAH	105163	08/21/15	63.00
001042	GOLDEN GATE PETROLEUM	105164	08/21/15	6,378.47
001657	GOLDEN GATE TRUCK CENTER	105165	08/21/15	606.30
001898	GUARD PRODUCTS INC	105166	08/21/15	2,005.96
002095	HF SCIENTIFIC	105167	08/21/15	185.55
000615	HOHMANN/PATRICK J.	105168	08/21/15	163.07
002070	HOMELESS SERVICE CENTER	105169	08/21/15	396.00
001925	INDUSTRIAL CHEM LABS &	105170	08/21/15	200.96
003176	JONES & MAYER	105171	08/21/15	517.50
003292	KIMLEY-HORN & ASSOCIATES	105172	08/21/15	1,244.25
003292	KIMLEY-HORN & ASSOCIATES	105173	08/21/15	22,287.56
003292	KIMLEY-HORN & ASSOCIATES	105174	08/21/15	5,158.80
003292	KIMLEY-HORN & ASSOCIATES	105175	08/21/15	9,574.20
.14937	KOST/JESSICA	105176	08/21/15	86.09
000332	LABOR READY INC	105177	08/21/15	329.70
000698	LAS ANIMAS CONCRETE & BU	105178	08/21/15	248.90
003430	LAURIE/JERMEL	105179	08/21/15	639.50
001486	LEWIS/OWEN	105180	08/21/15	195.00
003389	LOCKE/CERINA	105181	08/21/15	15.62
.14939	MARTINEZ/JAIRO	105182	08/21/15	201.96
001234	MC GRAW DDS/BERNARD	105183	08/21/15	234.00
003171	MICHALAK/GENE	105184	08/21/15	110.00
000083	MISSION UNIFORM SERVICE	105185	08/21/15	757.48
000967	MONTEREY BAY SYSTEMS	105186	08/21/15	390.86
001418	MONTEREY REGIONAL	105187	08/21/15	5,144.70
001575	MULLIGAN/MARY	105188	08/21/15	373.80
001615	OLIN CORP-CHLOR ALKALI	105189	08/21/15	2,181.24

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
	001955	PACIFIC TRUCK PARTS, INC	105190	08/21/15	329.21
	000098	PALACE ART & OFFICE	105191	08/21/15	1,435.17
	003268	PHILLIPS/WENDY	105192	08/21/15	472.50
	000723	PIED PIPER INC./THE	105193	08/21/15	55.50
	003311	PIKE/JAMES	105194	08/21/15	3,164.25
	003102	POHLE/TOM	105195	08/21/15	31.50
	001233	PORTER DDS MS/BRENT J	105196	08/21/15	170.00
	001039	POSTON/ED	105197	08/21/15	232.00
	003137	RUIZ/JIM	105198	08/21/15	500.00
	001823	SANTA CRUZ CO ENVIRONMEN	105199	08/21/15	992.00
	001823	SANTA CRUZ CO ENVIRONMEN	105200	08/21/15	2,666.00
	001544	SANTA CRUZ COUNTY CONFER	105201	08/21/15	27,236.88
	000985	SANTA CRUZ/COUNTY OF	105202	08/21/15	7,519.00
	000128	SCARBOROUGH LUMBER	105203	08/21/15	1,638.97
	000129	SCOTTS VALLEY BANNER	105204	08/21/15	110.00
	000133	SCOTTS VALLEY SPRINKLER	105205	08/21/15	10.11
	000405	SILVERSTEIN/THOMAS	105206	08/21/15	3,134.05
	001535	SKIP'S TIRE & AUTO CENTE	105207	08/21/15	340.64
	002053	STEPFORD	105208	08/21/15	5,313.00
	001361	STEVENS DDS/JOHN A	105209	08/21/15	147.40
	000143	SUMMIT UNIFORMS	105210	08/21/15	1,159.29
	001085	SYCAL ENGINEERING INC	105211	08/21/15	8,478.10
	001589	TELECOMMUNICATIONS	105212	08/21/15	2,220.25
	001959	TESSENDERLO KERLEY, INC	105213	08/21/15	865.21
	000153	THOMSON REUTERS-WEST	105214	08/21/15	269.86
	001366	U.S. BANCORP OFFICE	105215	08/21/15	401.02
	001803	VARGAS ACADEMY OF	105216	08/21/15	1,085.00
	001106	VERIZON WIRELESS	105217	08/21/15	896.78
	.14938	WALSH/MELODY	105218	08/21/15	51.66
	.14936	WHITE/BRUCE	105219	08/21/15	30.00
	003166	WISDOM/ANGIE	105220	08/21/15	710.00
	GENERAL CHECKING ACCOUNT				152,184.51 ***

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
08/21/2015 15:49:29
GL540R-V07.27 PAGE 3

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				152,184.51

RECORDS PRINTED - 000139

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
08/21/2015 15:49:29
GL060S-V07.27 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	61,566.36
004	RECREATION	16,010.39
008	TRAFFIC IMPACT MITIGATION	3,353.22
009	PARKS & REC FACILITIES	1,244.25
010	WASTEWATER OPERATIONS	29,534.25
011	TERTIARY TREATMENT PLANT	3,630.16
025	GENERAL TRUST	31,861.76
028	SENIOR CENTER	377.64
035	GREEN BUILDING FUNDING	309.53
112	DENTAL INS INTERNAL SERV	2,380.90
123	COMMUNITY FACILITY CENTER	420.00
150	GENERAL CAPITAL IMPROVEMENTS	1,496.05
TOTAL ALL FUNDS		152,184.51

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	152,184.51
TOTAL ALL BANKS		152,184.51

City of Scotts Valley INTEROFFICE MEMORANDUM

DATE: September 2, 2015
TO: Honorable Mayor and City Council
FROM: Steve Ando, City Manager
SUBJECT: Approval of Responses to Grand Jury Reports

SUMMARY OF ISSUE

On June 9, 2015, the City received two reports from the Santa Cruz County Grand Jury entitled "Funded for the Future? Retirement Costs and Obligation in Santa Cruz County," and "Recipe for Failure: Shrinking Budgets and Increasing Needs for Emergency Homeless Shelters." On June 23, 2015, the City received a third report from the Grand Jury entitled "Composting Organic Waste in Santa Cruz County. Time for a Regional Solution."

The due dates for responding back to the Grand Jury are September 10 for the first two reports and September 24 for the third report. Responses to all three reports are provided in this agenda packet for Council's review and approval. Once approved, City staff will forward the responses to the Grand Jury.

FISCAL IMPACT

None at this time. Regarding the retirement cost report, future potential costs could include pre-funding of retiree medical insurance. However, these monies would be invested through the CalPERS Trust Fund which would provide investment income to help offset these costs. Regarding the emergency homeless shelter report, if an alternative emergency homeless shelter site were to be found, potential costs above any grant funding may be required of the local agencies to fund the project. The services for organic waste processing will be funded by the businesses needing these services in the same way refuse collection services are provided.

STAFF RECOMMENDATION

That Council approve the responses to the three Grand Jury reports.

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City Response to "Composting Organic Waste in Santa Cruz County. Time for a Regional Solution".....	21
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Santa Cruz County Civil Grand Jury

2014-2015 Response Packet

Funded for the Future?

Retirement Costs and Obligations in Santa Cruz County

Scotts Valley City Council

Due date: 90 Days (by Thursday, Sept.10, 2015)

When finished, email the completed response packet as a file attachment to:
grandjury@co.santa-cruz.ca.us

Instructions for Respondents

California law PC § 933.05 requires that those responding to a Grand Jury report must provide a response for each individual finding and recommendation within a report, not a generalized response to the entire report. Explanations for disagreements and timeframes for further implementation or analysis must be provided.

Please follow the format below when preparing your response.

Response Format

1. Find the Responses Required table that appears near the end of the report. Look for the row with the name of the entity you represent and then respond to the Findings and/or Recommendations listed in that row using the custom packet provided to you.
2. For Findings, indicate one of the following responses and provide the required additional information:
 - a. AGREE with the Finding,
 - b. PARTIALLY DISAGREE with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. DISAGREE with the Finding and provide an explanation of the reasons therefor.
3. For Recommendations, select one of the following actions and provide the required additional information:
 - a. HAS BEEN IMPLEMENTED, with a summary regarding the implemented action,
 - b. HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE, with a timeframe or expected date for implementation,
 - c. REQUIRES FURTHER ANALYSIS, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report,
 - d. WILL NOT BE IMPLEMENTED because it is not warranted or is not reasonable, with an explanation therefor.

If the respondent is a governing body, please provide the voted response of the body as a whole. Individual responses from members of a governing body will not be published.

If you have questions about the response report please contact the Grand Jury by calling 831-454-2099 or by sending an e-mail to grandjury@co.santa-cruz.ca.us.

How and Where to Respond

1. Please download and fill out the Response Packet provided to you for your responses. Please respond to each finding and recommendation. Be sure to save any changes you make to the packet.
2. Print and send a hard copy of the Response Packet to:
The Honorable Judge Rebecca Connelly
Santa Cruz Superior Court
701 Ocean Street
Santa Cruz, Ca 95060
3. Email the completed Response Packet, as an attachment, to the Grand Jury at grandjury@co.santa-cruz.ca.us.

Due Dates

Elected officials or administrators are required to respond within 60 days of the Grand Jury report's publication. Responses by the governing body of any public entity are required within 90 days.

Penal Code § 933.05

1. For Purposes of subdivision (b) of § 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of § 933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.

A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

6.

Findings

Finding 1: Continually rising retirement costs and obligations put funding of jurisdictions' services and projects at risk.

☐ **AGREE**

☒ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than "Agree"):

Rising retirement costs do put pressure on the budget, but it is not the only factor. Personnel costs in general are 80% of the City's General Fund budget. Retirement costs are a part (13%) of that overall cost. The City needs to stay competitive with salaries to keep qualified employees. Salaries are a much larger part of the budget at 42%.

The economy is another large factor to having the resources to provide services. The City has endured two economic downturns in the last 10 years. These were prior to the latest increase in retirement costs. The City needed to take measures during those time periods to maintain its budget. The City will continue to take necessary steps in the future due to any factors affecting its budget.

Finding 2: A clear and complete statement of the total retirement costs and obligations has not been provided in the budget narrative for either the public or elected officials.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than "Agree"):

The City does provide more information in its annual financial statements as required disclosures directed by the Governmental Accounting Standards Board. The budget provides budgeted line items for each department, but also provides a General Fund recap of total amounts for each budget line item, including retirement. The budget is primarily a document for that fiscal year's budgeted revenues and expenditures, but information regarding future costs could be incorporated into the narratives.

Finding 3: Enrollment in the CalPERS Employers Retiree Benefit Trust Fund reduces employer contributions, prevents retiree health obligations from becoming a significant budget liability, and contributes to a positive credit rating.

☐ **AGREE**

☒ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Enrollment is only part of the solution. There are no mandatory contributions for this Trust Fund. Contributions can be made as the City wants or has the resources to do so. Having sufficient funds to invest in the Trust Fund is the main issue. This relates back to Finding #1 above regarding budget impacts on the City and having sufficient funds to meet the various competing needs in the budget.

Employer contributions are reduced through investment earnings from City funds invested in the Trust Fund. Without sufficient resources to invest, any meaningful reduction in employer contributions will not happen. The same holds true for preventing the retiree health obligations from becoming a significant budget liability and contributing to a positive credit rating.

Recommendations

Recommendation 1: To prevent reductions in public services, each of the six public agencies studied in this report should increase, and make public, their efforts to manage and reduce retirement costs and obligations.

☒ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☐ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

As discussed above in Finding 1, retirement costs are not the only factor in the budget. Competitive salaries and the economy also play a part in the development of a balanced budget. Most recently, the City did have an agenda item on its August 5 Council meeting to discuss the City's structural deficit in general. The City plans to have further meetings on this subject in the future. Further back, the City has discussed the actions it has taken to manage the City's budget during its budget discussion Council meetings.

Recommendation 2: Each of the six public agencies studied in this report should provide, in language understandable to the public, the totality of retirement obligations in their annual budget narratives beginning with the fiscal year 2015/16 budget.

☐ **HAS BEEN IMPLEMENTED**

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** - indicate timeframe below

☐ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

The budget document for the 2015-16 fiscal year had already been prepared by the time this Grand Jury report was received by the City. More information will be provided in next year's budget document.

The City does provide information on its retirement plan and retiree medical plan in its annual financial statements. The annual financial statements are normally available in December after the June 30 fiscal year end date. The information provided is according to the disclosure requirements of the Governmental Accounting Standards Board.

Recommendation 3: The Board of Supervisors and the City Councils of Santa Cruz, Scotts Valley and Watsonville should enroll in the California Employers Retiree Benefit Trust Fund (CalPERS Trust Fund) to pre-fund retiree health obligations and unfunded liabilities.

☐ **HAS BEEN IMPLEMENTED**

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** - indicate timeframe below

☐ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

At the City Council's August 5, 2015, meeting, Council decided that the City should set aside reserves for retiree medical obligations. The City will enroll in the CalPERS Trust Fund by the end of the calendar year and will fund it in accordance with direction from Council.



Santa Cruz County Civil Grand Jury

2014-2015 Response Packet

**Recipe for Failure: Shrinking Budgets and Increasing
Needs for Emergency Homeless Shelters**

Santa Cruz County Board of Supervisors

Due date: 90 Days (by Thursday, September 10, 2015)

When finished, email the completed response packet as a file attachment to:
grandjury@co.santa-cruz.ca.us

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6.

Findings

Finding 1: Local jurisdictions have not provided adequate emergency shelter to accommodate the vast majority (80%) of the more than 3,500 total homeless persons in Santa Cruz County (using 2013 PIT data).

☒ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

The County and the four cities work together under the auspices of the Homeless Action Partnership (HAP). The HAP's strategy is to prioritize permanently ending homelessness for people experiencing it through national best practice strategies such as permanent supportive housing and homelessness prevention and rapid rehousing programs. While we believe this is the right approach to end homelessness for individuals experiencing it, we recognize the ongoing need for emergency shelter, and we have worked to fund and ensure availability of emergency winter shelter each year in both North and South County.

Finding 2: Despite persistent unmet needs, local jurisdictions have chosen not to fund or plan to increase the number of emergency shelter beds and services.

☐ **AGREE**

☒ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Over the last several years there has been an increased number of emergency shelter beds and services in North County. Those projects include the Paul Lee Loft in 2008, and the Recuperative Care Center in January of 2014 serving medically vulnerable people who are homeless and being discharged from hospitals. In addition, while not the subject of this report, additional shelter beds in Watsonville have been or are being opened through the Pajaro Rescue Mission/Teen Challenge and the Paget Center serving homeless veterans, which opened in 2013.

Although as a region we are prioritizing permanent supportive housing, rapid rehousing and prevention, considering additional emergency and interim services is a key action strategy under *All-In*, the recently adopted county-wide strategic plan, which states:

“Engage the community around developing additional emergency and interim services for unmet health and safety needs of persons living outdoors, including small shelters around the county, warming centers and improvements to existing shelters.” (*All-In* page 28)

Obviously, as long as people are sleeping outside more needs to be done to identify the resources needed to end homelessness and to shelter individuals who are experiencing it. The FY 2015/16 budget adopted by the Board of Supervisors includes an additional Homeless/Housing Coordination staff person who will be located in the County Administrator's Office and will work with the Inter-agency Staff Coordinating Group.

Finding 3: Reliance on the National Guard Armory with its strict rules and regulations limits the effectiveness of the North County Emergency Winter Shelter.

☐ AGREE

☒ PARTIALLY DISAGREE - explain disputed portion below

☐ DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

The National Guard Armory is accessed through a "License to Use State Military Facility" between the County of Santa Cruz and the Military Department, State of California. The License makes the armory facility available for use as an Emergency Shelter nightly between the hours of 6:00 PM through 7:00 AM October 15th through April 15th except "during any period that any organization of the State Militia or of the Armed Forces of the United States is conducting drills or other military training or activity at the armory". Besides limiting hours of use the License prohibits the use of intoxicating beverages and tobacco, and stipulates daily cleaning requirements.

Use of the facility is in accordance with California Government Code §15301-15301.6 as an emergency response operation in order to prevent "the loss of life" of homeless persons during winter weather conditions. The State requires the operator to ensure basic safety and security.

Limited nighttime-only access to shelter in a cavernous crowded facility is not a program that anyone would design to effectively end homelessness. The goal of the winter shelter program is to provide emergency night-time shelter. Cold weather emergency shelter does not solve homelessness for individuals but is a last resort humanitarian provision of shelter.

Parameters set by the State Military Department are not the primary factor limiting effectiveness of the Armory; it is likely that any site used for this purpose would have many of the same limitations. The primary factors that limit the effectiveness of the Armory are outlined elsewhere in the Grand Jury report, and include the number of beds and the costs associated with transporting clients to the site.

Finding 4: The absence of a back-up plan to replace the National Guard Armory threatens the continuing existence of the North County Emergency Winter Shelter program.

☐ AGREE

☒ PARTIALLY DISAGREE - explain disputed portion below

☐ DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

As described above, the Armory is a facility that provides minimal emergency winter shelter. The building is owned by the State Department of the Military and access to it for cold weather shelter is dependent on the State's ability to provide staffing at the facility. While the State's ability to provide access is assessed annually, the Military Department has demonstrated a commitment to continue the program.

The County and the four cities jointly provide funding to operate emergency winter shelter programs through the Homeless Action Partnership (HAP) and have demonstrated their commitment to emergency winter shelter by providing decades of funding for the programs.

On multiple occasions the jurisdictions have sought to identify alternative sites for winter shelter. There are very limited sites that could serve this purpose. Potential alternative sites have been ruled out for reasons ranging from neighborhood concerns, transportation requirements, access to services required to safely run an emergency program (meals, bathrooms, showers) and funding. Finally, an alternative site would require significant investments of financial capital and political will.

As stated above, emergency shelter does not end or shorten an individual's experience of homelessness and the significant reduction of homelessness (44% reduction since 2013 according to the 2015 Santa Cruz County Homeless Census and Survey) can be attributed, at least in part, to prioritizing effective programs proven to end homelessness. These programs include permanent supportive housing and prevention and rapid rehousing. Each of the jurisdictions participates in funding for programs that employ these strategies.

The jurisdictions appreciate the Grand Jury's concern with the issues at the Armory and the jurisdictions will continue to seek alternative sites for emergency cold weather shelter.

Finding 5: Insufficient emergency shelter capacity limits access to coordinated entry services for the homeless population.

☐ **AGREE**

☐ **PARTIALLY DISAGREE - explain disputed portion below**

☒ **DISAGREE - explain below**

Response explanation (required for responses other than “Agree”):

Developing a coordinated entry system is a key strategy identified in *All-In* the county-wide strategic plan to address homelessness. A coordinated entry system streamlines and targets crisis response that quickly assess a household’s needs and provides tailored resources for persons in crisis. Coordinated entry is required by the Department of Housing and Urban Development for Continuum of Care under the HEARTH Act. The HAP is in the process of developing and identifying funding to implement such a system.

The essential premise of a coordinated entry system is to streamline access to services so that there is no “wrong door” for entry to services. While we agree with the Grand Jury’s assessment that emergency shelter is a potential point for a homeless person to access a coordinated entry system, it is not the only access point for services and we are striving to provide a streamlined range of access to homeless services. We fully intend to have all County and City funded emergency shelters participate in the coordinated entry system.

Finding 6: Insufficient numbers of personnel and case managers at the emergency shelters limit the services that can be provided to homeless individuals.

☐ **AGREE**

☒ **PARTIALLY DISAGREE - explain disputed portion below**

☐ **DISAGREE - explain below**

Response explanation (required for responses other than “Agree”):

There is no question that case management services are a key component to end homelessness for many individuals. This need is recognized by local nonprofit agencies, jurisdictions, the Homeless Action Partnership and Smart Solutions to Homelessness. Case management support linked with access to housing is the solution to homelessness for a significant share of the people experiencing it and there are shelter programs focused specifically on pairing emergency shelter to case management to lead to permanent housing.

Services that are offered at the Armory are limited to those required to operate a safe cold weather shelter. Homeless individuals can and do form relationships and build trust with staff with the Homeless Services Center, the program operator, but case management is not specifically part of the program. There is a much more pressing need for case management services for people who are on a path to permanent housing. Recognizing the role of year round shelter programs to resolve homelessness, HSC has recently adapted their program at the Pau Lee Loft to pair case management with housing resources for people on a pathway to permanent housing.

While resources are constrained, we are constantly looking for opportunities for additional case management funding. In the absence of sufficient funding the community has been providing volunteer resources such as the Wings and the Housing Navigator programs associated with the 180/2020 Initiative. Additional case management is supported through Community Grant programs and has been included in an application for CDBG funds submitted by the County.

Finding 7: Insufficient number of staff dedicated to grant writing results in missed grant funding opportunities.

☐ AGREE

☒ PARTIALLY DISAGREE - explain disputed portion below

☐ DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

When it was announced this spring that the Homeless Services Center (HSC) was not awarded funding through the State’s Emergency Solutions Grant program it became clear that funding and operating a multi-service program is complex and dynamic. Skilled response to varied and changing funding opportunities is a vital component to stability, and the level of staffing dedicated to fund development is determined by HSC.

The HAP has been very successful in raising funds for homeless services from federal and State sources, bringing in close to \$30,000,000 since 2001.

Recommendations

Recommendation 1: Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should develop plans to provide increased emergency shelter on a priority basis to the most vulnerable populations first, including families, youth, women, and the elderly.

☒ HAS BEEN IMPLEMENTED

☐ HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

- indicate timeframe below

☐ REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

☐ WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

Strategies to end homelessness for vulnerable populations is underway. These include the following:

- The County’s Human Services Department is providing CalWorks housing support program through a partnership with the Homeless Services Center Rebele Shelter that is shortening the length of stay for homeless families and transitioning them to stable housing quickly;
- The County’s Planning Department provides the maximum funding allowed for its former redevelopment funds in the Low and Moderate Income Housing Asset Fund for

homeless prevention and rapid rehousing targeted to prevent and shorten family and individual experiences of homelessness;

- The Homeless Action Partnership is developing a Coordinated Entry system that will streamline access to services and end homelessness quickly.
- The Coordinated Entry system will implement the VI-SPDAT, a vulnerability index that ensures that the most vulnerable homeless individuals in our community access appropriate services;
- Community Programs funding across jurisdictions is focused on outcome based approaches;
- The opening of the Paul Lee Loft in 2008 provided 48 year round emergency shelter beds. This program is currently being revised to focus on vulnerable populations on a path to housing;
- The Recuperative Care Center was opened in 2014 providing medical respite for people who are homeless and are being discharged from the hospital but require follow up care and a safe and healthy environment;
- The County has established an Inter-agency Staff Coordinating Group to ensure that a system approach for care coordination is in place for vulnerable populations.

The jurisdictions believe that these and other strategies more quickly and effectively end homelessness among the most vulnerable individuals experiencing homelessness than emergency shelter.

Recommendation 2: Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should seek a more permanent, accessible and expandable site for the North County Emergency Winter Shelter program.

☐ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☒ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

Jurisdictions have been and will continue to seek to identify an alternative site to the Armory for emergency winter shelter. Considerations include neighborhood impacts and competing priorities for funding.

During the next 6 months the following steps will be taken to identify an alternate site: the HAP Executive Committee will meet and will identify potential sites that include a building or buildings that could safely shelter a minimum of 75 people for emergency night time shelter, if any sites are found that appear potentially feasible, the HAP will performed a more detailed analysis and present such report to the Board of Supervisors and the relevant city councils.

Recommendation 3: Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should allocate more funds for additional case managers for the local emergency shelters.

☒ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☐ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

Additional funding for case management has been a priority of both local jurisdictions and nonprofit agencies. Funding has been provided by County Human Services CHAMP program, identified above, HSC has been awarded HUD funds through the HAP to provide case management and permanent housing for chronically homeless disabled individuals, a County application for CDBG funds has been submitted that, if successful, would provide three additional case managers for chronically homeless and medically vulnerable people. In addition, case management positions have been funded through Supportive Services for Veteran Families grants and the HUD VA Supportive Housing (VASH) program.

All jurisdictions have adopted *All-In* and are coordinating funding efforts for implementation based upon its principles.

Recommendation 4: Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should allocate additional staff to seek more grant funding for emergency shelters.

☒ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☐ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

The County's Fiscal Year 2015-16 Budget includes funding for a full time Homeless Coordinator working out of the County Administrator's Office.

The HAP is providing funding to the Homeless Services Center for technical assistance to support the organization's competition for future State Emergency Solutions Grant program funding.



Santa Cruz County Civil Grand Jury

2014-2015 Response Packet

Composting Organic Waste in Santa Cruz County

Time for a Regional Solution

Scotts Valley City Council

Due date: 90 Days (by Sept. 24, 2015)

When finished, email the completed response packet as a file attachment to:

grandjury@co.santa-cruz.ca.us

Instructions for Respondents

California law PC § 933.05 requires that those responding to a Grand Jury report must provide a response for each individual finding and recommendation within a report, not a generalized response to the entire report. Explanations for disagreements and timeframes for further implementation or analysis must be provided.

Please follow the format below when preparing your response.

Response Format

1. Find the Responses Required table that appears near the end of the report. Look for the row with the name of the entity you represent and then respond to the Findings and/or Recommendations listed in that row using the custom packet provided to you.
2. For Findings, indicate one of the following responses and provide the required additional information:
 - a. AGREE with the Finding,
 - b. PARTIALLY DISAGREE with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. DISAGREE with the Finding and provide an explanation of the reasons therefor.
3. For Recommendations, select one of the following actions and provide the required additional information:
 - a. HAS BEEN IMPLEMENTED, with a summary regarding the implemented action,
 - b. HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE, with a timeframe or expected date for implementation,
 - c. REQUIRES FURTHER ANALYSIS, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report,
 - d. WILL NOT BE IMPLEMENTED because it is not warranted or is not reasonable, with an explanation therefor.

If the respondent is a governing body, please provide the voted response of the body as a whole. Individual responses from members of a governing body will not be published.

If you have questions about the response report please contact the Grand Jury by calling 831-454-2099 or by sending an e-mail to grandjury@co.santa-cruz.ca.us.

How and Where to Respond

1. Please download and fill out the Response Packet provided to you for your responses. Please respond to each finding and recommendation. Be sure to save any changes you make to the packet.
2. Print and send a hard copy of the Response Packet to:
The Honorable Judge Rebecca Connelly
Santa Cruz Superior Court
701 Ocean Street
Santa Cruz, Ca 95060
3. Email the completed Response Packet, as an attachment, to the Grand Jury at grandjury@co.santa-cruz.ca.us.

Due Dates

Elected officials or administrators are required to respond within 60 days of the Grand Jury report's publication. Responses by the governing body of any public entity are required within 90 days.

Penal Code § 933.05

1. For Purposes of subdivision (b) of § 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of § 933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.

A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

Findings

Finding 1: Compostable organic waste, which makes up approximately one third of municipal solid waste, must be diverted in order to extend the life of Santa Cruz County landfills and meet state mandates, specifically AB 1826.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Finding 2: Unless Santa Cruz County and the cities of Santa Cruz, Capitola, Scotts Valley and Watsonville invest politically and financially in large-scale organics recycling systems, they will be out of compliance with AB 1826 by the year 2020 or sooner.

☐ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☒ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

The City of Scotts Valley contracts with Green Waste Recovery for its refuse, recycling, and yard waste collection services. Green Waste Recovery has the capabilities of collecting and properly disposing of the organic waste as required by AB 1826. If Scotts Valley were to contract for this service, the City would not need to invest in a large-scale organics recycling system.

Finding 3: Santa Cruz County and the cities of Capitola, Scotts Valley, and Watsonville all passed resolutions in 2005 recommending a regional composting facility, but as of 2015, no facility has been constructed, nor is there a completed plan to do so.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Finding 5: Unless the Monterey Regional Waste Management District decides to expand its current organic composting facility, Santa Cruz County jurisdictions cannot rely on it as a long-term solution for their organic waste recycling needs.

☐ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☒ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

The Monterey Regional Waste Management District (District) has three different permitted compost projects in operation on site. In checking with the District, they provided the following list of their projects and their capacity status.

1. 5,000 ton per year Anaerobic Digestion Pilot Project
2. 10 permitted acres with a 72,000 cubic yard material allowance.
3. 60 permitted acres with a 500 ton per day maximum permitted tonnage

The status of these 3 projects is as follows:

1. 5,000 ton per year Anaerobic Digestion Pilot Project is operating at 5,000 ton per year capacity however we have the ability to utilize additional food scraps in the raw material feedstock and reduce the quantity of green waste processed. We estimate this project can accept another 500 tons per year of food scraps.
2. We are presently utilizing less than 10,000 cubic yards of material on this site with more than 60,000 cubic yards of surplus capacity or approximately 45,000 tons per year (at 1.33 cubic yards food waste/ton).
3. On this our largest permitted compost parcel, 305 tons per day of capacity is being utilized with a surplus capacity of 195 tons per day which is in excess of 65,000 tons annually.

The District predicts the life span at this time to exceed 100 years. Based on this information, Santa Cruz County jurisdictions can rely on the District as a long-term solution for their organic waste recycling needs.

Finding 6: Unless the cities of Watsonville and Scotts Valley develop organic waste recycling programs, neither city will be in compliance with AB 1826 by January 1, 2016.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

If by “develop” it is meant to either come up with our own organic waste recycling program or contract with a provider such as Green Waste Recovery, then this is true.

Finding 7: Rules about what can be put in the “green cart” are inconsistent and not well understood by the general public.

☐ **AGREE**

☒ **PARTIALLY DISAGREE** - explain disputed portion below

☐ **DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

In the Yellow Pages there is a six page Recycle Guide. In that guide it states all the same items that can go into the “green cart” for Capitola, Scotts Valley, and the unincorporated County, as they are all served by the same company, Green Waste Recovery. That same guide is located on the City of Scotts Valley web site. Scotts Valley believes it is not so much that the rules are inconsistent, as they are the same in these three jurisdictions, but that the public is not aware of the rules, despite the information provided regarding them.

Recommendations

Recommendation 1: In order to comply with AB 1826 mandates, the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville should join with Santa Cruz County to form a regional agency to develop a large-scale organics recycling system located in Santa Cruz County.

☐ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☒ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

As stated in Finding 2, the City of Scotts Valley contracts with Green Waste Recovery which could provide this service. An analysis of whether to contract directly with Green Waste Recovery or join a regional agency to develop an organics recycling system needs to be analyzed. This will be done prior to January 1, 2016, the implementation date of AB 1826.

Recommendation 2: The current pilot program for composting food waste from restaurants and other large institutions in Capitola and Santa Cruz County should be expanded to serve other businesses in the AB 1826 first and second tiers throughout Santa Cruz County, including Scotts Valley and Watsonville, until a regional facility can be developed.

☐ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☒ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

This is not the only option for the City of Scotts Valley. As stated in Recommendation 1, Scotts Valley has an option of contracting directly with Green Waste Recovery for these services. These two options will need to be analyzed prior to January 1, 2016, the implementation date of AB 1826.

Recommendation 3: After selection of a composting contractor and technology by the Local Task Force, Santa Cruz County and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville should create a coordinated outreach program to inform businesses and the public about the benefits and requirements of the new organics recycling program.

☐ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☒ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

A coordinated effort may or may not work if different programs are provided by the various jurisdictions. Scotts Valley may contract with Green Waste Recovery and the other jurisdictions may develop their own program. To the extent that information is consistent between the programs, an outreach program could be done. This determination will need to be accomplished once the programs are established, no later than January 1, the implementation date of AB 1826.

Recommendation 4: Curbside “green carts” and bins should be clearly labeled to instruct residential and commercial customers specifying what materials are acceptable.

☐ **HAS BEEN IMPLEMENTED**

☐ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**

- indicate timeframe below

☒ **REQUIRES FURTHER ANALYSIS** - explain scope and timeframe below (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** - explain below

Response summary, timeframe or explanation:

Scotts Valley would want to check with Green Waste Recovery as to their thoughts on the best way to inform the public regarding what can be put into “green carts.” This will be done within the next six months.

Funded for the Future?

Retirement Costs and Obligations in Santa Cruz County

Summary

Public pension costs and retirement obligations have been a major topic in the news due to the increasing costs to governments and public agency employees. The California legislature and Governmental Accounting Standards Board have formulated new standards and reporting for retirement obligations. The Grand Jury investigated the past, current and future retirement costs of six jurisdictions in Santa Cruz County and identified what measures have been taken to manage or reduce costs. The Grand Jury investigated the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, the county of Santa Cruz and the Soquel Creek Water District.

Costs of retirement obligations are projected to continue increasing for the next five years.^[1] The ratio of retirees to the number of employed active members is increasing statewide. More retirees and fewer employees mean retirement costs are spread over fewer people. The goal of the pension program is to have sufficient assets to completely cover (fund) all retirement obligations. Currently the funded ratio range is between 64.9-80.6% for the public agencies in this report. A clear understanding of the total retirement obligation is necessary for both the general public and for the governing bodies tasked with making budgetary decisions.

The Grand Jury found the following:

- Continually rising retirement costs and obligations put funding of jurisdictions' services and projects at risk.
- A clear and complete statement of the total retirement costs and obligations has not been provided in the budget narrative for either the public or elected officials.
- Enrollment in the CalPERS Employers Retiree Benefit Trust Fund reduces employer contributions, prevents retiree health obligations from becoming a significant budget liability, and contributes to a positive credit rating.

The Grand Jury makes the following recommendations:

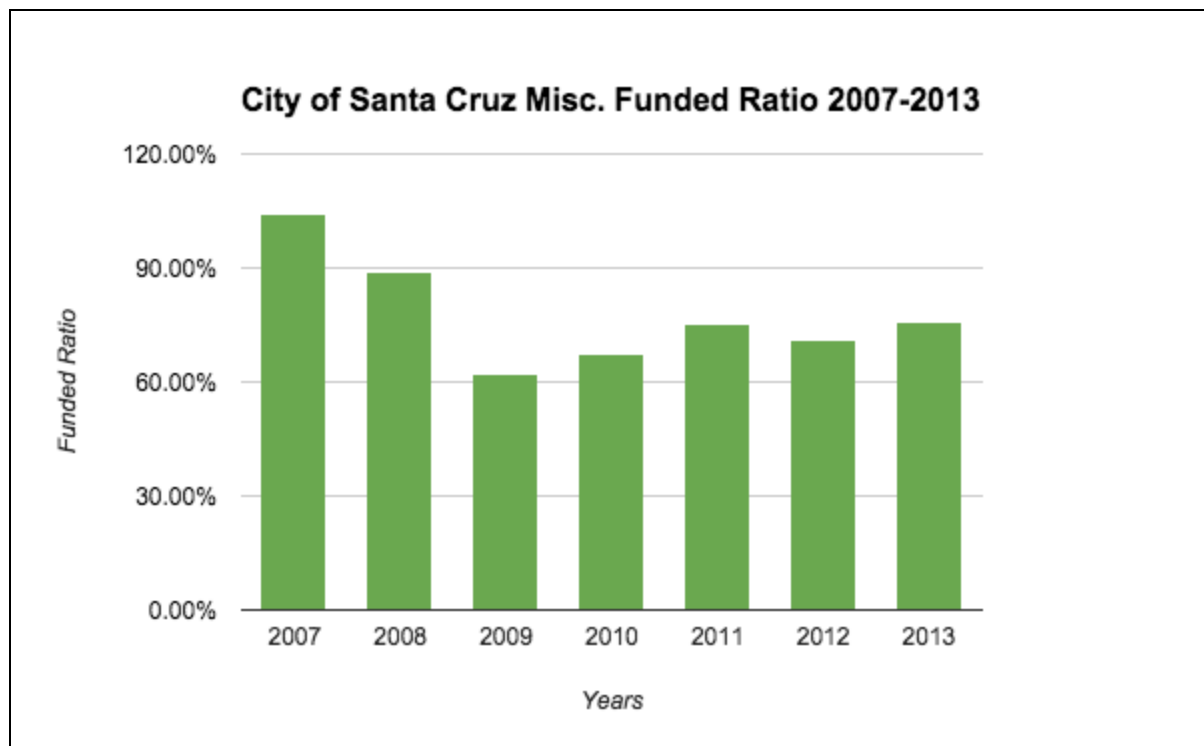
- To prevent reductions in public services, each of the six public agencies studied in this report should increase, and make public, their efforts to manage and reduce retirement costs and obligations.
- Each of the six public agencies studied in this report should provide, in language understandable to the public, the totality of retirement obligations in their annual budget narratives beginning with the fiscal year 2015/16 budget.

- The Board of Supervisors and the City Councils of Santa Cruz, Scotts Valley and Watsonville should enroll in the California Employers Retiree Benefit Trust Fund (CalPERS Trust Fund) to pre-fund retiree health obligations and unfunded liabilities.

Background

Public pension costs have been a major topic of discussion due to the increasing costs to local governments and recent State legislation reforming pensions in California. This legislation, Public Employees' Pension Reform Act of 2013 (PEPRA), became effective January 1, 2013.^[2] The Santa Cruz County Business Council commissioned a study titled "*Unfunded Pension and Retiree Health Care Liabilities in Santa Cruz County, October 2012*," which identified the high costs of retirement obligations.^[3]

In the last eight years, the six public agency pension plans in Santa Cruz County have declined from over 100% funded to as low as 59.9% funded. The primary cause of the drop in funding level was the fact that public pension investments suffered significant losses in fiscal years 2008 and 2009. In those years the California Public Employees Retirement System (CalPERS) had a net negative rate of return of -2.9% and -23.6%, respectively. This resulted in an approximate \$69.9 billion loss of assets.^[4]



Source: City of Santa Cruz Annual Valuation Reports

As an example, the chart above shows that the City of Santa Cruz miscellaneous member plan (for employees who are not police or fire) was funded at 104% in 2007 and declined to 75.9% in 2013.^[5] The ratio of assets to accrued liabilities is the primary

indicator of the health of the pension fund and determines the fiscal health of the plan or risk pool. A funded ratio greater than 100% means the plan or risk pool has more assets than liabilities and a ratio less than 100% means liabilities are greater than assets.

California Public Employees Retirement System (CalPERS)

CalPERS is an independent State agency with sole authority to:

- Administer the retirement funds of contracting public agencies
- Collect both employee and employer annual required contributions (ARCs)
- Manage the investment of funds
- Conduct an annual actuarial valuation of each agency's funds in order to determine the benefit plan contribution level.

CalPERS is the largest public-sector pension system in the United States, serving over 1.7 million members, 3,094 school districts and public agencies, and managing investments of over \$300.3 billion (as of February 2015).^[4]

Each jurisdiction has an individual contract with CalPERS. CalPERS offers a defined benefit plan which provides benefits calculated using a defined formula. When a public agency chooses a defined benefit plan (CalPERS) for its employees, it incurs an obligation to pay employee pensions and provide additional money if the prior contributions invested in CalPERS are insufficient to cover the promised payments. This liability remains with the jurisdiction and is not insured by any third party.

Retirement benefits are calculated using a member's years of service credit, age at retirement and final compensation averaged over a defined period of employment. There are a variety of retirement formulas that are determined by the member's employer, occupation group, and the specific provisions in the contract between CalPERS and the employer. Employees hired after January 1, 2013 are governed by the new PEPPA requirements.

CalPERS manages the public agencies' funds. Funding for retirees comes from three sources:^[4]

1. 67% from investment earnings
2. 21% from employers
3. 12% from employees.

Over the last 30 years, CalPERS investments have earned an average of 9.4% per year. During the last 10 years (2005-2014) investments have earned an average of 7.4%, with an annual high of 18.8% in fiscal year (FY) 2005 and an annual low of -23.6% in FY 2009. CalPERS investments lost \$69.9 billion in value during the recession of FY's 2008 and 2009.^[4]

CalPERS investments lost 26.5% of portfolio value or \$69.9 billion in fiscal years 2008 and 2009 combined.

Each year CalPERS conducts an actuarial study for each jurisdiction and determines the next year's contribution rates as a percentage of payroll. This information is transmitted to each public agency in October of each year. The following principal assumptions are currently used (last evaluated 2 years ago) by CalPERS to determine the funding status of each plan:^[6]

1. Inflation rate of 2.75%
2. Payroll growth of 3%
3. Investment return rate of 7.5%.

CalPERS determines the total employer contribution rate as a percentage of payroll. To fund employee pensions, the jurisdiction and its employees make contributions over the course of the employees' careers as a percent of salary. These contributions, with the investment earnings through CalPERS, are expected to pay all retiree pension benefits. Employee contributions are established by memoranda of understanding that are negotiated between the local public agencies and their employee groups (bargaining units such as safety, police, clerical workers etc.) and by state law.

Each public agency has multiple employee plans created and administered by CalPERS. Each plan has an actuarial study conducted annually by CalPERS. The actuarial study determines the public agency's contribution rate for the following year and a projection for the subsequent year. The following shows the number of plans that CalPERS has designated for the six jurisdictions in this report:

City of Capitola	3 plans
City of Santa Cruz	5 plans
City of Scotts Valley	3 plans
City of Watsonville	6 plans
County of Santa Cruz	3 plans
Soquel Creek Water District	3 plans

The employee contribution is determined through negotiations between the employee bargaining units and governing bodies of each public agency. The employer/employee payments are submitted to CalPERS every two weeks by the employer.

In some situations, if assets are not equal to liabilities, side funds are created by CalPERS. Side funds are debts which represent the differences between assets and liabilities. Side fund debts are treated as loans from CalPERS and have an interest rate of approximately 7.75%. Public agencies have the option to issue, at lower interest rates from 3-6%, pension obligation bonds to pay off their side fund debts.

What is the Public Employees' Pension Reform Act (PEPRA)?

The Public Employees' Pension Reform Act (PEPRA) became effective January 1, 2013. PEPRA affects both classic (existing) and new members (hired after January 1, 2013).^[2] The intent of California's legislature was to overhaul the state public employee retirement law. Major changes of the Public Employees' Pension Reform Act include:

- Increasing retirement age by two years or more for all new public employees
- Capping pensionable salaries (salary used by employer to calculate pension) at \$113,700 with Social Security and \$136,440 without Social Security
- Eliminating numerous abuses such as pension or salary spiking (inflating compensation in the years immediately preceding retirement to receive larger pensions)
- Requiring state employees and all new employees hired after January 1, 2013 to pay more toward their own retirement.

The effect of PEPR was to close all existing active plans to new employees and create new plans for those hired after January 1, 2013. These new impacts of PEPR go into effect FY 2015/16.

PEPR creates a new defined benefit plan and formulas for all California state employees, most public agencies and local government employees hired after January 1, 2013. PEPR is projected to save \$42-55 billion over the next 30 years.^[7] However, the real savings of PEPR will come many years in the future as the percentage of PEPR employees increases.

Additional Changes to CalPERS Assumptions

In April 2013 CalPERS approved new actuarial policies that are aimed at returning the pension system to fully-funded status in 30 years. The new policies include a rate-smoothing method with a 30-year fixed amortization period for gains and losses. The amortization would have a five-year ramp-up of rates at the start and a five-year ramp-down at the end. As a result, unfunded liabilities will be paid off faster because contribution rates will rise in the short term. This will also help avoid large increases in employer contribution rates in extreme years, while maintaining a reasonable level of change in normal years. These changes go into effect FY 2015/16.^[8]

In 2014 CalPERS concluded a 2-year asset study and approved several changes to the demographic assumptions that more accurately reflect actual experience. The most significant of these is an increase in employee life expectancies. These new assumptions will be used in the FY 2016/17 employer contribution rates.^[8]

Other Post Employment Benefits (OPEBs)

OPEBs are benefits (other than pension wages) that an employee will begin to receive at the start of retirement. These may include life insurance premiums, death benefits and health care premiums. Retiree health care premiums comprise the majority of costs of OPEBs. OPEBs are optional and are negotiated between employees and governing bodies. OPEBs may be increased, reduced or eliminated by an employer based on the language in the memorandum of understanding between the employer and employee.

All public agencies in this report use a pay-as-you-go financing method for funding OPEB programs. Two jurisdictions, the City of Capitola and the Soquel Creek Water District, are enrolled in the California Employers Retiree Benefit Trust (CERBT) program.

CERBT is a separate CalPERS irrevocable trust fund dedicated to pre-funding employer OPEB liabilities.^[9]

Frequently Used Pension Terms

- **Basic retirement funding equation:** Contributions (employer/employee) + Investment income = Expenses + Benefits Paid
- **Normal costs** are the total benefits and expenses that have accrued during the year and are expected to accrue annually.
- **Accrued Liability** is the amount of money needed to pay for benefits based on current members' years of service. This amount is amortized to build the necessary assets over time to cover liabilities.
- **Fully funded** means the assets equal or exceed the liabilities.
- **Funded Ratio** is the market value of assets over the pension obligation.
- **Unfunded Liability** is the unfunded obligation for prior benefits, measured as the difference between the accrued liability and plan assets.
- **Unfunded accrued liabilities** occur when the value of assets is less than the accrued liability.
- **Unfunded actuarial accrued liability** (UAAL) is created when past actuarial assumptions have not occurred.

What is Considered to be an Adequately Funded Pension Program?

An adequately funded pension program is not simply or easily defined. CalPERS current contribution patterns are designed to attain a funded ratio of 100% within 30 years.^[1]

Each pension plan is designed to accumulate sufficient funds to support member's defined retirement benefits. The amount of anticipated funds required to support a member's retirement benefit minus the funds currently available is the accrued liability. A plan that is currently on track to create assets equal to the accrued liability is on schedule. A plan whose assets will not meet the accrued liability is behind schedule or is said to have an unfunded liability and must temporarily increase contributions to get back on schedule. Events such as plan amendments and investment or demographic gains or losses can change a plan's funding status from year to year.

The funded status of a pension plan is defined as the ratio of assets to a plan's accrued liabilities based on the market value of those assets. As of June 30, 2013, after reflecting the new assumptions adopted by CalPERS, the funded status range for all jurisdictions being studied was between 64.9 and 80.6%. The funded ratio is the primary means of determining the health of a pension program.^[10]

Interviewees had varying responses to the question of what is considered adequate funding for a pension program, including:

- 80% of the funded ratio
- 100% of the funded ratio
- Not too concerned because the funded ratio is cyclic

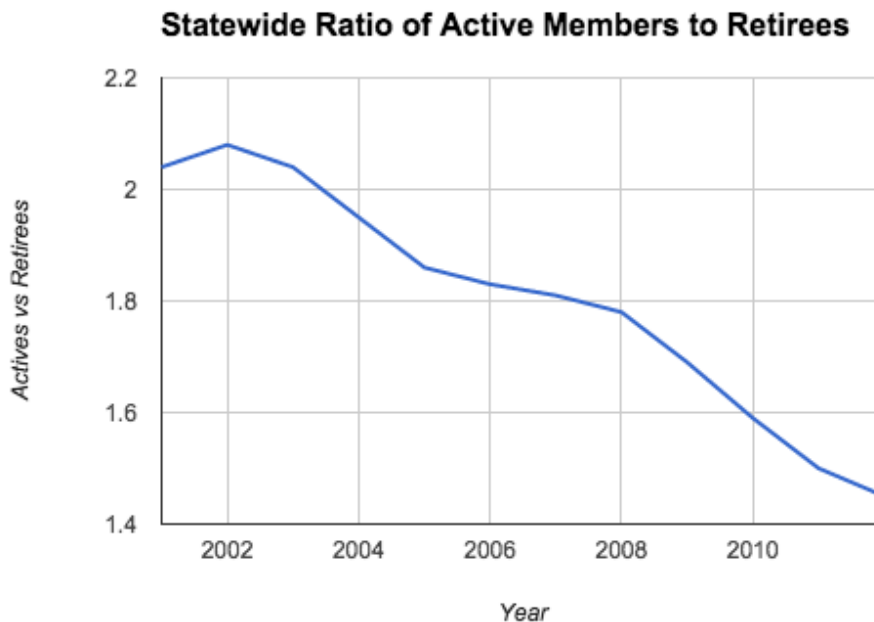
Interviewees expressed concern about the increased costs of retirement obligations on the budget and potential impact to the credit rating of the public agency.

Why are Pension Costs Increasing?

Even with the changes in the retirement law with the passage of PEPR, retirement obligations are becoming an increasing financial obligation for jurisdictions for the following reasons:

1. In 2002 the statewide ratio of active members to retirees was 2 to 1. By 2012, the statewide ratio had declined to 1.45 to 1. Currently there are about 1.5 active members' payroll to spread the risk associated with each retiree's benefits instead of the 2 to 1 ratio of a decade ago. The CalPERS projected ratio for 2037 is between 0.6 and 0.8 active member to one retiree (see the chart below).^[1]
2. Increases in benefits to existing employees raises costs, e.g.
 - a. Past negotiated retirement age reductions resulted in longer benefit terms and therefore higher costs.
 - b. Increased retirement amount from 2.5% to 3% at 60 years of age for every year employed.
3. Retiree health costs continue to increase.
4. The CalPERS investment rate of return is unpredictable and changes from year to year.
5. The actuarial assumptions are not constant. Recently, CalPERS changed several assumptions related to rate-smoothing and demographics. The most significant demographic change, greater life expectancies, has increased the required employer contributions.^[6]
6. Investment returns suffered significant losses in FY 2008-2009 of -26.5% (\$69.9 billion) compared to the projected assumption of a 7.5% annual rate of return. These funds still have not recovered.

Due to the declining ratio of active to retired employees, unless funding levels rise to 100%, retirees represented in the later years will be essentially funding their own retirements.



Employer and employee contribution levels are expected to continue to increase unless exceptional investment returns are experienced.^[1] When investment returns fail to meet expectations, employer and employee contributions must increase to fund the difference. In addition to rising CalPERS costs, a public agency which has significant unfunded liabilities and debt levels may receive a lower credit rating, making any new or refinanced debt more expensive.

A public agency which has significant unfunded liabilities and debt levels could receive a lower credit rating, making any new or refinanced debt more expensive.

According to CalPERS representatives, the three primary reasons for unfunded liabilities are the following:

1. 70% of the unfunded liabilities are attributable to market performance.
2. 15% of the unfunded liabilities are attributable to retroactive benefit enhancements (e.g. lowering retirement age, revising retirement salary determination from a three year average to a one year average).
3. 15% of the unfunded liabilities are attributable to other actuarial assumption changes.^[11]

Laws, Regulations and Standards for Pensions

The laws, regulations and standards for retirement programs are located in [Appendix L](#).

Scope

The Grand Jury investigated and evaluated the retirement obligations of six Santa Cruz County jurisdictions: the four incorporated cities, Capitola, Santa Cruz, Scotts Valley and Watsonville, the county of Santa Cruz and the Soquel Creek Water District. All of these public agencies contract with the California Public Employees Retirement System (CalPERS) to provide retirement benefits to employees.

This investigative report focuses on identifying relevant data from the following areas for the six public agencies:

1. The total pension costs for the last five years
2. The percentage of pension costs of the total operating and personnel budgets
3. Employee and employer contribution rates for each pension plan
4. The unfunded liability for each pension plan
5. The steps taken to manage and reduce pension costs

Retirement obligations in this report include the following:

1. Post-retirement wages (pension) paid to employees and/or beneficiaries
2. Other Post Employment Benefits (OPEBs) including life insurance premiums, death benefits and health benefits for retirees
3. Social Security benefits, if the public agency has elected to be in the program
4. Public Agency Retirement System (PARS)
5. Pension obligation bonds
6. Unfunded liabilities for pensions and OPEBs

This report does not evaluate the public agency health plans for active employees.

Interviews were conducted from October 2014 to March 2015 with representatives from each of the public agencies and an actuary from CalPERS. The primary sources of information for this report were interviews, Comprehensive Annual Financial Reports (CAFRs), budgets, the CalPERS website, requested information from interviewees and Annual Actuarial Valuation Reports from CalPERS for each jurisdiction. This report does not compare pension plans between public agencies.

Investigation

The Grand Jury interviewed administrative personnel from the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, the county of Santa Cruz, Soquel Creek Water District and a CalPERS actuary, all of whom are familiar with pension and/or retirement issues. As part of the interview process, each individual was also given a list of requested information relating to pension issues.

All recent budgets and budget narratives were reviewed to find basic information concerning retirement obligation costs. [\[12\]](#)[\[13\]](#)[\[14\]](#)[\[15\]](#)[\[16\]](#)[\[17\]](#) As the following table indicates, the budget and budget narratives of all six public agencies failed to provide a clear and understandable breakdown of retirement obligations.

Summary of Annual Pension Data from the Budget or Budget Narrative

	<i>Total Annual CalPERS Retirement Costs</i>	<i>Total Annual Retiree Health Insurance (OPEB) Costs</i>	<i>Total Annual Pension Obligation Bond Costs</i>	<i>Total Annual Social Security Costs</i>	<i>Unfunded Pension Liability</i>	<i>Unfunded OPEB Liability</i>	<i>Funded Ratios</i>
<i>City of Capitola</i>	No	No	Yes	N/A*	No	No	No
<i>City of Santa Cruz</i>	No	No	Yes	N/A	No	No	Yes
<i>City of Scotts Valley</i>	No	No	Yes	No	No	No	No
<i>City of Watsonville</i>	No	No	N/A	No	No	No	No
<i>County of Santa Cruz</i>	No	No	N/A	No	No	No	No
<i>Soquel Creek Water District</i>	Yes	No	N/A	N/A	No	No	No

*N/A means not applicable

Total retirement costs include the pension contribution, retiree health costs, Social Security (if applicable), pension obligation bonds (if applicable), Public Agency Retirement System (if applicable), unfunded pension liability and unfunded retiree health liability (OPEBs).

The Grand Jury believes the public and each governing body should have a clear understanding of the total costs and cost trends of retirement obligations before an annual budget is approved. Comprehensive annual financial reports (CAFRs) have the most information about retirement obligations. However in the CAFR, the information is

contained in an audit of previously approved budgets, which do not present an account of the total retirement costs in a clear and understandable format. A good example of an understandable budget narrative is listed in [Appendix D](#).

Recent Changes to Reporting Other Post Employment Benefits

In May 2014, the Governmental Accounting Standards Board (GASB) issued a draft on Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions. This document makes changes on how OPEBs are reported in the financial statements (CAFRs) of employers. One of the key provisions of the changes is that every government entity will be required to report its OPEB net liability in their government-wide and proprietary fund financial statements. Currently, employers only report liability if they fail to fully fund their annual contribution.^[18] The following table summarizes general information about retirement plans from each of the six public agencies.

Summary of Retirement Plans/Number of Employees and Retirees

	<i>CalPERS</i>	<i>Social Security for Regular Employees</i>	<i>Number of Current Employees 6/30/13</i>	<i>Number of Retirees 6/30/13</i>	<i>Ratio of Current Employees to Retirees</i>
<i>City of Capitola</i>	Yes	No	65	92	1 to 1.41
<i>City of Santa Cruz</i>	Yes	No	777	882	1 to 1.13
<i>City of Scotts Valley</i>	Yes	Yes	60	26	1 to 0.43
<i>City of Watsonville</i>	Yes	Yes	361	328	1 to 0.91
<i>County of Santa Cruz</i>	Yes	Yes	2,350	2,428	1 to 1.03
<i>Soquel Creek Water District</i>	Yes	No	47	46	1 to 0.98

Sources: 2014 Comprehensive Annual Financial Reports, Soquel Creek WD response to comments 12/30/14, Scotts Valley Budget 2014/15.

Specific retirement cost totals paid and contribution rates for each jurisdiction are included in the following Appendices:

- City of Capitola [Appendix F](#)
- City of Santa Cruz [Appendix G](#)
- City of Scotts Valley [Appendix H](#)
- City of Watsonville [Appendix I](#)
- County of Santa Cruz [Appendix J](#)
- Soquel Creek Water District [Appendix K](#)

The following table shows the total unfunded liabilities for each public agency.

Total Unfunded Liabilities for Pensions and OPEBs FY's 2011 and 2013

<i>Agency</i>	<i>FY 2011</i>	<i>FY 2013</i>
<i>City of Capitola</i>	\$13,288,347	\$14,890,582
<i>City of Santa Cruz</i>	\$108,374,540	\$130,957,078
<i>City of Scotts Valley</i>	\$14,208,845	\$16,274,061
<i>City of Watsonville</i>	\$51,385,033	\$53,556,361
<i>County of Santa Cruz</i>	\$381,187,830	\$479,192,624
<i>Soquel Creek Water District</i>	\$8,642,212	\$9,000,989

Sources: CAFR's for the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, County of Santa Cruz and the Soquel Creek Water District Annual Valuation Report as of June 30, 2013

Unfunded liabilities and funded ratios for all public agencies are found in [Appendix C.](#)

Options for Managing Retirement Costs

With input from public agencies, and by reviewing budgets, Comprehensive Annual Financial Reports, actuarial studies and other information, the Grand Jury identified some options for managing retirement obligations:

- Increase revenue. Without increased revenue to the agencies, the increases in retirement obligations will reduce funding for other projects and services.

- Permanently reduce workforce. Outsource or contract for services. This needs to be evaluated on a case by case basis to determine if cost reductions are real.
- Develop a trust or reserve fund for pension contribution rate increases to minimize the impacts of future contribution rate increases.
- Utilize the CalPERS California Employers' Retiree Benefit Trust Fund to pre-fund OPEB (retiree health) costs.
- Negotiate an increase of the employee contribution to CalPERS.
- Negotiate a decrease in the amount paid by the employer for retiree health insurance premiums.
- Develop new hiring tiers for workforce.
- Evaluate a discontinuance of Employer Payment of Member Contributions (EPMC), if applicable.
- Pay off CalPERS pension side funds, if applicable.
- Investigate unfunded accrued liability (UAL) lump sum prepayments.
- Evaluate issuing a Pension Obligation Bond.
- Terminate the CalPERS contract. In order to terminate the contract, the unfunded termination liability must be paid, which can be extremely expensive. Public agencies would be required to pay approximately the following amounts for termination:^{[5][19][20][21][22][23]}
 - City of Capitola \$ 53,381,934
 - City of Santa Cruz \$ 417,035,407
 - City of Scotts Valley \$ 42,109,974
 - City of Watsonville \$ 185,390,950
 - County of Santa Cruz \$1,023,685,680
 - Soquel Creek Water District \$ 19,916,389

Because of the costs, paying termination fees is not a viable or reasonable option.

The public agencies we investigated have taken a number of steps to more efficiently manage retirement costs (See Appendices F, G, H, I, J and K).

CalPERS Unfunded Liabilities

The unfunded liability is the expected amount due for pensions and retiree health care promised in future years. There must be a balance between contributions to the pension fund and investments to benefits paid and administrative expenses. To illustrate:

Contributions + Investment income = Benefits paid + Administrative expense^[24]

In Santa Cruz County, the range of total unfunded liability for the six jurisdictions ranges from approximately \$8 million to \$480 million.^{[25][26][27][28][29][30]} The unfunded actuarial accrued liability (UAAL) occurs because past assumptions have not been realized.

In the CalPERS "Annual Review of Funding Levels" dated November 18, 2014,

numerous conclusions are stated which identify a significant amount of risk being taken in the funding of the statewide CalPERS pension plan. The purpose of the report was to assist CalPERS Board of Administration in assessing the funded status of the retirement system and its overall soundness and sustainability. The primary conclusion of this report is:

. . .there is a significant amount of risk being taken in the funding of the (CalPERS pension) system. The probability that the system will face a period of severe stress is still at a level that may be unacceptable.

The full report conclusions are listed in [Appendix M](#).

Investigative Facts Summary

The following major facts were found during the preparation of the Grand Jury report:

1. The totality of retirement obligations (pension, retiree health, social security, pension obligation bonds, unfunded pension liability and unfunded OPEB costs) are not included in any of the six public agencies' annual budget narratives or budgets.
2. Mandated CalPERS employer contribution rates have increased in the last 2 years.
3. CalPERS predicts increased pension contributions for the next 5 years.^[1]
4. Other Post Employment Benefit costs have increased in the last 2 years.
5. The CalPERS statewide ratio of employees to retirees has fallen from:
 - 2001: 2.04 to 1
 - 2012: 1.45 to 1
 - 2037: 0.6 to 1 (projected).^[1]
6. The employee to retiree ratio in the six public agencies in Santa Cruz County is falling (more retirees compared to employees).
7. Employer contribution rates for the jurisdictions range between 6.25% to 36.6%. Generally, police and fire plans have the highest contribution levels because of the early retirement of safety employees. CalPERS reports that agencies throughout California with contribution levels over 40% are putting a strain on local budgets.^[1]
8. The total paid retirement cost has increased in the last two years for every agency except the Soquel Creek Water District.

Findings

- F1.** Continually rising retirement costs and obligations put funding of jurisdictions' services and projects at risk.
- F2.** A clear and complete statement of the total retirement costs and obligations has not been provided in the budget narrative for either the public or elected officials.

- F3.** Enrollment in the CalPERS Employers Retiree Benefit Trust Fund reduces employer contributions, prevents retiree health obligations from becoming a significant budget liability, and contributes to a positive credit rating.

Recommendations

- R1.** To prevent reductions in public services, each of the six public agencies studied in this report should increase, and make public, their efforts to manage and reduce retirement costs and obligations. (F1)
- R2.** Each of the six public agencies studied in this report should provide, in language understandable to the public, the totality of retirement obligations in their annual budget narratives beginning with the fiscal year 2015/16 budget. (F2)
- R3.** The Board of Supervisors and the City Councils of Santa Cruz, Scotts Valley and Watsonville should enroll in the California Employers Retiree Benefit Trust Fund (CalPERS Trust Fund) to pre-fund retiree health obligations and unfunded liabilities. (F3)

Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Capitola City Council	F1, F2	R1, R2	90 Days 9/10/2015
Santa Cruz City Council	F1, F2, F3	R1, R2, R3	90 Days 9/10/2015
Scotts Valley City Council	F1, F2, F3	R1, R2, R3	90 Days 9/10/2015
Watsonville City Council	F1, F2, F3	R1, R2, R3	90 Days 9/10/2015
County of Santa Cruz Board of Supervisors	F1, F2, F3	R1, R2, R3	90 Days 9/10/2015
Soquel Creek Water District Board of Directors	F1, F2	R1, R2	90 Days 9/10/2015

Definitions

- **Actuary:** A professional who analyzes the financial consequences of risk.
- **ARC:** *Annual Required Contribution* - The annual required contribution is the amount the employer is required to contribute to a defined benefit pension fund, based on an actuarial formula, to fund current and future retirement benefits and liabilities. The ARC is determined by multiplying the employer contribution rate by the payroll reported to CalPERS. If this contribution is fully prepaid in a lump sum, then the dollar value of the ARC is equal to the lump sum prepayment. It is the amount needed to payout the benefits of future retirees.
- **AVA:** *Actuarial Value of Assets* - The value of a pension plan investments and other property. AVA is used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). Actuaries often select an asset valuation method that smoothes the effects of short-term volatility in the market value of assets.
- **Bargaining Units:** Local groups designated to represent the individuals (fire, police, miscellaneous employees, etc.) to negotiate with the local governing body regarding wages and benefits.
- **CalPERS:** *California Public Employees Retirement System* - The State agency responsible for managing public agency retirement funds through contracts with local agencies.
- **CAFR:** *Comprehensive Annual Financial Report* - A CAFR is a set of U.S. government financial statements comprising the financial report of a public agency that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB) and is required by the State of California (Government Code 12460). GASB provides standards for the content of a CAFR in its annually updated publication, *Codification of Governmental Accounting and Financial Reporting Standards*. A CAFR is compiled by public agency staff and audited by an external American Institute of Certified Public Accountant (AICPA) certified accounting firm utilizing GASB requirements.
- **Classic member:** A member of CalPERS hired prior to January 1, 2013.
- **Employer Normal Cost:** Employer normal costs are the total benefits and expenses that have accrued during the year and are expected to accrue annually.
- **Funded Status:** The funded status is the ratio of assets to a plan's accrued liabilities. A ratio of over 100% means the plan or risk pool has more assets than liabilities. A ratio less than 100% means liabilities are greater than assets. A funded ratio based on the Actuarial Value of Assets (AVA) indicates the progress toward fully funding the plan using the actuarial cost methods and assumptions. A funded ratio based on the Market Value of Assets (MVA) indicates the short-term solvency of the plan.
- **Hiring Tiers:** Tiers created for new employees with associated benefits.
- **Miscellaneous Employees:** Miscellaneous employees are employees of a public agency other than fire, police or sheriff.
- **MVA:** *Market Value of Assets* - Market value of assets is the price of an asset in the current market.

- **OPEB:** *Other Post Employment Benefits* - Other post employment benefits are benefits that an employee will begin to receive at the start of retirement other than pension wages. Other post employment benefits that a retiree can be compensated for are life insurance premiums, health care premiums and death benefits.
- **PARS:** *Public Agency Retirement System* - PARS is a defined retirement system covering part-time, temporary or seasonal employees and all employees not covered by another retirement plan. The plan is sponsored and paid for by employees and employer contributions.
- **PEPRA:** *Public Employees' Pension Reform Act of 2013* - California Pension reform legislation which became effective January 1, 2013.
- **PERF:** *Public Employees' Retirement Fund* - PERF is the account established for retirement benefits of members administered by the California Public Employees Retirement System.
- **PERL:** *Public Employment Retirement Law* - PERL is the California State regulation governing public pensions or retirement systems.
- **Plans:** Groups of CalPERS active members (Safety, Police, Miscellaneous, PEPRA, etc.) which CalPERS establishes actuarial reports and determines local contribution rates.
- **Retirement Obligations:** Retirement obligations include pensions, retiree health care costs, pension obligation bonds, Social Security costs, unfunded liability for pension and unfunded liability for retiree health care (OPEB).
- **Risk Pool:** Risk pooling is the process of combining assets and liabilities across employers to produce large risk sharing pools. Such risk sharing pools dramatically reduce or eliminate the large fluctuations in an employer's retirement contribution rate caused by unexpected demographic events. Participation in risk pools is mandated for all rate plans with less than 100 active members on any valuation date.
- **Side Fund:** Loans that public agencies initiate to cover the difference between CalPERS assets and liabilities. These loans are in addition to the normal or annual required contribution.
- **Smoothing:** A statistical technique for removal of short term irregularities in order to improve the value of the financial forecast.
- **Totality of retirement costs:** Includes the pension, other post employment benefits, social security, pension obligation bonds, Public Agency Retirement System (PARS), unfunded pension liabilities and unfunded other post employment benefit liabilities.
- **UAL:** *Unfunded Accrued Liabilities* - When a plan or pool's actuarial value of assets is less than its accrued liability, the difference is the plan or pool's unfunded liability. If the unfunded liability is positive, the plan or pool will have to pay contributions exceeding the normal cost.
- **UAAL:** *Unfunded Actuarial Accrued Liabilities* - The unfunded actuarial accrued liability is the difference between accrued liabilities and the value of assets accumulated to finance an obligation.

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Appendix A

Brief Summary of PEPRA

PEPRA defines a new member as:

1. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013 and has no other membership in any other California public retirement system, or
2. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013 and who is not eligible for reciprocity with another California public retirement system, or
3. A member who established CalPERS membership prior to January 1, 2013 and who is hired by a different CalPERS employer after January 1, 2013 after a break in service of greater than six months. [Section 7522.04 (F) of Public Employees' Retirement Law].

The final compensation used to calculate the benefits paid to a new member is defined as the highest average annual pensionable compensation earned over the last 36 consecutive months prior to retirement. What is "pensionable compensation"?

"The normal monthly rate of pay or base pay for services rendered pursuant to publicly available pay schedules" (Section 7522.34 of CalPERS Public Employees' Retirement Law).

PEPRA caps the annual salary that can be used to calculate final compensation for all new employees (except judges) at \$113,700.00 for employees that participate in Social Security or \$136,440.00 (120% of the 2013 contribution and benefit base) for those employees that do not participate in Social Security. Adjustments to the caps are permitted annually based on changes to the Consumer Price Index (CPI) for All Urban Consumers.

PEPRA has reduced benefit formulas and increased retirement ages:

1. Non-safety members have a new defined benefit formula of 2% at age 62 with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67.
2. Safety members have new defined benefit formulas consisting of the normal retirement formula of 2% at age 50 and a maximum benefit factor of 2.7% at age 57 (Section 20516 CalPERS Public Employees' Retirement Law).

PEPRA applies to most public agencies and State employee retirement systems in California whether the plan is a defined benefit plan, a contribution plan governed by Section 401 of the Internal Revenue code, or a tax sheltered annuity 403 (B) plan.

PEPRA permits public agencies and school employers to agree to share the cost of the employer contribution rate with or without a change in benefits to employees. However, by January 1, 2018 the employee contribution rate may only be increased up to 8% for

miscellaneous members, a 12% contribution rate for local police officers, local firefighters and county peace officers, or an 11% contribution rate for all other local safety members.

PEPRA excludes certain types of pay from being reported as pensionable compensation; including bonuses, overtime outside normal working hours, cash payouts for unused leave (vacations, annual sick leave and severance pay.)

PEPRA prohibits purchase of additional retirement service credit, known as "air time" (Section 7522.46 of CALPERS Public Employees' Retirement Law).

Public officials forfeit their pensions if they are convicted of a felony in carrying out their elected official duties (Section 7522.72 and 7522.74 of CalPERS Public Employees' Retirement Law).

PEPRA also requires a 180 day waiting period before any retiree can return to work for a CalPERS employer without reinstatement from retirement. This does not generally apply to public safety officers or firefighters (Section 7522.56 of CalPERS Public Employees' Retirement Law).

Because PEPRA effectively closed all active risk pools to new employees, as such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3% annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues CalPERS approved changes to the risk pools in May 2014. All pools plans will be combined into two pools, miscellaneous and safety, effective with the 2013 valuations. In additions, two important changes are also being made which will affect employers:

1. CalPERS will collect employer contributions toward unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate, beginning with FY 2015/16. This change will address the funding issue that would still arise from the declining population of classic formula members. Although members' employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.
2. The pools' unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.^[2]

Appendix B

Summary of Fund Status of Misc. Retirement Plans from FY 2010 to 2013

Market Value of Assets (MVA)

	<i>Percent of Retirement Fund which is Funded as of 6/30/10</i>	<i>Percent of Retirement Fund which is Funded as of 6/30/11</i>	<i>Percent of Retirement Fund which is Funded as of 6/30/12</i>	<i>Percent of Retirement Fund which is Funded as of 6/30/13</i>
City of Capitola	n/a	75.3%	71.0%	75.2%
City of Santa Cruz	67.2%	75.4%	69.0%	73.4%
City of Scotts Valley	n/a	69.0%	72.0%	76.2%
City of Watsonville	68.3%	76.7%	72.3%	75.4%
County of Santa Cruz	65.1%	73.3%	69.0%	73.4%
Soquel Creek Water District	n/a	76.5%	72.0%	76.2%

Sources: CalPERS Annual Actuarial Valuation Reports 2010-2013 for all jurisdictions

Appendix C

Unfunded Liabilities and Funded Ratios for Jurisdictions for FY 2012/2013

Capitola Unfunded Liabilities/Funded Ratios for FY 2012/2013

<i>Plan</i>	<i>Safety</i>	<i>Misc</i>	<i>PEPRA</i>	<i>Total</i>
<i>Unfunded Pension Liabilities</i>	\$7,114,975	\$7,118,107	\$0	\$14,233,082
<i>Funded Ratio</i>	77.5%	75.2%	134%	
<i>OPEB Unfunded Actuarial Accrued Liability</i>				\$657,500

Source: CalPERS "City of Capitola Annual Valuation Reports as of June 30, 2013" and FY CAFR 2014

City of Santa Cruz Unfunded Liabilities/Funded Ratios for FY 2012/2013

<i>Plan</i>	<i>Police Tier 1</i>	<i>Police Tier 2</i>	<i>Fire Tier 1</i>	<i>Fire Tier 2</i>	<i>Misc.</i>	<i>Total</i>
<i>Unfunded Pension Liabilities</i>	\$24,523,905	\$11,169	\$17,369,713	\$14,722	\$72,616,578	\$114,536,087
<i>Funded Ratio</i>	77.5%	80.6%	77.5%	80.6%	75.9%	
<i>OPEB Unfunded Actuarial Accrued Liability</i>						\$16,420,991

Source: CalPERS "City of Santa Cruz Annual Valuation Reports as of June 30, 2013" and FY CAFR 2014

Scotts Valley Unfunded Liabilities/Funded Ratios for FY 2012/2013

Plan	Safety	Misc	PEPRA	Total
Unfunded Pension Liabilities	\$4,705,083	\$6,080,149	0	\$10,785,232
Funded Ratio	77.5%	76.2%		
OPEB Unfunded Actuarial Accrued Liability				\$5,488,829

Source: CalPERS "City of Scotts Valley Annual Valuation Reports as of June 30, 2013 and FY 2014 CAFR

Watsonville Unfunded Liabilities/Funded Ratios for FY 2012/2013

Plan	Fire Tier 1	Fire Tier 2	Police Tier 1	Police Tier 2	Misc	PEPRA	Total
Unfunded Pension Liabilities	\$9,164,624	\$4,601	\$15,275,403	\$6,983	\$25,516,550	0	\$49,968,161
Funded Ratio	77.5%	80.6%	77.5%	80.6%	75.4%	146%	
OPEB Unfunded Actuarial Accrued Liability							\$3,588,200

Source: CalPERS "City of Watsonville Annual Valuation Reports as of June 30, 2013" and FY 2014 CAFR

County of Santa Cruz Unfunded Liabilities/Funded Ratios for FY 2012/2013

Plan	Sheriff	Safety	Misc	Total
Unfunded Pension Liabilities	\$45,325,971	\$34,094,931	\$254,758,722	\$334,179,624
Funded Ratio	64.9%	76.3%	73.4%	
OPEB Unfunded Actuarial Accrued Liability				\$145,013,000

Source: CalPERS "County of Santa Cruz Annual Valuation Reports as of June 30, 2013" and FY 2014 CAFR

Soquel Creek Water District Unfunded Liabilities/Funded Ratios for FY 2012/2013

Plan	Misc. Tier 1	Misc. Tier 2	PEPRA	Total
Unfunded Pension Liabilities	\$5,255,480	\$315,655	0	\$5,571,135
Funded Ratio	76.2%	76.2%	134%	
OPEB Unfunded Actuarial Accrued Liability				\$3,429,854

Source: CalPERS "Soquel Creek Water District Annual Valuation Reports as of June 30, 2013" and Annual Financial Report 2013-2014

Appendix D

Example of Retirement Obligation Information for Budget Narratives

City/County/Special District Retirement Obligations			
	FY 2012	FY 2013	FY 2014
<i>Pension Costs</i>	\$6,786,565	\$7,000,000	\$7,500,000
<i>OPEB Costs</i>	\$1,056,676	\$1,134,333	\$1,200,000
<i>Pension Obligation Bond Costs</i>	\$0	\$0	\$0
<i>Social Security Costs</i>	\$0	\$0	\$0
<i>Total Annual Retirement Costs</i>	\$7,843,241	\$8,134,333	\$8,700,000
<i>Unfunded Pension Liability</i>	\$31,343,212	\$32,444,323	34,500,000
<i>Unfunded OPEB Liability</i>	\$6,987,556	\$7,100,343	\$7,600,000
<i>Funded Ratios %</i>	71-75%	71-75%	72-77%

Appendix E

Summary of Retirement Costs as a Percentage of Operating and Payroll Budgets FY 2013/14 unless otherwise noted

	Annual Retirement Costs	Annual Operating Budget	Annual Retirement Costs as a Percent of Operating Budget	Annual Payroll	Annual Retirement Costs as a Percent of Payroll FY 2012/13	Annual Retirement Costs as a Percent of Payroll FY 2013/14
City of Capitola	\$1,880,236	\$ 13,733,777	13.7%	\$7,768,290	24.7%	24.2%
City of Santa Cruz	10,961,518	\$144,290,47 2	7.5%	\$82,274,813	12.1%	13.3%
City of Scotts Valley	\$1,795,078	\$8,466,448	21.2%	\$6,422,488	24.9%	27.9%
City of Watsonville	\$5,712,953	\$62,060,149	9.2%	\$40,632,450	13.4%	14.1%
County of Santa Cruz	\$43,480,06 5	\$407,410,36 1	10.7%	\$181,461,16 7	24.8%	23.9%
Soquel Creek Water District	\$954,455	\$9,489,000	10.1%	\$5,206,600	30.2%	18.3%

Sources: Data from the 2012/2013 and 2013/14 annual budgets from the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, County of Santa Cruz and Soquel Creek Water District and CalPERS

Appendix F

City of Capitola

The City of Capitola has paid the following total amounts of retirement costs during the last five fiscal years ending June 30:

City of Capitola Annual Retirement Costs

<i>Fiscal Year</i>	<i>Pension Costs (A)</i>	<i>PARS (B)</i>	<i>OPEB Costs (C)</i>	<i>Pension Obligation Bond Costs (D)</i>	<i>Total Retirement Costs (A+B+C+D)</i>
2010	\$ 768,343	\$5,359	\$18,058	\$674,991	\$1,466,751
2011	\$ 836,156	\$4,282	\$20,597	\$679,751	\$1,540,786
2012	\$1,020,901	\$3,476	\$22,891	\$673,005	\$1,720,273
2013	\$ 1,059,598	\$3,238	\$27,292	\$672,466	\$1,762,594
2014	\$1,132,136	\$3,487	\$69,900	\$674,713	\$1,880,236

Source: City of Capitola written communication November 3, 2014, CAFR's 2010-2014

The City of Capitola has taken the following steps to manage retirement obligations:

1. The City of Capitola implemented a cap on pension contributions in 2007. These caps are in effect through June 30, 2018.
2. In July 2007 Capitola issued a pension obligation bond (6.09%) in the amount of approximately \$5 million to refinance the unfunded liability with CalPERS. The \$5,040,000 pension bond will be paid off in August 2017.
3. The City implemented a higher employee contribution rate (the rate increased from 8 to 13%) for new employees in 2012.

According to the Capitola 2014 Comprehensive Annual Financial Report (CAFR):

The risk pool adjustment to the CalPERS risk pool structure was not confirmed until FY 13/14. The risk pool adjustment, which was unanticipated consequence of PEPR, allocated each employer's unfunded liabilities to individual plans. Due to City's high retiree to active employee ratio, Capitola like many smaller cities were adversely impacted. Five year projections included in the actuarial

report indicate that rates will most likely continue to rise through FY 20/21.

While all labor agreements include a CPI-based Cost-of-Living-Adjustment (COLA) through the contract period, it may be challenging for employees to bear the complete cost of the increase. Capitola employees have previously foregone raises over a five-year period, deferred previously negotiated salary increases, and accepted mandatory furloughs to assist with cost-containment during difficult fiscal times. The City is in the process of meeting with bargaining groups to discuss solutions, while also reviewing long-term financial projections.

City of Capitola Employee-Employer Contribution Rates FY 2014-15

	Bargaining Unit	Employee Contribution	Employer Contribution
City of Capitola	Misc. Classic Tier 1	10.292%	16.488%
	Misc. Classic Tier 2	15.292%	11.488%
	Misc. PEPRA	6.25%	6.25%
	Safety Classic Tier 1	11.874%	28.291%
	Safety Classic Tier 2	16.874%	23.291%
	Safety PEPRA	11.50%	11.50%

Source: City of Capitola, Request for Information Response, November 3, 2014

Appendix G

City of Santa Cruz

The following chart shows the total retirement costs paid by the City of Santa Cruz for the last five fiscal years ending June 30.

City of Santa Cruz Annual Retirement Costs

<i>Fiscal Year</i>	<i>Pension Costs (A)</i>	<i>OPEB Costs(B)</i>	<i>Pension Obligation Bond Costs(C)</i>	<i>Social Security Costs (temporary employees only) (D)</i>	<i>Total Retirement Costs (A+B+C+D)</i>
<i>2010</i>	\$10,070,382	\$360,431	0	\$117,841	\$10,548,654
<i>2011</i>	\$8,838,188	\$444,442	\$501,194	\$127,189	\$9,911,012
<i>2012</i>	\$8,230,089	\$476,411	\$1,056,928	\$149,003	\$9,912,431
<i>2013</i>	\$8,015,878	\$554,284	\$1,024,485	\$171,969	\$9,766,618
<i>2014</i>	\$9,254,901	\$548,627	\$986,900	\$171,090	\$10,961,518

Source: 2010-2014 City of Santa Cruz Comprehensive Annual Financial Reports

The City of Santa Cruz has taken the following steps to manage retirement obligations:

1. In 2010, the City implemented a new, second tier, lower benefited pension for all new hires.
2. Santa Cruz has implemented, through negotiations, a higher employee contribution for retirement costs (from 7% to 19%, depending on the bargaining unit).
3. Santa Cruz has elected to prepay its annual pension payment to obtain a discounted pension payment.
4. The city has adopted an Unfunded Obligation Reserve which will be utilized to build up available resources to a level to establish a Retirement Trust fund that can maximize investment earnings to be used to decrease future pension liabilities.

In 2010 the city issued a \$24.15 million dollar Pension Obligation Bond to eliminate the CalPERS side fund saving approximately \$200,000 annually.

City of Santa Cruz Employee-Employer Contribution Rates 2014/15

	<i>Bargaining Units</i>	<i>Employee Contribution</i>	<i>Employer Contribution</i>
<i>City of Santa Cruz</i>	Misc. Tier 1	8%	16.74%
	Misc. Tier 2	8%	16.74%
	Misc. Tier 3	7.75%	16.74%
	Public Safety-Police Tier 1	14.22%	29.56%
	Public Safety-Police Tier 2	14.22%	23.07%
	Public Safety-Police Tier 3	17.47%	12.25%
	Public Safety-Fire Tier 1	12.0%	29.56%
	Public Safety-Fire Tier 2	12.0%	23.07%
	Public Safety-Fire Tier 3	15.25%	12.25%

Source: City of Santa Cruz, Request for Information Response, December 5, 2014

Employees also pick up an additional amount of the city contribution. The additional contribution depends on the bargaining unit and varies from year to year.

1. Police employee contribution rates include the base 9% required employee pickup plus additional contribution amount. Amounts shown are for the core bargaining unit. Management group rates are 15.75%, 19% and 19% for Tiers 1, 2 and 3 respectively.
2. Fire employee contribution rates include the base 9% required employee pickup plus additional contribution amount. Amounts shown are for all Fire employees.
3. Misc. employee contribution rates include the base 7% required employee pickup plus additional contribution amount. Amounts shown are for the service unit.
 - a. Supervisory and Management rates are 11%, 10.75% and 10.75% for Tier 1, 2 and 3 respectively.
 - b. Executive rates are 12%, 11.75% and 11.75% for Tier 1, 2 and 3 respectively.

Appendix H

City of Scotts Valley

The following chart shows the total retirement costs paid by the City of Scotts Valley for the last five fiscal years ending June 30.

City of Scotts Valley Annual Retirement Costs

Fiscal Year	Pension Costs (A)	OPEB Costs (B)	Pension Obligation Bond Costs (C)	Social Security Costs (D)	Total Retirement costs (A+B+C+D)
2010	\$962,050	\$152,240	0	\$337,919	\$1,452,209
2011	\$954,584	\$197,557	0	\$337,303	\$1,489,444
2012	\$1,174,108	\$219,715	0	\$342,582	\$1,736,405
2013	\$797,941	\$245,143	\$294,194	\$348,611	\$1,685,889
2014	\$775,658	\$228,394	\$443,268	\$347,758	\$1,795,078

Source: 2010-2014 Scotts Valley Comprehensive Annual Financial Reports

The City of Scotts Valley has taken the following steps to manage retirement obligations during the last five years:

1. The city now pays the employee's portion of CalPERS in lieu of salary increases.
2. In June 2012 the city issued a pension obligation bond in the amount of \$4,460,000 to pay off the City's side fund deficit. The city was paying 7.75% on the side fund deficit to CalPERS. The weighted average interest rate of the bond was 3.06%.

City of Scotts Valley Employee-Employer Contribution Rates 2014-15

	Bargaining Unit	Employee Contribution	Employer Contribution
City of Scotts Valley	Misc. Safety	8% 9%	15.701% 26.881%

Source: City of Scotts Valley, Request for Information Response, January 2015

Appendix I

City of Watsonville

The following chart shows the total retirement costs paid by the City of Watsonville for the last five fiscal years ending June 30.

City of Watsonville Annual Retirement Costs

<i>Fiscal Year</i>	<i>Pension Costs (A)</i>	<i>OPEB* (B)</i>	<i>Pension Obligation Bond Costs (C)</i>	<i>Social Security Costs (D)</i>	<i>Total Retirement costs (A+B+C+D)</i>
<i>2010</i>	\$4,253,518	0	0	\$1,500,696	\$5,754,214
<i>2011</i>	\$4,237,856	0	0	\$1,397,584	\$5,635,440
<i>2012</i>	\$4,398,604	0	0	\$1,054,533	\$5,434,522
<i>2013</i>	\$4,275,295	0	0	\$1,035,918	\$5,311,213
<i>2014</i>	\$4,332,846	0	0	\$1,380,107	\$5,712,953

Source: 2010-14 Watsonville Comprehensive Annual Financial Reports (CAFR's)

*Although the city does not currently pay for retiree health costs, there is a retiree health OPEB net obligation of \$4,530,800 for FY 2013/14.

The City of Watsonville has taken the following steps to manage retirement obligations during the last five years:

1. The city implemented a two tier system in 2011 so new employees would be at a lower level of benefits.
2. The city has negotiated for employees to pay the full employee share of pension costs (previously the city paid part of the employee pension costs).

The City did not pre-fund retiree healthcare costs nor did the City establish an irrevocable trust for retiree healthcare costs. The decision not to use an irrevocable trust was made because of the current national and state economic issues and the possibility that the funds may be required to provide current services.

City of Watsonville Employee-Employer Contribution Rates 2014/15

	Bargaining Unit	Employee Contribution	Employer Contribution	Employee PEPRA	Employer PEPRA
City of Watsonville	Clerical/Tech	7%	12.12%	6.25%	12.12%
	Confidential	7%	12.12%	6.25%	12.12%
	Fire Tier 1	9%	35.73%*	11.5%	11.5%
	Fire Tier 2	9%	21.37%	11.5%	11.5%
	Management	7%	12.12%	6.25%	12.12%
	Mid-Manage	7%	12.12%	6.25%	12.12%
	Police Tier 1	9%	36.64%	11.5%	11.5%
	Police Tier 2	9%	21.37%	11.5%	11.5%
	Public Works	7%	12.12%	6,25%	12.12%
	Safety (police) Mid-Management	9%	33.49%	11.5%	11.5%
			*Employee pays 7.5% of PERS Employer Rate		

Source: City of Watsonville Bargaining Unit Benefits-Updated July 1, 2014

Appendix J

County of Santa Cruz

The following chart shows the total retirement costs paid by the county of Santa Cruz for the last five fiscal years ending June 30.

County of Santa Cruz Annual Retirement Costs

<i>Fiscal Year</i>	<i>Pension Costs (A)</i>	<i>OPEB Costs (B)</i>	<i>Pension Obligation Bond Costs (C)</i>	<i>Social Security Costs (D)</i>	<i>Total Retirement Costs (A+B+C+D)</i>
2010	\$32,054,634	\$3,998,945	None	\$2,286,463	\$38,340,042
2011	\$31,074,807	\$4,818,714	None	\$2,236,165	\$38,129,686
2012	\$33,261,121	\$4,822,914	None	\$2,216,671	\$40,300,706
2013	\$34,365,995	\$4,591,534	None	\$2,245,272	\$41,202,801
2014	\$36,462,580	\$4,681,209	None	\$2,336,276	\$43,480,065

Source: 2010-2014 County of Santa Cruz Comprehensive Annual Financial Reports and Auditor-Controller information submitted dated January 9, 2015.

The county of Santa Cruz has taken the following steps to manage retirement obligations during the last five years:

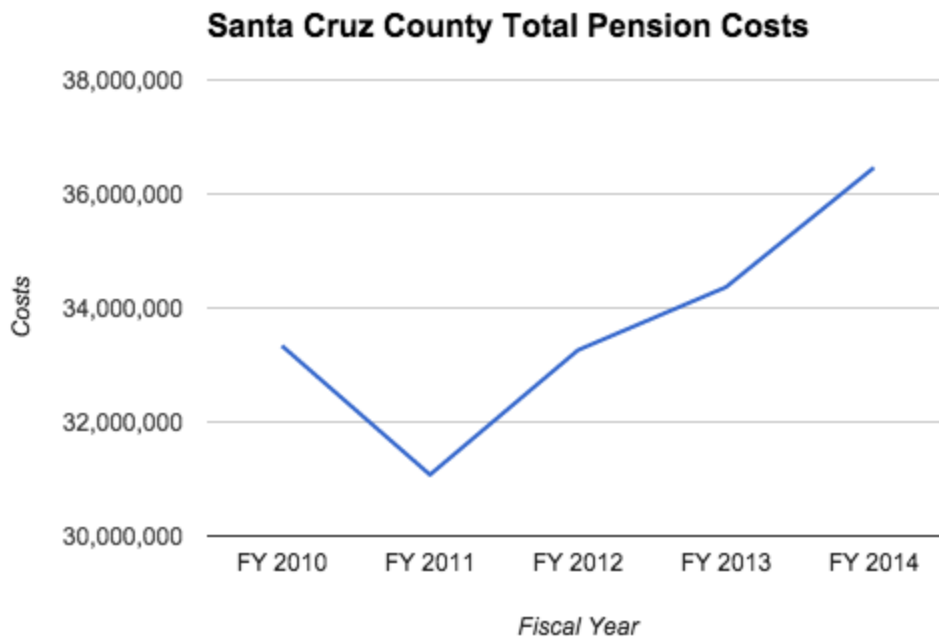
1. In February 2014, the Board of Supervisors approved changes to the retiree health benefits to physicians which reduced the Unfunded Actuarial Accrued Liability (UAAL) by \$117,000 and reduced the annual required contribution for the first year by \$22,000.
2. Negotiated a cafeteria plan and cap on retiree health benefits which was implemented in 2007-2008.
3. Safety employees hired between June 8, 2012 and January 1, 2013 will have benefits based on the highest 3 consecutive years' earnings.
4. Safety Sheriff employees hired after June 8, 2012 will have benefits based on the highest 3 consecutive years' earnings.

According to the FY 2013/14 CAFR regarding OPEB, \$4,681,209 was paid, the OPEB debt obligation increased \$7,326,833 as of June 30, 2014 with a total net OPEB obligation of \$102,743,480. During the last 3 years the net OPEB obligation increased from \$88,212,910 to \$102,743,480 (an increase of \$14,530,570 or a 14.2% increase).

County of Santa Cruz Employee-Employer Contribution Rates 2014-15

	<i>Bargaining Units</i>	<i>Employee Contribution</i>	<i>Employer Contribution</i>
<i>County of Santa Cruz</i>	Misc.	7%	16.084%
	Safety Sheriff	9%	34.020%
	Safety non-Sheriff	9%	20.292%

Source: County of Santa Cruz, Request for Information Response, January 9, 2015



Appendix K

Soquel Creek Water District

The following chart shows the total retirement costs paid by the Soquel Creek Water District for the last five fiscal years ending June 30.

Soquel Creek Water District Annual Retirement Costs

<i>Fiscal Year</i>	<i>Pension Costs (A)</i>	<i>OPEB Costs (B)</i>	<i>Pension Obligation Bond Costs (C)</i>	<i>Total Retirement Costs (A+B+C+D)</i>
<i>2010</i>	\$671,045	\$162,624	None	\$ 833,669
<i>2011</i>	\$675,435	\$401,263	None	\$1,076,698
<i>2012</i>	\$622,212	\$435,527	None	\$1,057,739
<i>2013</i>	\$615,527	\$779,428	None	\$1,394,955
<i>2014</i>	\$474,355	\$480,100	None	\$ 954,455

Source: Soquel Creek Water District Annual Financial Reports 2010-2014

The decrease in pension costs during 2013/14 was due to negotiated agreements which transferred payment of the employee share from the District to the employee. The Soquel Creek Water District has taken the following steps to manage retirement obligations during the last five years:

1. Negotiated a contract change to discontinue the Industrial Disability Retirement Benefit for employees hired after December 18, 2005.
2. Paid off the CalPERS side fund which was accruing interest at 7.75% with 8 years left on the amortization schedule in June 2011.
3. Negotiated a contract change to discontinue the Employer Payment of Member Contributions (EPMC) benefit effective September 2013.
4. Negotiated a contract change whereby retirees who are eligible for health reimbursement pay 10% of the premium cost. Note: The cost sharing ends when an employee becomes eligible for Medicare. The District pays 100% of the Supplemental Medicare premium.
5. Negotiated a contract change lengthening the number of years of district service and age requirement to earn full retirement health benefits in 2013.
6. Began contributions to pre fund OPEB in March 2011.

For the fiscal year ended June 30, 2014, the District's ARC cost was \$281,957. The District's net OPEB asset amounted to \$248,286 for the fiscal year ending June 30, 2014. The District contributed \$480,100 toward current retiree OPEB premiums and the

District's irrevocable trust account (CalPERS CERBT account) for the fiscal year ending June 30, 2014. [\[35\]](#)

Soquel Creek Water District Employee-Employer Contribution Rates 2014-15

	Bargaining Unit	Employee Contribution	Employer Contribution
<i>Soquel Creek Water District</i>	Misc. Tier 1	8%	14.556%
	Misc. Tier 2	8%	14.083%
	PEPRA	6.25%	6.25%

Source: Soquel Creek Water District, Request for Information Response, January 1, 2015

Prior to September 15, 2013 the District paid the employer and employee share of the contributions to CalPERS.

Appendix L

Laws, Regulations and Standards for Pensions

The law governing California pensions is the California Public Employees Retirement Law found in California Government Code beginning with section 20000. An independent organization, Government Accounting Standards Board (GASB), issues statements that establish standards of accounting and reporting which also apply to pension costs. GASB statements 43, 45, 67, 68 and 71 are applicable to retirement systems. In addition, CalPERS conducts an annual actuarial report of the jurisdiction's retirement system and each public agency conducts a comprehensive annual financial audit (CAFR).

Appendix M

The various measures that were analyzed give different perspectives on the risk associated with the funding of the system. When looked at together, these risk measures show that there is still considerable risk in the funding of the system. The risk of low funded status has been reduced considerably over the last few years by the adoption of a new asset allocation and new assumptions and by changes to the smoothing policies. However, this improvement has come at the expense of increasing employer contributions and this has put additional strain on contributing employers.

In the short term, contribution rate levels are expected to increase unless the System experiences a period of exceptional investment returns. The rates will probably remain high for an extended period to eliminate the unfunded liabilities.

Pension plans at CalPERS are becoming more mature. That is, the ratio of retired members to active members is increasing. Along with the benefit levels, this has resulted in an increase in the asset to payroll levels. This means that volatility is having a greater impact on employers than it had in the past.

Changes to accounting standards (GASB Statement 68) may affect employers' willingness to accept the current level of risks associated with the sponsoring of a defined benefit pension plan as the magnitude of unfunded liabilities and pension expenses are now reported on the basic financial statements. This may result in pressure to change their risk profile by making changes to actuarial or investment policies and/or benefit levels.

Pension reforms implemented effective January 1, 2013 will afford employers some relief in the longer term both as to level and volatility of contributions but this will be minimal in the short term.

The work on Asset Liability Management has shown that there remains considerable risk in the funding of the system. There is a substantial risk that, at some point over the foreseeable future, there will be periods of low funded status and high employer contribution rates. Should this coincide with a period of financial weakness for employers or if such a period occurs before we recover from the current funding shortfall, the consequences could be very difficult to bear.

Combined, the measures discussed above indicate that employers will be under continuing financial stress for many years unless there is a period of exceptional returns in the markets.

Should this stress result in employers electing to terminate their contracts with CalPERS, there could be significant or even devastating consequences to our members. Most plans are between 40 and 60 percent funded on a hypothetical termination basis. While staff will make every effort to collect any shortfall if a plan were to terminate their contract, any uncollectable shortfall will raise the specter of benefit reductions to the level that the benefits are funded.

The report shows that there is a significant amount of risk being taken in the funding of the system. The probability that the system will face a period of severe stress is still at a level that may be unacceptable. Staff urges the Board to review these results carefully and determine whether or not they feel that changes are necessary to improve the soundness and sustainability of the system.^{[\[1\]](#)}

Recipe for Failure: Shrinking Budgets and Increasing Needs for Emergency Homeless Shelters

Summary

Santa Cruz County has the dubious distinction of ranking in the top ten small cities in the nation in terms of the largest number of homeless individuals, including chronically homeless people.^[1] Recent Santa Cruz County data show that the population of homeless persons is increasing, reaching a peak of 3,536 total homeless individuals per the last published census in 2013, an increase of 56% since 2009.^[2]

Despite increased demand and the importance of emergency shelters, funding and resources for such shelters is inadequate, and diminishing. National funding policies reflect a shift toward permanent supportive housing for the chronically homeless, thus restricting available funding for temporary shelters.

The Grand Jury evaluated the city of Santa Cruz emergency shelters, the North County Emergency Winter Shelter, and the funding for these shelters. Emergency temporary shelters, though not a long-term solution to ending homelessness, serve an acute need. Demand for the county's emergency shelters exceeds capacity with long wait-lists, and many are turned away. The existing emergency shelters are unable to meet the needs of the local homeless population, providing temporary housing to only 18%, leaving 82% unsheltered per 2013 data.^[2] They are also short-staffed, lacking enough case managers to help transition the homeless population to stable housing.

The North County Emergency Winter Shelter (EWS), located at the Armory in Delaveaga Park in Santa Cruz, is an expensive yearly arrangement. It has reduced effectiveness due to limited hours of operation, geographical location, and the conditions, rules and regulations imposed by the owner, The National Guard. The future of the existing EWS is uncertain, with no backup plans or alternative location despite ongoing winter demand.

The Grand Jury recommends that facilities, funding and staffing of all emergency shelters in the city of Santa Cruz be reassessed to adequately meet the acute needs of the persistently high homeless population. Additional case managers are needed to facilitate the transition of homeless individuals out of shelters. More grant writers are needed to access untapped funding opportunities.

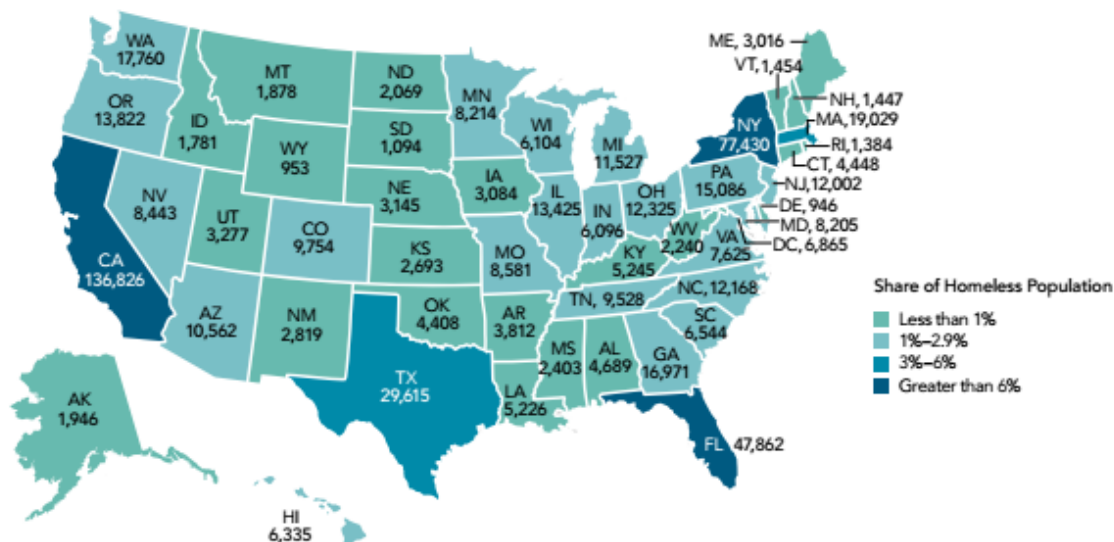
Background

The Department of Housing and Urban Development (HUD) defines emergency shelter as a facility with the primary purpose of providing temporary shelter for homeless persons. Emergency shelters can be an important entry point for the homeless in beginning or continuing the process of rebuilding their lives and accessing services which may lead to stable housing. For a summary history of Santa Cruz County homeless services see [Appendix A](#).

Homeless Population in Santa Cruz County Is Significant and On The Rise

While California houses 9% of the total population of the United States, it is home to 22% of the nation's homeless population (136,826 people). According to the most recent Point-in-Time (PIT) census survey provided for HUD, on a single night in January 2013, California ranked Number 1 in the nation's homeless population, almost twice as many people as the next largest population: New York, at 13% (77,430 people).^[1]

EXHIBIT 1.4: Estimates of Homeless People
By State 2013



These data are collected by local planning bodies designated by HUD as Continuums of Care (CoC), which are responsible for coordinating the full range of homeless services in a geographic area, such as our county. The 2013 HUD report also ranked Santa Cruz County among smaller city, county, and regional Continuums of Care (CoC)[1] as 10th highest in the nation in number of homeless individuals. Nationally, our county also ranked 10th highest in number of chronically homeless people. Chronically homeless is defined as remaining homeless for more than one year or experiencing a minimum of four episodes of homelessness over a three-year period.^[1]

The most recently reported county survey, performed January 22, 2013 by Applied Survey Research (ASR),^[2] documented a total of 3,536 homeless individuals in Santa

Cruz County. This represents an increase from the 2,771 individuals counted in the 2011 census survey. Of these individuals, only 18% were sheltered, either in emergency shelters or transitional housing. The remaining 82% were living in places such as streets, parks, vehicles, and ad hoc encampments. The highest concentration of these individuals was located in the city of Santa Cruz, at a total of 892 persons (31%), followed by the city of Watsonville at 497 persons (17%); the majority of the remaining 1,372 persons were scattered throughout the unincorporated area of the county.

“If all the 2,895 unsheltered homeless persons in Santa Cruz County were to line up for a shelter bed, the line would stretch for one mile.”^[3]

In addition, the ASR report also indicated that 53% of the homeless respondents had lived in Santa Cruz County for the past three or more years, and 31% for ten or more years, both indicators of the chronic nature of this problem in our community.^[2]

Numerous federal and state funding streams rely on PIT census survey statistics. However, it is important to acknowledge the inherent limitations of these data. In our county the data are collected during only one day “point-in-time”, and only on a biennial basis. This snapshot survey of the homeless population may incorrectly estimate the extent of this systemic problem. It is difficult to account for the flux of the homeless population, as they are mobile, with uncertain living situations, from vehicle to shelter to a friend’s residence, etc. Potential underestimation might be the case in certain subpopulations, such as:

- homeless youths
- agricultural workers
- families
- those living in places not ordinarily designed for human habitation
- some employed homeless individuals who might not be seen during the survey, and
- those who live in extremely rural areas.^[4]

Homelessness Impacts Our Community

Cost analyses clearly indicate homelessness overtaxes local agencies, such as health services and law enforcement, resulting in the inefficient use of funding.^[5] The state level report, “*The Annual Cost of Chronic Homeless in California*” summarizes most, though not all of the estimated costs to communities. Costs incurred by chronic homelessness are estimated to be \$25,726-\$36,388 (avg. \$31,057) per person per year ([Appendix B](#)).

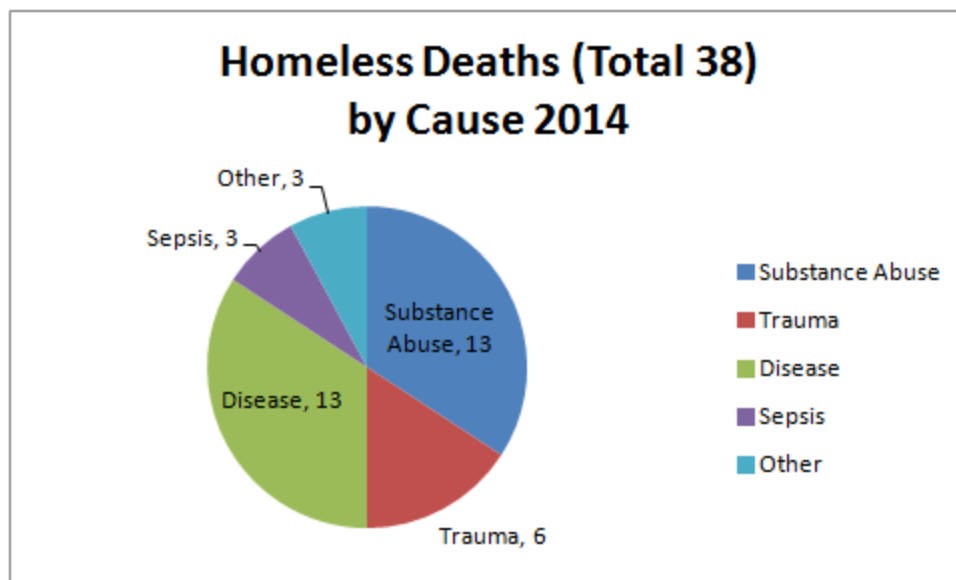
Additional impacts to our county include safety, environmental, financial, and quality of life issues. These impacts were highlighted in the “Research, Findings and Recommendations: Santa Cruz City Public Safety Citizen Task Force”^[6] and the 2013 Special Session of the Santa Cruz City Council which focused on Homelessness.^[7]

Vagrancy Laws Penalize and Perpetuate Homelessness

A recent report by the University of California Berkeley Law Policy Advocacy Clinic addressing California's new vagrancy laws found that California cities have enacted a large number of anti-homeless laws to address the escalating homeless population. The report concluded that "criminalization harms homeless people and perpetuates poverty by restricting access to the social safety net, affordable housing, and employment opportunities" and that "enforcement of such laws is expensive, directing limited resources away from efforts that would effectively and humanely reduce homelessness."^[8]

Homelessness and Premature Death

The Annual Report on Homeless Deaths in Santa Cruz County enumerated 38 homeless person deaths in 2014. This annual report is prepared by the Homeless Persons' Health Project, a program of the Santa Cruz County Health Services Agency, and has enumerated over 600 deaths since its inception in 1999. The graph below is a distribution of homeless deaths by cause in 2014.



Source: [Appendix C](#)

Of these deaths 29 were male and 9 were female. The average age at death was 51.4 years, over 25 years shorter than the current 78.7 years average American life expectancy.

Although specific housing status at the time of death was difficult to determine (i.e. outside, vehicle, hospital, etc.), having access to shelter may reduce this mortality rate. It is well documented that, "the mortality rate for those experiencing chronic homelessness is four to nine times higher than the general population."^[2]

Lack of Affordable Housing Contributes to Homelessness

Santa Cruz-Watsonville ranked 6th in the nation's most expensive metropolitan areas for housing. The average renter would have to earn over \$30 an hour in order to afford a 2-bedroom rental unit at fair market rent.^[9]

Assistance for low income earners has decreased. From 1976-2007, the federal housing assistance budget was reduced by 50% (\$28.1 billion), according to an analysis published by The National Low Income Housing Coalition.^[10]

The Santa Cruz County Homeless Action Partnership (HAP) Ten-Year Plan to End Homelessness 2003-2013 Report declared: "It is not surprising, then, that homeless people have become more and more visible in all parts of the county, urban, suburban, and rural. Shelters, once home to people without incomes, are increasingly filling with working people who just cannot find or afford housing; transitional housing programs, meant to facilitate a person's ability to transition into permanent housing, are left without exits."^[4]

Santa Cruz County "Ten-Year Plan to End Homelessness, 2003-2013": No Substantive Improvement in Homeless Numbers

As the following table demonstrates, the PIT census counts have shown no real reduction in homelessness.

A Comparison of The Point In Time Census Survey in Santa Cruz County

Homeless	2005 PIT Census	2013 PIT Census
Total Homeless Individuals	3,371	3,536
Sheltered	21%	18%
Unsheltered	79%	82%

Source:^{[2][4]}

The Ten-Year Plan was written by the Homeless Action Partnership ([Appendix D](#)) and sponsored by all of the local jurisdictions. It provided a "common blueprint to guide the County, the Cities, service providers, the business sector, philanthropy, and the broader community in realizing the vision of a community in which all residents have stable housing and services they need to live in dignity..."^[4]

While the main emphasis of this plan was to broaden our community stock of affordable housing, it listed clear objectives and action steps for emergency shelters, including:

- 50% more families and individuals without shelter will receive emergency shelter
- Support emergency shelters as an important component of the CoC as, for many homeless individuals, they are the point of entry to the homeless services system
- Continue development of new homeless family shelters in North and South County, seek funding for development, and encourage participation by all jurisdictions

- Develop a new permanent (year-round) adult shelter facility to replace the winter armory shelter
- Increase the availability and accessibility of all health and human services and case management for homeless people at the emergency level.^[4]

The Next Ten-Year Plan: “All In - Toward a Home for Every County Resident”

The County Board of Supervisors (BOS) approved an agreement with United Way of Santa Cruz County in early 2014 to complete a new coordinated long range strategic plan to address homelessness in our county. The recently adopted ten year plan, “All In - Toward a Home for Every County Resident,” highlights “action to prevent, reduce, and eventually end homelessness in Santa Cruz County, and ameliorate the impact of homelessness on all people.”^[11] It recommends a “strategic priority of transforming the crisis response system” through implementation of the “coordinated entry system.”

The following are the plan’s most important recommendations (not in order of priority):

- Establish a coordinated entry system using the Vulnerability Index and Service Prioritization Decision Assistance Tool (VI-SPDAT)
- Implement the Housing First initiative
- Expand Permanent Supportive Housing (PSH)
- Add more affordable housing for the lowest income households
- Increase homelessness prevention and rapid rehousing programs.^[11]

The new ten-year recommendations no longer include any stated plans to improve the funding, capacity, or staffing inadequacies for emergency shelters or to develop a permanent, year-round emergency shelter to replace the EWS. In the Grand Jury’s opinion this shift in emphasis was not due to a diminishing of the importance of emergency shelter, but was instead a pragmatic response to maintain and secure more federal funding.

Scope

The Grand Jury chose to study emergency shelters for the homeless in the city of Santa Cruz, including the provisional North County Emergency Winter Shelter (EWS) located at The National Guard Armory. We evaluated the programs provided by Homeless Services Center (HSC) and Encompass Community Services, the two main non-profit organizations that receive funding from the county and city of Santa Cruz for emergency shelters. We reviewed the agency Homeless Action Partnership (HAP), attended HAP meetings, Public Forum Meetings, and presentations regarding the volunteer-led organizations. In addition, we interviewed individuals with personal experience of homelessness. The Grand Jury recognizes the issue of emergency shelters in the City of Watsonville and south county but were not included in this report because of time constraints.

We examined the following areas:

- 1) Current sources and levels of funding for emergency homeless shelter services in the city of Santa Cruz from all available funding streams.
- 2) Current and planned future programs/shelters in the city for emergency housing of the homeless.
- 3) Available emergency shelter beds in the city, year-round and seasonal.
- 4) The city's current emergency shelter capacity, the number of people turned away, as well as expected wait list times.
- 5) Potential restrictions that prevent access to emergency shelter.

Investigation

Emergency Shelters Meet the Temporary Acute Need

Emergency sheltering is a temporary solution that aids individuals with short-term housing need. Seventy-two percent of the homeless population in Santa Cruz County may only require temporary shelters, rapid re-housing, or transitional housing based on their temporary acute needs,^[2] such as those created by seriously inclement weather.

Although Permanent Supportive Housing (PSH) has proven to be an effective strategy, especially for the smaller percentage of chronically homeless individuals, addressing the needs of the homeless population may require a variety of solutions, including emergency shelters for those with less chronic needs.

Emergency Shelters in City of Santa Cruz

Emergency shelters in the city of Santa Cruz which operate year-round with the assistance of county and local jurisdictional funding include the River Street Shelter, operated by Encompass Community Services, as well as Paul Lee Loft, Rebele Family Shelter, and Page Smith Community House (transitional housing), which are operated by Homeless Services Center. ([Appendix E](#)) Additional beds for winter months are discussed in more detail below under Emergency Winter Shelter (EWS) at the National Guard Armory.

Santa Cruz County's emergency shelters are at capacity, and many homeless persons have been turned away due to lack of space and long wait lists. It is estimated that there is one available shelter bed per every 10 homeless persons. The average wait list is 6 weeks for men, 2 weeks for women, and 6 months for families. The total number of emergency shelter beds in Santa Cruz County was 481 per the January 2014 Housing Inventory Chart. ([Appendix E](#))

Santa Cruz County 2014 Emergency Shelter Capacity

Year-Round Beds	Seasonal Beds	Total Beds
Family Beds/Family Units Individual/Veteran Beds	Emergency Winter Shelters North and South County	
353	128	481

EWS operates November 15th through April 15th

Source: [Appendix E](#)

This bed count of 481 for the month of January, 2014, when compared to the 2,895 total unsheltered individuals identified during the January 2013 PIT census survey, yields a shortage of 2,419 beds during the coldest month of the year, despite the addition of 128 seasonal winter beds. Even if one assumes that not all of those homeless individuals desired shelter, the need still far exceeds the availability of all emergency shelter beds. Despite HAP's 10-year plan (2003-2013) to "end homelessness," the 2013 PIT census survey indicates that little has changed since 2005, with a steady 80% of the homeless population without shelter.

Emergency Winter Shelter at The National Guard Armory is an Expensive and Uncertain Yearly Arrangement

Local jurisdictions ([Appendix F](#)) have managed to piece together funding that provides seasonal emergency shelter services.^[12] The Grand Jury evaluated the North County Emergency Winter Shelter (EWS), which is provided through a collaboration between the Homeless Services Center and the National Guard Armory. The 2013-2014 budget was approximately \$225,000, for 152 nights per season of winter/cold/wet weather.^[12] This equates to a cost of \$1,480 per night of operation, with the entire cost allocated specifically toward temporary night-time shelter, classified as "an emergency response operation in order to prevent the 'loss of life' of homeless persons during winter weather conditions."^[12]

The North County EWS goal is to provide temporary seasonal shelter for an average of 75 homeless individuals per night, about 2% of the census. Clients must sign up by 3 pm at the HSC each day for that night and are transported from the HSC by bus at a designated time. There are no daytime hours at the EWS, forcing clients to inhabit public areas. No rehabilitation services are offered at the EWS; none are planned.

The Armory's availability for winter shelter has been uncertain for years. All previous efforts to find a more permanent site for North County EWS have failed, as local jurisdictions have been unable to agree on a location. There are no plans in place for alternatives should the Armory suddenly become unavailable. This state of uncertainty has persisted despite objectives to locate a more permanent, year-round shelter in the "2003-2013 HAP 10-year Plan to End Homelessness," and the 1989 Grand Jury report recommendations.

Warming Center

A newly formed volunteer-led grassroots organization, the Warming Center, was assembled in late 2014 with the mission to help provide shelter when weather conditions become dangerously inclement. Their first two nights of operation were at Calvary Episcopal Church in downtown Santa Cruz, which provided shelter to approximately 100 homeless individuals who sought shelter during the rain storms in December 2014. The Warming Center was at 75% capacity during these two nights, helping to shelter the overflow of homeless persons from emergency shelters in the city of Santa Cruz.

The Warming Center slightly increased emergency sheltering capacity to approximately 3% of the homeless for the two nights of predicted freezing temperatures. The number of homeless individuals served underscored the need for sufficient winter shelter capacity.

Shifts in National Trends and Policies Toward Permanent Supportive Housing Affect Funding Streams For Emergency Shelters

The shift in national trends and policies toward Permanent Supportive Housing (PSH) has come from decades of failure to end our national homelessness problem. Short-term FEMA-style shelters have proven to be inadequate. Federal agencies responsible for these policies and associated funding include the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA), the Department of Health and Human Services, and the Interagency Council on Homelessness.

Santa Cruz County's Homeless Action Partnership (HAP)^[13] has functioned as the local conduit to state and federal grants, and helps coordinate grant funding. Santa Cruz County was an early adopter of the new policies emphasizing Permanent Supportive Housing (PSH), with our first unit built in 2000.

Since 2000, Santa Cruz County has been awarded approximately \$20 million of Continuum of Care (CoC) funding. CoC funding represents HUD's largest and most broadly targeted program. It provides infrastructure to implement a comprehensive planning approach, data collection/analysis, and performance measures. This is the largest source of funding Santa Cruz County has received toward ending homelessness.

Ongoing funding awards are tied to the national policy shift toward Permanent Supportive Housing. Bonus funding awarded through HUD is tied to PSH, leading to our local jurisdictional strategy that allocates very little funding toward emergency shelters. Agency personnel interviewed stated that HUD funding for Santa Cruz County would cease if we were to change our priorities to allocate funds only for emergency shelters.

These changes have dramatically reduced funding for local emergency shelters. For example, HAP's 2014 rankings out of a total award of \$2,274,747 were as follows:

- 69% (\$1,573,125) to permanent housing
- 26% (\$586,801) to transitional housing
- 5% (\$114,821) to Homeless Management Information System (HMIS) and planning^[14]

There are no funds allocated to emergency shelters from HAP's rankings.

Additional Funding Sources Could Help Support the Homeless Population

Funding designated for permanent support solutions benefits people in emergency shelters by allowing more homeless people to move through the Continuum of Care (CoC).

Significant grant monies pursued by HAP include Emergency Solutions Grant (ESG), HUD's HOME Investment Partnership Program, and Veterans Affairs Supportive Housing Program (HUD-VASH).

Additional sources of funding may include, but are not limited to the following:

- Medicaid-funded health services, with expanded eligibility due to the Affordable Care Act^[15]
- Grants awarded by the Substance Abuse and Mental Health Services Administration to provide services and treatment needed to assist the chronically homeless to stay housed in permanent settings^[16]
- The Rural Housing Stability Assistance Program through HUD, where applicable^[14]

A key method of accessing Medicaid funding involves qualification for SSI (Supplemental Security Income), which can be especially difficult for the chronically homeless individuals who lack adequate documentation of their disabilities. Since most chronically homeless persons are neither receiving SSI nor covered by Medi-Cal, local governments bear most of the healthcare cost burden. This funding is especially useful as it helps to keep chronically homeless individuals in permanent supportive housing, and can include:

- coverage of community mental health services through the Medicaid Rehabilitation Option
- case management services
- employment-related skills and supported employment
- Federally Qualified Health Centers to provide needed services reimbursed by Medicaid
- home and community-based waiver services
- personal services^[15]

The Los Angeles Skid Row Homeless Healthcare initiative, begun in 2005, implemented strategies to improve SSI applications and secure funding. By assigning two highly experienced registered nurses to retrieve necessary documentation from multiple county public health care facilities, each with its own data management system and

software, they succeeded in obtaining SSI funding for 62% of first-time applicants. They then designed a multi-agency collaborative team to help out with all aspects of the application process, which achieved 91% approval success in accessing SSI for their most vulnerable chronically homeless persons.^[15]

In the Santa Cruz County 2013 PIT census survey, 25% of the respondents were ineligible for governmental services due to lack of a permanent address, and 24% simply did not think they were eligible.^[3] Of 69% total respondents per 2013 PIT census survey, who reported receiving government benefits, only 17% were identified as Medi-Cal/Medicare beneficiaries.^{[2][3]} As demonstrated by the Los Angeles example above, case workers and a team approach could help locate and access additional support for these homeless individuals. Using all of these tools to assist homeless individuals would free emergency shelter beds for emergency use.

Coordinated Entry: Emergency Shelter as a Point of Entry

Santa Cruz County, in partnership with local agencies, is working to implement a “coordinated entry system” to help streamline the process of connecting the homeless individual to housing and services. This process will help programs to shift from the common question of “should we accept this family/individual into our program?” to the more efficient and targeted approach of “what housing and service strategy is best for this family/individual out of the several housing/service options available?”^[17] If there are insufficient housing options, this becomes a moot point.

National strategies have been developed and proven to be effective in other communities to manage shelter wait times, and to identify and prioritize homeless individuals for housing according to the fragility of their health.^[18] Santa Cruz County is transitioning to these best practice strategies and tools to “ensure that all service providers are collecting the same demographic, client history and housing barrier information at the time of intake.”^[19] This coordinated entry system is especially efficient when emergency shelters are a point of entry and are available.^[11]

Case Managers

Skilled case managers serve as the bridge between a particular homeless individual, with his/her specific needs, and the tailored support system that can help the individual to achieve stability and long-term tenancy. The presence of a case manager and the size of each manager’s caseload are major determinants to the success of stable tenancy among homeless populations. For example, the HUD-VASH program views case management as a key component, requiring each veteran to be assigned a case manager prior to enrollment in this program. Their goal is a ratio of 1 case manager to 25 veterans.^[20]

Currently, Santa Cruz County budgets for two case managers, staffed at HSC, with a ratio of approximately 1 case manager to 40 clients. Despite their high caseloads, the two case managers have already proven their effectiveness. The Grand Jury learned from administrators that the approximately \$40,000 annual salary per case manager translates into sheltering 20-25 homeless individuals. With costs of approximately

\$31,000 per person per year of chronic homelessness, investing in additional case managers could result in considerable savings to the Santa Cruz County community ([Appendix B](#)).

Case manager coordination is particularly cost-effective with the chronically homeless subpopulation, which incurs the most cost to the public, or for those individuals who make frequent use of the emergency room or violate municipal codes. As previously referenced, estimated yearly costs to California communities are approximately \$31,000 per person per year of chronic homelessness, vs. \$4,952 when supported in Permanent Supportive Housing (PSH).^[21]

The 2013 PIT census found 989 chronically homeless individuals (28% of total 3,536 homeless individuals surveyed in the county). The optimal number of case managers required to serve them would be about 40, using best practices standard of 15-25 individuals per case manager.^[21] With even a few additional case managers to help bridge this unmet need, cost savings to the public could far exceed the cost of the additional case managers. The Grand Jury recognizes that success of the utilization of case management depends on adequate housing and the availability of other resources.

Solutions Come Slowly - Still a Need for Emergency Shelters

The Grand Jury concludes that the following factors demonstrate the continuing and increasing need for emergency shelters in Santa Cruz County:

- the persistently high number of homeless persons, with diverse needs
- the high costs of housing and low availability of supportive housing
- limitations of funding sources
- staffing costs
- insufficient emergency shelter capacity
- length of time needed to develop Permanent Supportive Housing (PSH) for chronic homeless individuals

PSH cannot be implemented quickly enough to avoid the need for emergency shelters for the foreseeable future. For the 72% of the homeless individuals (non-chronic) in Santa Cruz County, emergency housing serves a crucial need. Emergency shelter needs to be available for the most vulnerable, without a wait list. Our shortage of emergency shelter supply must be addressed.

Findings

- F1.** Local jurisdictions have not provided adequate emergency shelter to accommodate the vast majority (80%) of the more than 3,500 total homeless persons in Santa Cruz County (using 2013 PIT data).
- F2.** Despite persistent unmet need, local jurisdictions have neither increased nor planned to increase the number of emergency shelter beds and services.
- F3.** The effectiveness of the North County Emergency Winter Shelter is limited by its reliance on the National Guard Armory facility.

- F4.** The absence of a back-up plan to replace the National Guard Armory threatens the continuing existence of the North County Emergency Winter Shelter program.
- F5.** Insufficient capacity of emergency shelters limits their potential use as an entry point to the planned coordinated entry system.
- F6.** Insufficient numbers of personnel and case managers at the emergency shelters limit the services that can be provided to homeless individuals.
- F7.** Insufficient number of staff dedicated to grant writing results in missed grant funding opportunities.

Recommendations

- R1.** Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should develop plans to provide increased emergency shelter on a priority basis to the most vulnerable populations first, including families, youth, women, and the elderly. (F1-F6)
- R2.** Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should seek a more permanent, accessible and expandable site for the North County Emergency Winter Shelter program. (F3, F4)
- R3.** Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should allocate more funds for additional case managers for the local emergency shelters. (F6)
- R4.** Santa Cruz County Board of Supervisors and the cities of Santa Cruz, Capitola and Scotts Valley should allocate additional staff to seek more grant funding for emergency shelters. (F7)

Commendations

- C1.** The Grand Jury commends Santa Cruz County, the Homeless Action Partnership, local jurisdictions, and non-profit organizations for their collaborative efforts to implement evidence-based programs and solutions, including the coordinated entry system, to relieve homelessness.
- C2.** The Grand Jury commends local jurisdictions and non-profit organizations for their on-going collaborative efforts to fund and operate local emergency shelters.

Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendation</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1-F7	R1-R4	90 Days 9/10/2015
Santa Cruz City Council	F1-F7	R1-R4	90 Days 9/10/2015
Capitola City Council	F1-F7	R1-R4	90 Days 9/10/2015
Scotts Valley City Council	F1-F7	R1-R4	90 Days 9/10/2015

Responses Requested

<i>Respondent</i>	<i>Findings</i>	<i>Recommendation</i>	<i>Respond Within/ Respond By</i>
Homeless Services Center, Executive Director	F1-F7	R1-R4	90 Days 9/10/2015
Encompass, Chief Executive Officer	F1-F7	R1-R4	90 Days 9/10/2015

Definitions

- **AHAR:** *Annual Homeless Assessment Report to Congress*
- **ASR:** *Applied Survey Research* - Conducts the biennial homeless PIT census and survey as mandated by HUD. www.appliedsurveyresearch.org
- **BOS:** *Board of Supervisors* - The legislative governing body of the County of Santa Cruz.
- **Chronically homeless individual:** Unaccompanied individual with a disabling condition who has either been continuously homeless for 1 year or more or has experienced at least four episodes of homelessness in the past 3 years.
- **Chronically homeless people in families:** People in families in which the head of the household has a disabling condition, and that has either been continuously homeless for 1 year or more or has experienced at least four episodes of homelessness in the past 3 years.
- **CoC:** *Continuum of Care* - Local planning bodies responsible for coordinating the full range of homelessness services in a geographic area, which may cover a city, county, metropolitan area, or even an entire state.

- **Coordinated entry system:** A process that ensures that all service providers are collecting the same demographic, client history and housing barrier information at the time of intake. The intake sheet collects information to be entered into HMIS and is aimed at increasing the efficiency of providing homeless assistance via access to accurate data.
- **Emergency Shelter:** "A facility with the primary purpose of providing temporary shelter for homeless persons," per HUD definition.
- **EWS: *Emergency Winter Shelter*** - Program to provide shelter to homeless individuals and families during the cold and rainy months, operating Nov. 15 through April 15. For the purposes of this Grand Jury Report, EWS refers only to the North County program, provided through collaboration between HSC and the National Guard Armory under the auspices of HAP. The Armory provides sheltered housing and HSC manages the program under County contract, approved by the County BOS.
- **FEMA: *Federal Emergency Management Agency*** - Created by Presidential Reorganization Plan in 1978 and implemented in 1979, with the primary task of coordinating the response to a disaster in the US that overwhelms the resources of local and state authorities. www.FEMA.gov
- **HMIS: *Homeless Management Information System*** - A secure database of the homeless and housing mandated by HUD and administered by HAP that allows authorized staff at partner agencies to share client information and follow trends and service patterns over time
- **HUD: *US Department of Housing and Urban Development*** - The federal department that is in charge of releasing the Annual Homeless Assessment Report to Congress
- **HUD-VASH: *HUD-Veterans Affairs Supportive Housing Program*** - A collaborative initiative between HUD and VA intended to target the most vulnerable, needy, and chronically homeless veterans.
- **PSH: *Permanent Supportive Housing***- Designed to provide housing (project- and tenant-based) and supportive services on a long-term basis for homeless people with a disability.
- **Point-in-Time Counts:** Unduplicated 1-night estimates of both sheltered and unsheltered homeless populations. The 1-night counts are conducted by Continuums of Care nationwide and occur during the last week in January of each year, although in Santa Cruz County, they are done biennially.
- **PSCTF: *Public Safety Citizen Task Force*** - A 14-member task force charged by Santa Cruz City Council April 9, 2013 that published its completed Report December 2013.
- **County: *Santa Cruz County***
- **Sepsis:** The presence in the blood or other tissues of pathogenic microorganisms or their toxins.
- **Sheltered homeless people:** People who are staying in emergency shelters, transitional housing programs, or safe havens.

- **Transitional Housing Program:** housing where homeless people may stay and receive supportive services for up to 24 months, and which are designed to enable them to move into permanent housing
- **Unsheltered homeless people:** People with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned buildings, bus or tram station, airport, or camping ground.
- **VI-SPADT:** *Vulnerability Index & Service Prioritization Decision Assistance Tool* - A tool for identifying and prioritizing the street homeless population for housing according to the fragility of their health. It is administered in a form of a survey which captures a homeless person's individual health and social status, identifying the most vulnerable through a ranking system which take into account the risk factors and chronicity of homelessness. The goal is to highlight those with the most severe health risks to be prioritized for housing and support services.

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http://www.csh.org/wp-content/uploads/2011/12/Report_CAPSHWhitePaper.pdf

Site Visits

Homeless Services Center
Encompass Community Services
Rebele Family Shelter
Project Homeless Connect in Watsonville

Web Sites

www.hud.gov
www.usich.gov
www.scshester.org
www.emcompasscs.org
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www.unitedwaysc.org
www.chcf.org
<http://aspe.hhs.gov/daltcp/reports/handbook.htm>
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Appendix A

History of Emergency Shelters for the Homeless in Santa Cruz

The establishment of the Homeless Services Center in 1986, with its shelters and array of daytime services, along with the River Street Shelter, were the results of efforts by prominent advocates for the homeless population, formerly known as the Santa Cruz Citizen's Committee for the Homeless. In the 1970s, Santa Cruz County commissioned a report to examine the "undesirable transient element," followed in the 1980s by studies of the "street people." As a result of these commissioned reports, community-based shelter, food, and service programs began to aid the homeless.^[22]

Collaborative efforts of numerous faith-based and religious organizations led to the Interfaith Satellite Program in the 1980s that later dissolved, due to lack of adequate support.^[17]

In 1989 the Santa Cruz County Civil Grand Jury examined the Homeless Services Center, remarking that "this is one of the most cost effective programs in the state."^[23] The report also reviewed an additional winter shelter provided at the National Guard Armory, from November 15 to March 30, provided at a cost of \$500 per night for rent and cleaning of the Armory. Recommendations from the report included locating a permanent emergency shelter as an alternative to the expensive use of the National Guard Armory.

In 1990, the Short-Term Housing Coalition released the "Assessment of Shelter and Housing Needs of the Homeless Population of Santa Cruz County." This report paved the way for the local jurisdictions to adopt a joint resolution titled "Coordinated Community Effort to Assist the Homeless."^[4] Don Lane, who is now Mayor of the City of Santa Cruz, chaired a task force on homelessness in the late 1990s, and later, as a member of the board of HSC, led the efforts to expand services to their present day programs, including:^{[22][17]}

- Paul Lee Loft shelter, housing 46 adults year-round
- Rebele Family Shelter, housing up to 28 families for up to 6 months
- Page Smith Community House, a transitional housing program for 40 single male and female adults for up to 18 months
- Daytime essential services, providing on-site services such as meals, laundry, mail, showers, and social service referrals.

Encompass Community Services, formerly known as Santa Cruz Community Counseling Center, was formed in 1973, also by the Santa Cruz Citizen's Committee for the Homeless, and currently operates the River Street Shelter, a 32-bed emergency shelter for homeless adult men and women, of which 60% of the beds are reserved for county Mental Health patients.^[24]

Mr. Lane later founded the nonprofit advocacy organization Smart Solutions, with the goal of changing the mindset of communities to commit to ending homelessness, rather than just keeping the homeless alive, and managing this problem.^[25] This organization, a project of the United Way of Santa Cruz County, is currently actively engaged with local jurisdictions and stakeholders in advancing the County's mission "to improve the way Santa Cruz County works collaboratively to reduce and ultimately end homelessness."^[25]

Appendix B

Annual State Costs of Chronic Homelessness in California

State Cost	Incurring This Cost	Amount Per Person Per Year of Homelessness
Prison	Over 50% of homeless people report a history of incarceration. People with histories of homelessness and mental illness are 23% more likely to face incarceration, usually for drug related offences, sleeping on public streets, defecating in public, and other quality of life crimes. Parolees who are homeless are seven times more likely to recidivate than parolees in stable housing.	\$40,000-\$110,000
Medi-Cal	While actual costs to Medi-Cal are difficult to assess because homelessness is not tracked in Medi-Cal claims data, frequent users of emergency departments who are Medicaid beneficiaries, many of whom are homeless, incur Medi-Cal costs of approximately \$16,000 over one year.	\$8,000-\$16,000
Foster Care Costs	Homelessness is not a basis for placing children into foster care, but it is often linked to foster care placement. In fact, almost half of foster children's birth parents have been homeless.	\$6,000
Shelter	About one-third of people who are homeless sleep in a shelter bed created by state bond funding	\$47,000

Annual City/County Costs of Chronic Homelessness in California

County/City Costs	Incurring This Cost	Amount Per Person Per Year of Homelessness
Jail	People who are homeless are at much greater likelihood of experiencing incarceration.	\$3,824
General Relief	People who are homeless who do not receive Supplemental Security Income often receive payments from county's general relief/general assistance program	\$2, 086
Health Care	Homeless people have much higher incidence of emergency department visits and inpatient hospital admission than people who are stably housed. County hospitals often face the financial burden of both homeless uninsured and Medi-Cal beneficiaries. Those who require medical or mental health services while in jail incur a 56% increase in county costs compared to insured individuals.	\$17,730-\$28,392
Paramedics/ Ambulance	Homeless people have much higher utilization of paramedic and ambulance services than those in stable housing.	\$2,086
Total Annual Community Costs		\$25,726-\$36,388 (avg. \$31,057)

Source: [\[26\]](#)

Appendix C

2014 Annual Report on Homeless Deaths in Santa Cruz County For the Period December 18, 2013 – December 17, 2014

Report Prepared by the Homeless Persons' Health Project (HPHP), A program of the Santa Cruz County Health Services Agency

Background:

In keeping with a tradition established in 1999, once again this year on December 18th homeless individuals, community, family members, and homeless service providers will come together to honor the lives of those who died while homeless. The 2014 Annual Report on Homeless Deaths and our local homeless memorial event represent our community's sixteenth year of collecting data and reporting on homeless deaths across the county. Our memorial is one of many occurring across the nation to coincide with the beginning of winter, a time when the dire consequences of homelessness are most starkly evident.

Discussion of 2014 Homeless Deaths:

Based on all reported deaths, the total number of people who died while homeless this year in Santa Cruz County is 38. The total number of homeless deaths reported in 2013 was 38, and the average number of homeless deaths per year over the preceding ten years (2004-2013) was 33. The average age at death for 2014 was 51.4, which is slightly higher than the average age of death of 50 for homeless individuals in Santa Cruz County during the previous ten-year period. The average age of death for all Americans is 78.7 and this means that people who die while homeless in our community die 28 years earlier than might otherwise be expected.

Eight of the reported deaths (21%) are due to acute overdoses, an increase from the 16% reported in 2013. Five more of the deaths (13%) are attributed to chronic substance use. In addition, at least six of the deaths attributed to other causes had substance use as a significant contributing factor, bringing the total of substance use related fatalities to at least 50%. A total of 6 of the deaths (16%) were due to trauma including one homicide, one suicide, and two homeless pedestrians struck by motor vehicles. Four homeless people (11%) died of cancer. Just over half of those who died homeless were in a hospital or nursing facility at the moment of death, while fourteen of the deaths (37%) occurred out of doors or in a vehicle. Four of the persons who died were known to be veterans.

One fact is well documented – Homelessness causes, complicates and exacerbates serious health problems and it leads to the premature deaths of thousands of people in communities across our nation every year. The longer homelessness is endured, the greater the impact on health. Research in the U.S. has shown that homeless persons have up to a threefold increase in mortality when compared to the general population, (Hibbs,1994). Studies document an average age of death among homeless populations that ranges from 42 to 52 years, while average life expectancy for most Americans is almost 80 (O'Connell, 2005).

How Data On Homeless Deaths Are Collected:

Throughout the year, a public health nurse at HPHP maintains a log of deaths that occur among people who are homeless in Santa Cruz County. The log includes information on confirmed deaths of HPHP clients, as well as confirmed reports of deaths received from other homeless service organizations, medical providers, the Coroner's office, and friends or family members of those who have died. The log also includes death certificate data compiled by the County Office of Vital Statistics, and data obtained from the County Public Administrator's office.

The data available from this process most likely under-represent the number of homeless deaths in the county. Housing status at the time of death is neither well documented nor always easily determined. Also, information on likely factors leading to death is imprecise, and the cause can be unknown at the time of death. For the sake of summarizing the information, we have assigned a single primary contributing factor to each death, but in many cases, there are multiple, significant factors that have contributed to an individual's death.

For this reason the data provided in this summary should not be interpreted as a definitive accounting of deaths among the homeless population in our county. Instead, this reflects our best effort at this time to collect and analyze accurate data on homeless deaths in a way that is meaningful to our community, to homeless service providers, and to friends and family of those who have died.

About the Memorial:

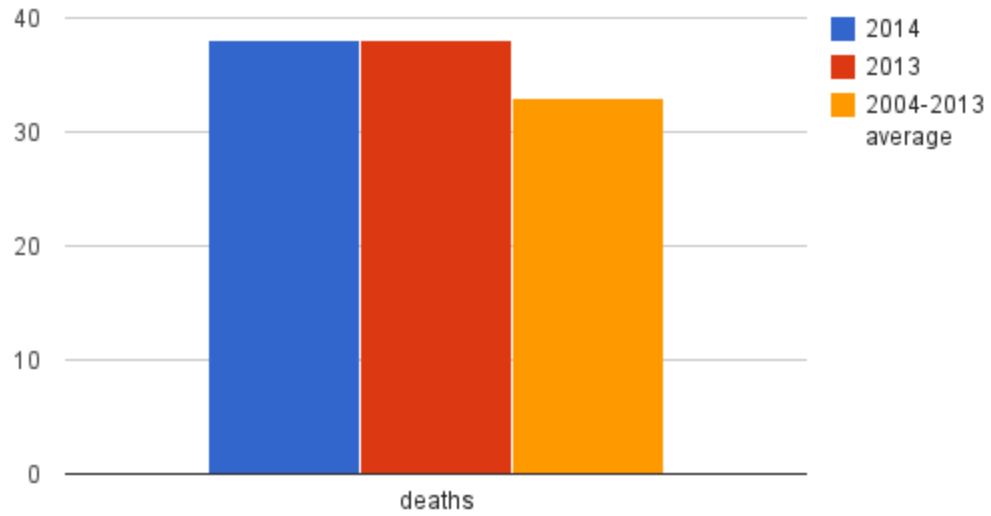
Our purpose in preparing and distributing this report at this time of year is three-fold: first, to honor and mark the passing of all those who died while homeless in our community during the last year; second, to document and increase awareness of the serious and negative impact of homelessness on the lives of our fellow community members; and finally, to reflect on and to recommit ourselves to the work that is left to be done in our community to prevent so many unnecessarily early, and unjustly early deaths each year.

Our memorial service includes a reading of the names of the 38 people who were homeless at death and are reflected in our annual report. We will also read the names of an additional 22 individuals who were previously homeless and died this year, but who were either out of county, or housed at the time of their death. Many of these individuals were homeless for long periods of time before entering housing.

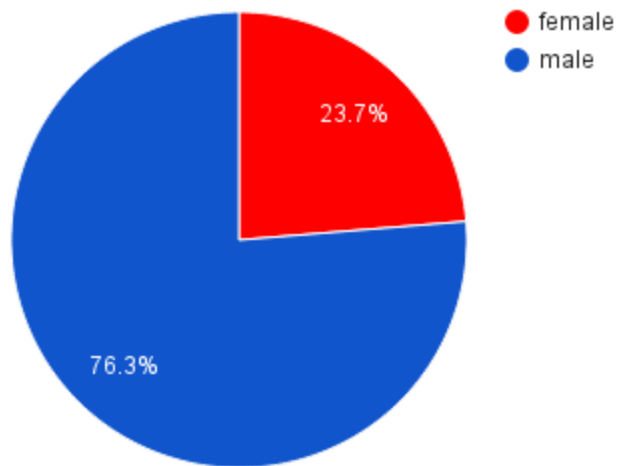
We continue our tradition of creating and displaying homeless memorial flags with the name, age and year of death for each homeless or previously homeless person who has died since December 21, 1998. This year that fifteen-year total will exceed 600 people. The flags will be on display at the memorial at 115 Coral Street in Santa Cruz..

Nearly all of the people who died were personally known to one of us at the River Street Shelter, at the Homeless Services Center, at HPHP or to one of our colleagues at homeless service organizations in Watsonville or in other parts of the county. We are sometimes shocked and always saddened by their deaths. Each person who died will be missed. We hope that this information will serve to honor the memory of each person, to guide us in our ongoing efforts to improve the health and quality of life for all who experience homelessness, and to recommit ourselves as a community to ending homelessness in Santa Cruz County.

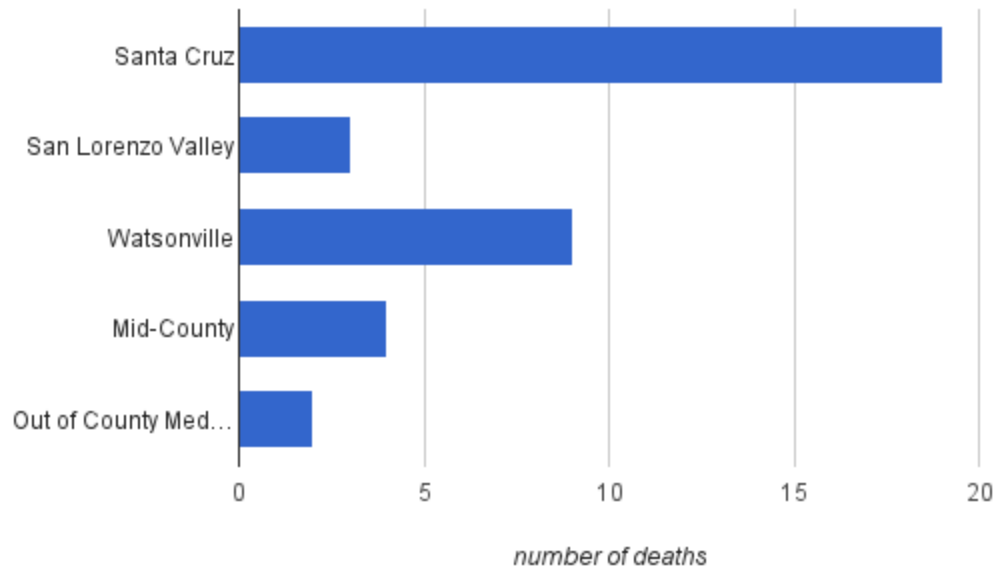
Homeless Deaths By Year



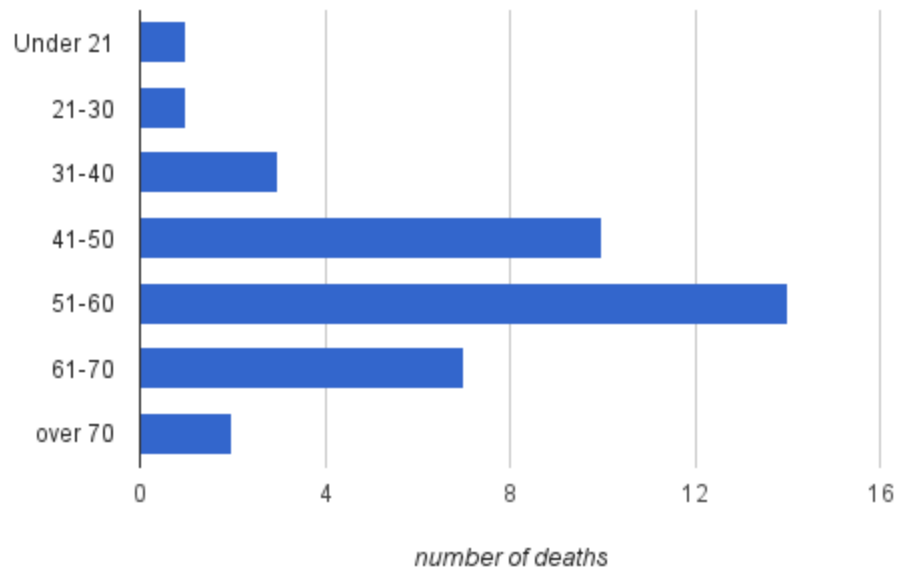
2014 Homeless Deaths by Gender



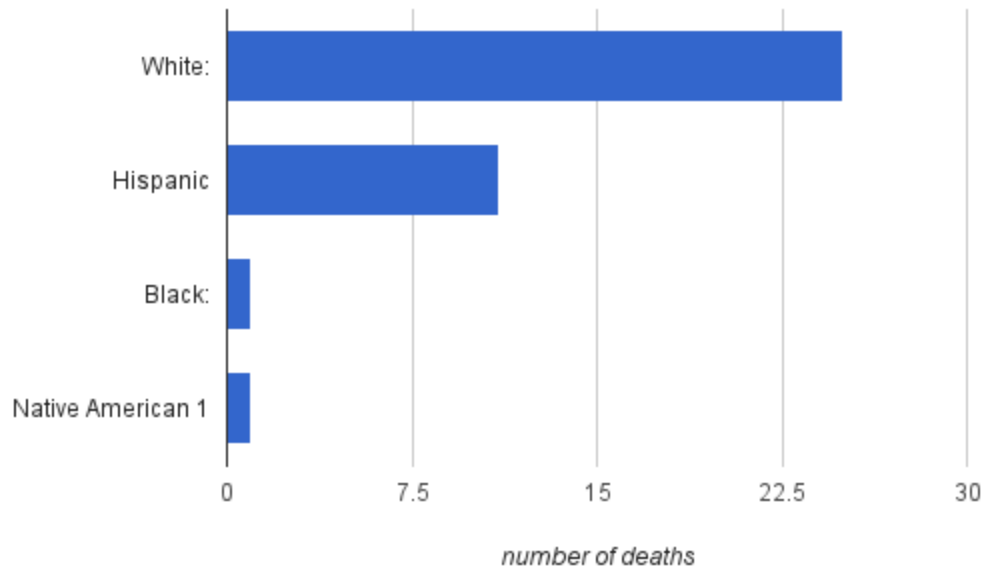
2014 Homeless Deaths By Location



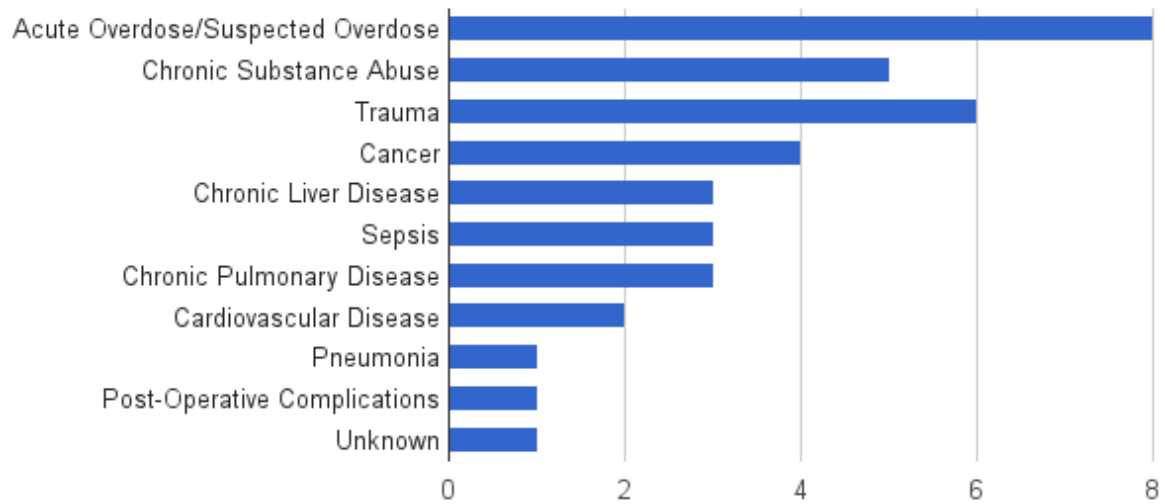
2014 Homeless Deaths by Age (average age at death 51.4yrs)



2014 Homeless Deaths by Ethnicity



2014 Homeless Deaths by Cause



Appendix D

Santa Cruz County Homeless Action Partnership Members

Membership List (as of March 2012)

1. City of Watsonville
2. City of Santa Cruz
3. City of Scotts Valley
4. City of Capitola
5. County of Santa Cruz Human Services Department
6. County of Santa Cruz Health Services Agency/Homeless Persons' Health Project
7. County of Santa Cruz Planning Department
8. County of Santa Cruz Office of Education, Homeless Program
9. Families in Transition
10. Homeless Services Center
11. Salvation Army of Watsonville
12. Pajaro Valley Shelter Services
13. Housing Authority of the County of Santa Cruz
14. Santa Cruz AIDS Project
15. United Way of Santa Cruz County
16. Community Action Board – Shelter Board and GEMMA
17. Santa Cruz Community Counseling Center
18. Front Street Housing, Inc.
19. Mountain Community Resource Center
20. Catholic Charities
21. Veterans Administration--PAHCS-Monterey
22. Community Technology Alliance
23. Walnut Ave. Women's Center
24. Central Coast Independent Living Center
25. Crossover Network
26. Community Bridges
27. New Life Community Services
28. Above the Line
29. Homeless Garden Project
30. Community Foundation of Santa Cruz County
31. Senior Legal Services
32. California Rural Legal Assistance
33. Persons who are experiencing homelessness and formerly homeless persons
34. Interested individuals

Appendix E

Total Emergency Shelter Beds Per January 2014 County Housing Inventory Chart

Emergency Shelter Organizations, Programs & PIT Beds Total: January 2014

(includes motel vouchers)

Organization Name	Program Name	North County Beds	South County Beds	Family Beds	Family Units	Ind. Beds*	Year Round Beds	Vet. Beds*	Total Seasonal Beds	Total Beds
Community Action Board of Santa Cruz County	TSP Motel Vouchers					4	4			4
Defensa de Mujeres	DV Shelter			12	6	6	18			18
Front Street, Inc.	HCH/EH-Paget Center	12				12	12	12		12
Homeless Service Center	Paul Lee Loft Shelter	46				46	46			46
Homeless Service Center	Rebele Family Shelter	96		96	28		96			96
Homeless Service Center	Recuperative Care Center	12				12	12			12
Homeless Service Center	Winter Shelter Program								100	100
Jesus Mary and Joseph Home	Jesus Mary and Joseph Home Shelter	12		7	4	5	12			12
New Life Community Services	NLCS Emergency Shelter	5				5	5			5

Note: Chart continues on following page

Emergency Shelter Organizations, Programs & PIT Beds Total: January 2014 (Continued)

Pajaro Valley Rescue Mission	Grace Harbor Mens and Womens Shelter		68			68	68			68
Pajaro Valley Shelter Services	Pajaro Valley Shelter		36	36	12		36			36
Encompass Community Services	River Street Shelter	32				32	32			32
Salvation Army	Cold Weather Shelter Program		28						28	28
Siena House	ES for Pregnant Women	12		4	2	6	12			12
	Total:	227	132	153	49	169	353	12	128	481

* Ind. Beds - Individual Beds, Vet. Beds - Veterans Beds

Appendix F

Final HAP Budget FY 2014-15, with Individual Contributions from Local Jurisdictions toward EWS

FINAL HAP Budget: FY 2014-2015						
ITEM	TOTAL HAP EXPENDITURES	REVENUES				
		Grants	Contributions	Jurisdictional Funding	County In-Kind	TOTAL
CoC/HAP Staffing (.25 FTE)	35,000	15,000			20,000	35,000
CoC/HAP Consultant	59,981			59,981		59,981
Bi-ennial Census	50,000			50,000		50,000
HEARTH/ Strategic Plan	5,000	6,840		5,000		11,840
HMIS/CTA	13,425	89,985	10,000	13,425		113,410
South County Winter Shelter	57,869			57,869		57,869
North County Winter Shelter	226,207			226,207		226,207
Winter Shelter	284,076	0	0	284,076		284,076
TOTAL	412,482	111,825	10,000	412,482	20,000	554,307

Jurisdictional Funding: FY 2014-15						
	CoC/HAP Consultant	Biennial Census	HEARTH/ Strategic Plan	HMIS	Winter Shelter	Total
County	32,114	26,768	2,677	7,188	147,147	215,894
Santa Cruz	12,722	10,607	1,061	2,847	79,964	107,201
Watsonville	10,299	8,585	859	2,305	25,590	47,637
Capitola	2,423	2,020	202	542	14,703	19,891
Scotts Valley	2,423	2,020	202	542	16,671	21,859
Total	59,981	50,000	5,000	13,425	284,076	412,482

Approved Jurisdictional Funding: FY 2013-14						
	CoC/HAP Consultant	Biennial Census	HEARTH/ Strategic Plan	HMIS	Winter Shelter	Total
County	32,114	0	2,677	6,117	132,196	173,104
Santa Cruz	12,722	0	1,061	2,423	79,704	95,910
Watsonville	10,299	0	859	1,962	14,033	27,152
Capitola	2,423	0	202	462	14,656	17,742
Scotts Valley	2,423	0	202	462	16,617	19,704
Total	59,981	-	5,000	11,425	257,207	333,613

Composting Organic Waste in Santa Cruz County: Time for a Regional Solution

Summary

Santa Cruz County is running out of landfill space.^[1] Despite residents' commendable efforts to divert waste from the landfills by reducing, reusing, and recycling,^[Appendix.B] the county's current landfills are finite and there is no room for expansion.^[Appendix.F]

The final component of the solid waste stream that remains to be diverted is organic waste, especially food waste.^[Appendix.D] In recent years, the State Legislature has passed laws, with requirements phasing in over time, that require organic waste to be diverted from the landfills.^[Appendix.E]

The Grand Jury found that the cities and county of Santa Cruz are in compliance with current state laws requiring diversion of recyclable material from the landfills.^[Appendix.H] However, new laws mandating the recycling of organic waste will require significant investment in a large-scale composting infrastructure and outreach to residential and commercial customers. These new laws are beginning to force changes to solid waste policies at the city and county level.

While the county currently uses the Monterey Regional Waste Management District facility in Marina for its pilot composting project, dependence on an out-of-county facility with limited capacity is not a viable long-term solution. The county and the city of Santa Cruz are making plans to build composting facilities for organics that may or may not serve the local municipalities. Successful implementation of an organic waste recycling infrastructure will require regional cooperation among all the county public works agencies.

The Grand Jury recommends that:

- The cities and county of Santa Cruz form a regional agency to develop and use a large-scale organic waste composting system in the county.
- The current pilot programs for commercial composting be expanded to serve businesses within all county jurisdictions.
- The cities and county of Santa Cruz inform the public about the regional organics initiative and its impact on businesses and residents.

This report will inform citizens of the county's progress toward the management of organic waste, and encourage them to engage in discussions with their local governments on the creation and implementation of effective and sustainable organic waste management practices.

Background

A 2003/2004 Grand Jury investigation of the agencies that manage recycling in Santa Cruz County recommended efforts to promote recycling.^[1] That report expressed concern (and the county agreed) that the remaining life of the county's Buena Vista Landfill was then about 15 years, requiring a new landfill to be built. It also recommended more regional cooperation among the cities, county and other agencies involved in recycling.

Since then, the county and cities have adopted "Zero Waste" resolutions,^[2] banned many common recyclables from the landfills,^{[3][4]} and hired consultants to research and propose appropriate steps toward "Zero Waste".^{[2][5]} Recycling is now common practice in Santa Cruz County, and progress has been made on extending the remaining life of the landfills. However, compostable food waste is not yet allowed as part of "green cart" organic recycling.

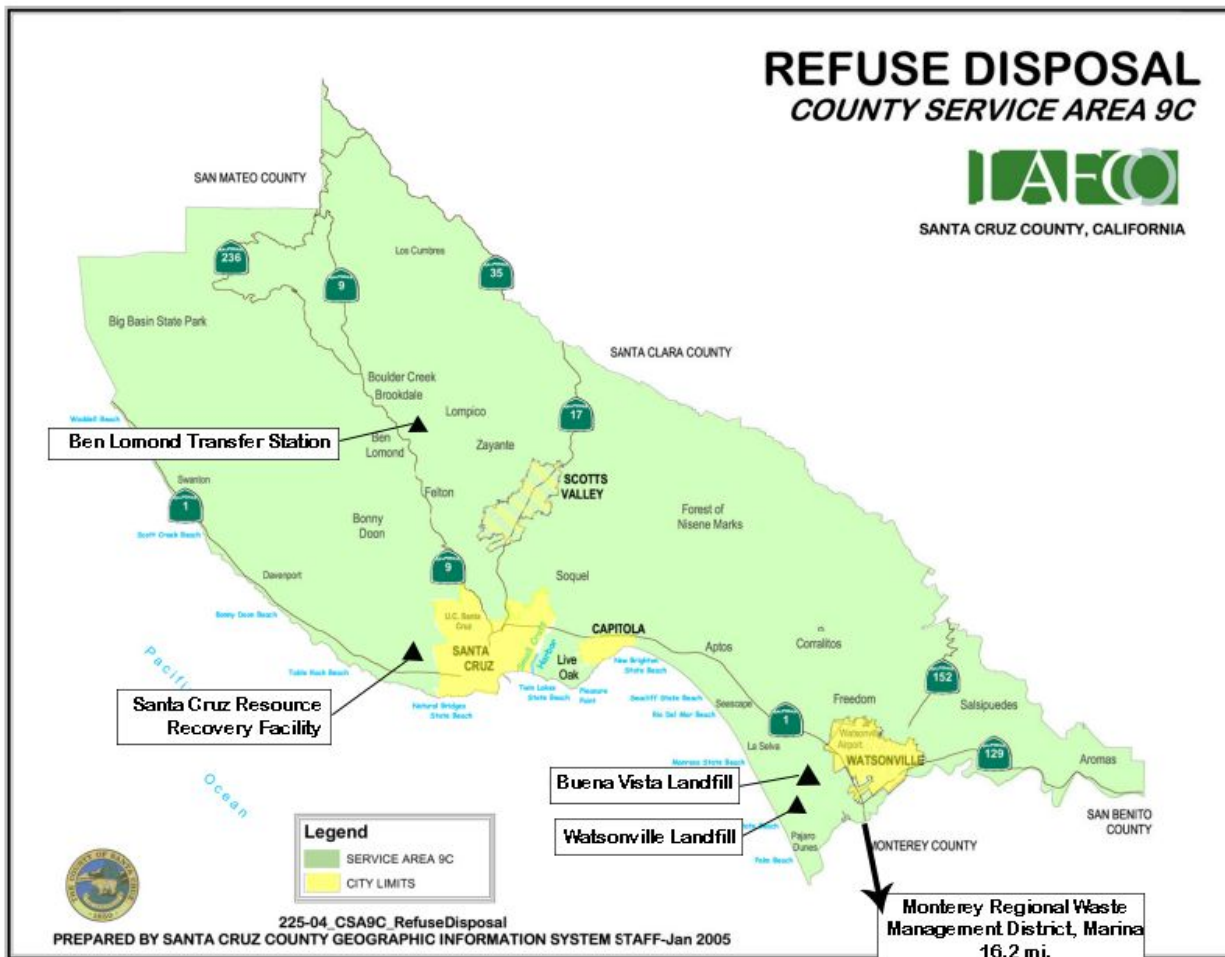
The Grand Jury chose to focus on **organic solid waste** (food waste, green waste, landscape and pruning waste, non-hazardous wood waste, and food-soiled paper, often referred to as "**organics**") because it is a large component – over one-third – of the county's waste stream.^[6] Diversion of organic waste, especially food waste, is being actively investigated by city and county agencies in an effort to meet state mandates.

A Fragmented System

At 445 square miles, Santa Cruz is the second-smallest county in California.^[7] But even such a small county has a surprising number of waste disposal jurisdictions (the county and all four cities, plus the University of California Santa Cruz). All of these jurisdictions operate independently, while sharing resources in a complex manner. Each entity chooses a combination of waste management solutions and haulers that they decide best meets their needs and values.

There is no regional solid waste district that includes all Santa Cruz County jurisdictions. By contrast, many other counties have formed regional waste disposal authorities. Monterey County, for example, has two joint powers agencies (Monterey Regional Waste Management District and Salinas Valley Solid Waste Authority), each made up of several local governments, to address a common service need.

A 2005 report by the Santa Cruz Local Agency Formation Commission (LAFCO) recommended creating a countywide Waste Management Authority, suggesting that this could provide the coordinated structure for Santa Cruz County to achieve its solid waste goals and to avoid the need to export waste to other counties. However, the report noted that the costs and benefits of such a structure would vary across the agencies, and that the cost to create and fund the authority could be a disadvantage at a time when three of the agencies were faced with high costs of landfill operation.^[8] No action has been taken toward developing such a regional agency.



Source: Santa Cruz County LAFCO. ^[8] Call-outs for landfill facilities added by the Grand Jury.

Jurisdictions, Facilities, and Service Providers

Santa Cruz County operates a landfill on Buena Vista Drive off Highway 1 in the south county, and the Ben Lomond Transfer Station on Newell Creek Road in the San Lorenzo Valley. The county contracts with its main franchise hauler, GreenWaste Recovery, Inc. of San Jose, to handle commercial and residential curbside collection in the unincorporated areas of the county. Yard waste is processed at Buena Vista or Ben Lomond by Vision Recycling, a subcontractor of GreenWaste.

The Buena Vista Landfill is estimated to have between 15 and 20 years of capacity left.

The city of Santa Cruz Department of Public Works has its own Resource Recovery Division, which manages garbage collection, street sweeping, and the Resource Recovery Facility on Dimeo Lane off Highway 1 north of the city. All garbage, yard waste, and recycling materials are taken to the Resource Recovery Facility.

The City of Santa Cruz Resource Recovery landfill is estimated to have at least 47 years of capacity left, and possibly as much as 60 years.

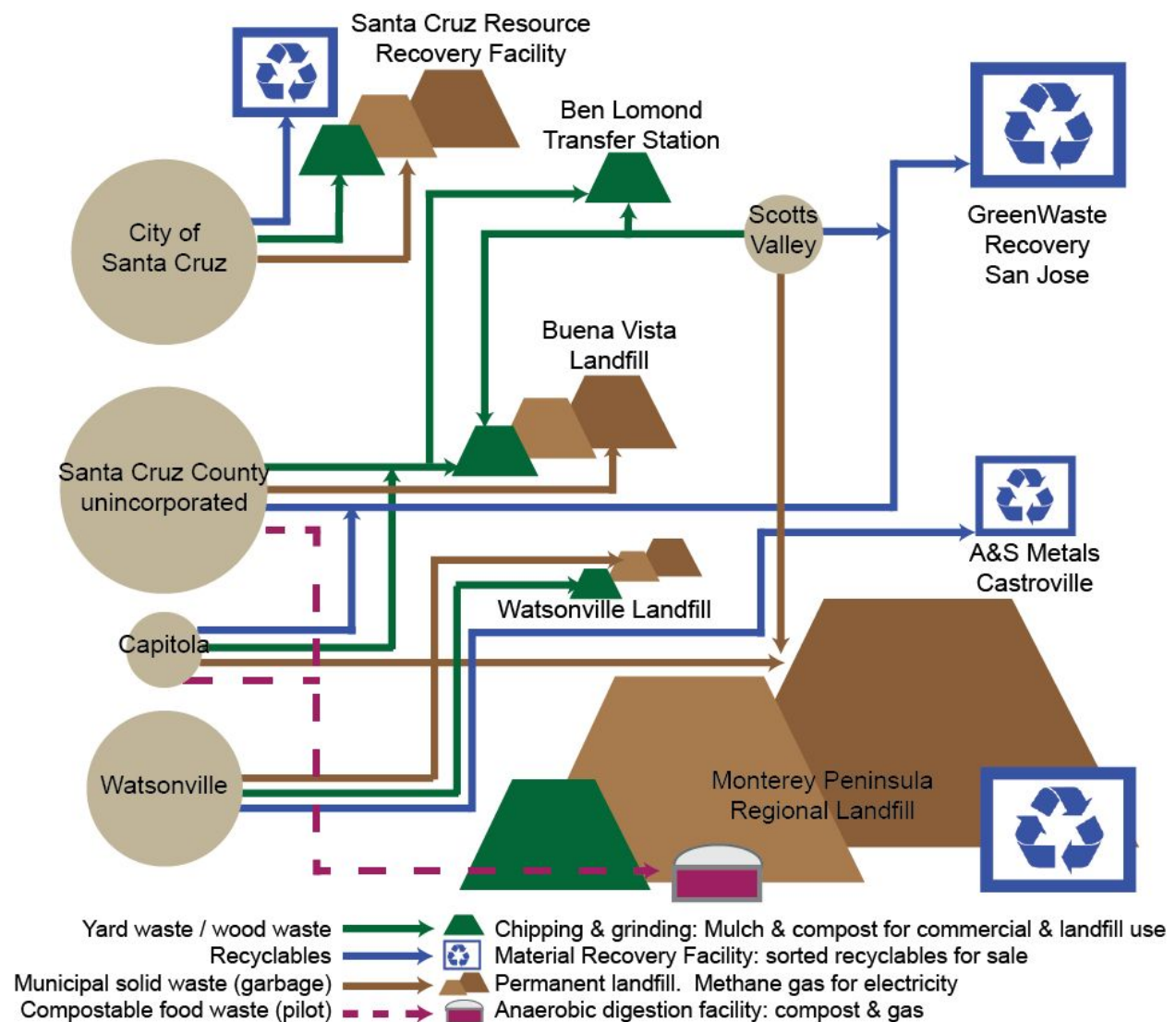
The cities of Capitola and Scotts Valley have separate contracts with GreenWaste

Recovery for curbside collection. In both cities, garbage is hauled to the Monterey Regional Waste Management District landfill in Marina. Yard waste is processed at Buena Vista or Ben Lomond by Vision Recycling.

The city of Watsonville provides garbage collection through its Public Works and Utilities Department. It has its own landfill on San Andreas Road, adjacent to the Buena Vista Landfill. The city operates a separate drop-off facility for the public on Harvest Drive.

The City of Watsonville Landfill is nearing capacity, with an estimated 5 to 8 years left.

The diagram below summarizes the waste streams and facilities used by waste disposal agencies in the County.



Source: Grand Jury interviews.

All the jurisdictions provide residential curbside customers with containers for yard waste and recyclables at no extra charge.

Santa Cruz County operates a pilot project in which food waste from selected businesses and institutions is hauled to the Monterey Regional Waste Management District in Marina for composting.^[9] The city of Capitola participates in this project.^[10]

None of the jurisdictions allow food waste in residential green carts. They all encourage home composting and provide discounts or rebates on home composting bins.^{[11][12][13]}

However, the county has suspended funding for its home composting program due to budget cutbacks,^[14] as has the city of Watsonville. Workshops and training events, such as those connected with Earth Day, are still being held by volunteer groups.

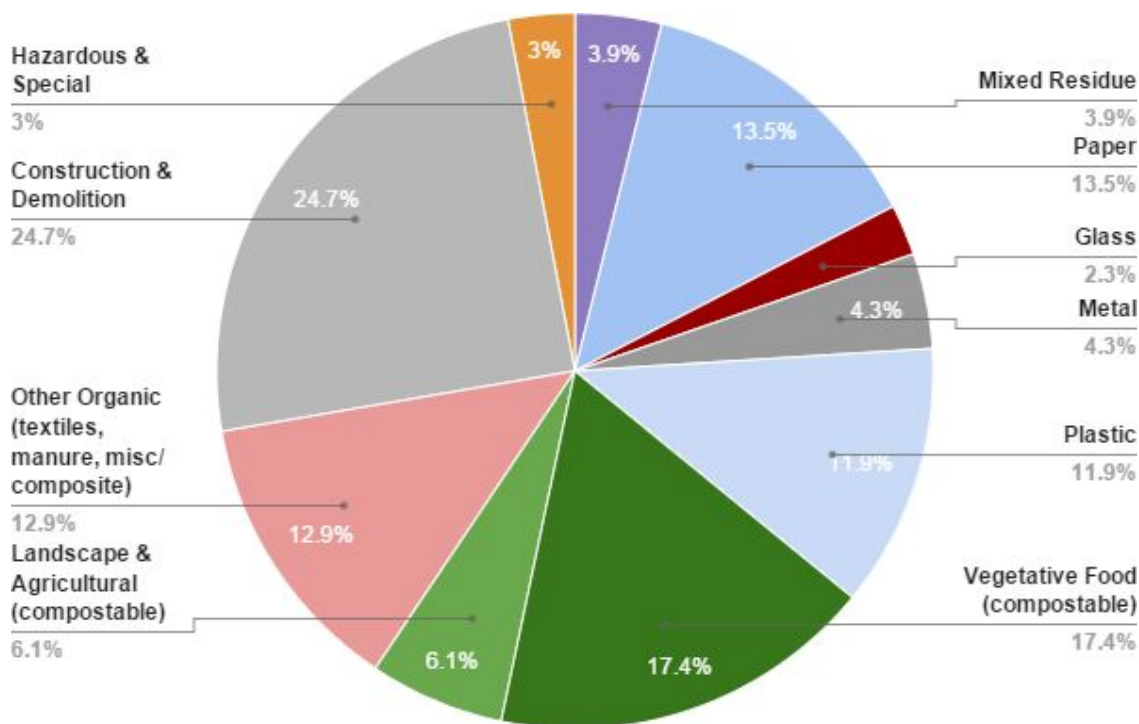
More detail on the jurisdictions, facilities, and service providers are in [Appendix A](#).

Estimates of the remaining life of the landfills are in [Appendix B](#). Disposal tonnages for these jurisdictions (historical and for the most recent years available) are in [Appendix C](#).

What Goes into the Landfill

In 2009, four Santa Cruz County jurisdictions (all except Capitola) commissioned a consulting firm to do waste characterization studies. Loads of solid waste entering the three landfills were statistically sampled and spread out on a grid. Volunteers then examined the waste and recorded the items they found. The sampled loads of waste came from three major sectors (commercial, residential, and self-hauled), in the wet season and dry season.

Waste Composition for the County of Santa Cruz (2009)



Source: see [Appendix D](#)

The studies found that, depending on jurisdiction, between 23.5% and 37.2% of all municipal solid waste coming into the landfills of Santa Cruz County was compostable vegetative food or yard waste. This was *in addition* to what residents were already placing into their green carts. With appropriate technology, other organics like food-contaminated paper can also be composted. Links to the individual studies are in [Appendix D](#).

The Grand Jury learned that agricultural waste is not a major component at any of the landfills, as most farms and large food processing operations already have their own methods of composting or recycling their organic waste. Agricultural waste disposal is regulated by the California Department of Resources Recycling and Recovery (CalRecycle), the California Department of Food and Agriculture, regional water quality control boards, and other agencies. CalRecycle's role in regulating agricultural waste is primarily to ensure that agricultural operations do not create public health hazards.^[15]

Laws Governing Solid Waste and Organics

A multitude of state laws and regulations govern solid waste management, landfills, and recycling in California. Most of these laws regulate the safe and economical collection of solid waste and the management of landfills and garbage disposal districts.

Since 1989, state laws have also required California cities and counties to divert solid waste from their landfills by reducing disposal or increasing recycling and composting. In recent years several laws have specifically targeted organic waste. Key state mandates intended to prolong landfill life and/or divert organic waste include:

- **AB 939** (1989): Created the California Integrated Waste Management Plan (recycling) and county-level Integrated Waste Management Local Task Forces, and mandated a 50% diversion rate by the year 2000
- **SB 1016** (2008): Changed the state's 50% diversion mandate to a measurement system based on a per capita disposal rate and successful implementation of diversion programs
- **AB 341** (2012): Modified AB 939 to require commercial recycling and set a statewide diversion goal of 75% by 2020
- **AB 1596** (2014): Requires green waste used to cap or cover landfills to be counted as disposal, not as diversion, after 2020
- **AB 1826** (2014): Requires businesses meeting specific thresholds to arrange for recycling of organic waste, and requires local jurisdictions to develop organic waste recycling programs by January 1, 2016

Each solid waste management agency in the county is required to comply with the laws mentioned above, depending on the facilities in its area. See [Appendix E](#) for links to each law.

Local Resolutions and Ordinances

In 2005 Santa Cruz County adopted a resolution setting a long-term goal of "Zero Waste" (called "a philosophy and visionary goal") with a specific target of 75% landfill

diversion by the year 2010.^[2] The Board of Supervisors' resolution listed four components that their efforts to reach "Zero Waste" should include:

1. A regional compost facility
2. Construction and demolition waste recycling
3. Increased commercial recycling
4. Landfill bans of easily recyclable materials

The cities of Capitola, Scotts Valley and Watsonville adopted similarly-worded resolutions around the same time, with the same four components.^[16] The city of Santa Cruz had already adopted "Zero Waste" as a long-term goal in 2000.^[17]

The county began operating a sorting system for construction/demolition materials (item 2 above) at the Buena Vista site in 2005.^[8] In 2007, the county passed an ordinance banning the most common recyclable materials from the landfills (item 4).^[4]

The county's plans to develop a regional "Zero Waste" facility for composting (item 1) were abandoned in 2012 due to environmental concerns and lack of funding (see [Appendix F](#)).

Regional Cooperation

The primary forum for cooperation among jurisdictions in Santa Cruz County is the **Integrated Waste Management Local Task Force**, a coordinating committee referred to as the Local Task Force.^[18] Mandated by AB 939, the Local Task Force includes representatives of all jurisdictions and meets quarterly. The Local Task Force agencies have collaborated on numerous projects in the past and are currently exploring options for large-scale organics recycling programs.

All of the Santa Cruz County jurisdictions participate in the **Central Coast Recycling Media Coalition**, in partnership with Monterey and San Benito County jurisdictions, to fund public service TV announcements, signage, and cleanup events.^[19] The Local Task Force acts as a liaison to this nonprofit coalition.

Food Waste Composting Programs in Other Areas

A 2014 article in *Good Times* pointed out that, like recycling, separating food scraps is simply part of the routine in progressive west coast cities like San Francisco, Seattle, and Portland, and that visitors from these places are surprised that Santa Cruz is not collecting food waste for composting.^[20]

In addition to San Francisco,^[21] the following Bay Area jurisdictions offer food scrap recycling as part of their green cart services:

- All cities in Alameda County^[22]
- Areas of Marin County served by Marin Sanitary Service^[23] and Mill Valley Refuse^[24]
- Areas of San Mateo County served by the South Bayside Waste Management Authority (all cities from Burlingame to East Palo Alto)^[25]

- Santa Clara County cities of Cupertino, Los Altos, Gilroy, and Morgan Hill, as well as Stanford University^[26]

The Monterey Regional Waste Management District offers food-scrap composting for commercial customers,^[27] as do many other jurisdictions in the Bay Area.

Alameda County estimates that 50%-60% of food scraps and non-recyclable food-contaminated paper going into the landfill could be captured in an effective organics collection program.^[28] Portland,^[29] Vancouver,^[30] and Calgary^[31] have achieved dramatic reductions in garbage added to landfills (as much as 40%) when garbage is picked up every other week while organics carts are serviced weekly. This could only happen in Santa Cruz County if county code 7.20.110, which requires weekly garbage pickup, were amended.

In addition to the environmental benefits from food waste recycling (conserving landfill space and reducing greenhouse gas emissions), jurisdictions outside our county are seeing financial benefits. The city of Cupertino estimates that by 2017 the city's organics recycling program will save their city over \$164,000 per year.^[32]

Scope

The Grand Jury identified the actions the cities and county of Santa Cruz have taken, or need to take, in order to comply with state laws and county ordinances directed at organic waste reduction and diversion. Compliance with AB 1826, the organic waste recycling law, is the primary focus of this report.

We interviewed key personnel in the Department of Public Works (DPW) agencies of Santa Cruz County and the cities of Santa Cruz, Scotts Valley, Capitola, and Watsonville, and members of the Local Task Force.

We toured the Buena Vista Landfill, the Santa Cruz Resource Recovery Facility, and the Monterey Regional Waste Management District Landfill in Marina. We attended public meetings held by the Local Task Force, and reviewed their consultants' reports. We reviewed articles in the local media and minutes from City Council and County Board of Supervisors meetings.

We reviewed reports published on the California Department of Resources Recycling and Recovery (CalRecycle) website for the data needed to confirm whether the jurisdictions were complying with state laws. Waste management jurisdictions are required to report to CalRecycle on a regular basis, and their raw data forms the basis of CalRecycle's compliance measurements. CalRecycle inspects landfills monthly, and we reviewed their inspection reports, available online.^[33]

We communicated with directors of environmental services in Alameda County and the city of Cupertino to obtain their input on organics issues and best practices.

The University of California Santa Cruz is also developing its own large-scale organics composting facility, but we did not include UCSC in our investigation, as it is a state agency and not within our purview.^[34]

Investigation

Current Compliance with Diversion Laws in Santa Cruz County

Diversion and Disposal: AB 939 and SB 1016

Using data available on the CalRecycle website, the Grand Jury verified that all jurisdictions within Santa Cruz County are meeting the 50% solid waste diversion goal first mandated in 1989 by AB 939 (see [Appendix G](#)) and later updated by SB 1016 (see [Appendix H](#)).

AB 341: Commercial Recycling and 75% Diversion

All jurisdictions in Santa Cruz County comply with AB 341 by providing recycling programs for businesses.

AB 341 sets a 75% *statewide* goal and does not require local jurisdictions to enforce mandatory recycling.^[35] However, the Grand Jury learned in interviews that Santa Cruz County and the cities of Scotts Valley and Watsonville are already meeting the 75% diversion goal.

The city of Santa Cruz's diversion rate is around 64%, which exceeds the City Council's goal. Capitola's diversion rate is between 60% and 65%. Because diversion rates are no longer reported on CalRecycle, we could not confirm these numbers independently.

Recycling Organics: AB 1826

AB 1826 requires each jurisdiction in the state, with some exceptions, to implement an organic waste recycling program by January 1, 2016. It provides for a gradual phase-in of its provisions as follows:

<i>Tier</i>	<i>Effective date</i>	<i>Businesses must arrange for recycling services for organic waste, if they generate more than:</i>	
1	April 1, 2016	8 cubic yards per week	of organic waste
2	January 1, 2017	4 cubic yards per week	of organic waste
3	January 1, 2019	4 cubic yards per week	of commercial solid waste
4*	January 1, 2020	2 cubic yards per week	of commercial solid waste
<i>*The 2020 provision only takes effect if CalRecycle determines that statewide organics disposal has not been reduced to 50% of 2014 levels.</i>			

Source: see [Appendix E](#).

AB 1826 exempts jurisdictions from having to implement a new or expanded program if they already have an organic waste recycling program that is "appropriate for that jurisdiction," and meets the other requirements of AB 1826. The pilot food waste

composting projects implemented by Santa Cruz County^[36] and the city of Capitola^[37] count toward compliance with AB 1826. The original pilot projects, managed by Vision Recycling at the Buena Vista Landfill, ran from 2008 to 2011. We were told that the projects were popular with the businesses (approximately 60 schools, restaurants, and other large food service businesses) which participated in them.^[38]

The original projects were cancelled when the county was unable to renew the permits required by the State Water Resources Control Board to continue operating as a pilot study. The county continues the projects under a new contract with the Monterey Regional Waste Management District, in which the commercial food waste is hauled to the Marina facility for composting.

The city of Santa Cruz plans to set up its own pilot project for digesting organic food waste at its Wastewater Treatment Facility in order to meet the AB 1826 requirements. About 20 city businesses would fall in the AB 1826 “second tier” (generating more than 4 cubic yards of organic waste per week) requiring organics to be composted by 2017.

Neither Watsonville nor Scotts Valley have organics composting programs, and are waiting to evaluate the County’s long-term solution. Unless they develop organics recycling programs of their own or join another jurisdiction’s program, neither city will be in compliance with AB 1826 by January 1, 2016.

The California Compost Coalition, an industry group of organics recyclers and compost operators,^[39] has complained that AB 1826 sets threshold amounts so high that they only apply to the largest businesses, in effect deferring food waste collection from most businesses until 2019.^[40] This opinion is consistent with what the Grand Jury heard from our interviewees, who stated that only a few of the very largest businesses and institutions in their jurisdictions would be affected, at least initially. Nevertheless, the law provides an impetus for county jurisdictions to start reducing the waste stream by developing an organics waste recycling program.

AB 1594: Alternative Daily Cover

AB 1594 (2014) is intended to discourage the use of green waste as alternative daily cover (ADC), the material which landfill operators are required to place over landfills each evening to control vermin, blowing litter, etc. Beginning in 2020, landfills must count green waste used as ADC as disposal (undesirable) rather than diversion (desirable).

The Grand Jury was told that AB 1594 is not an issue for Santa Cruz County landfills. Green waste is too valuable to put into the landfill, since it can be sold as mulch or similar products.

Beyond Compliance: Planning for a Regional Organics Infrastructure

The Grand Jury learned that in order to comply with AB 341, AB 1826, and their own “Zero Waste” goals, all local jurisdictions will need to phase in programs to recycle organic waste, including food waste.

The Local Task Force has been in talks with county jurisdictions to come up with a plan to develop a regional organics infrastructure. In September 2014 the participating agencies (county of Santa Cruz, cities of Santa Cruz, Capitola, Scotts Valley and Watsonville, and the University of California at Santa Cruz), working with the solid-waste consulting firm HF&H Consultants, issued a request for confidential Statements of Interest from firms interested in providing organics processing services.^[41] The Statements of Interest were to include:

- Identification of potential sites for pre-processing, composting, and/or anaerobic digestion operations
- Identification of appropriate technologies for processing various organic materials
- Design, permitting, and construction of the facilities required to implement the selected technologies
- Processing and marketing of residential organic materials (yard trimmings and food scraps) collected by the participating agencies
- Processing and marketing of commercial organic materials (food waste) collected by the participating agencies
- Phase-in of food waste collection in the following order:
 - restaurants and fast-food locations
 - single-family residences
 - multi-family residences

Responses from Potential Bidders: January 2015

In January 2015, HF&H Consultants presented an update on the progress of the Evaluation Committee, a subcommittee consisting of Local Task Force members from each jurisdiction, with HF&H acting in an advisory role.^[42]

The Evaluation Committee received six Statements of Interest from local operators: GreenWaste/Zanker (the parent company of the current franchise hauler), Vision Recycling (the subcontractor processing the county's green waste), two companies with experience in other regions (Harvest Power, WeCare Organics); and two new companies with no current sites (CH4 Energy, Synergy Composting).

Proposals varied in technology, feedstocks (raw materials to be composted), and cost, as follows:

- **Covered composting**, in which compost piles are covered with breathable fabric, but without additional aeration
- **Aerated static pile composting**, in which air is pushed or pulled through the covered piles for faster, controlled composting. This process was used in the county's original pilot project^[43]
- **“Dry” anaerobic digestion** in air-tight fermentation containers. Bacteria are introduced to break down the waste into solid compost and methane. The Marina landfill uses a “dry fermentation” anaerobic digester, the first in California^[44]
- **“Wet” anaerobic digestion**, in which compostable waste is mixed into a wet slurry and processed at a public sewage treatment plant, producing methane, solids and wastewater, which may require further treatment^[45]

Composting Technologies Proposed and Feedstocks Accepted

	<i>Covered Composting</i>	<i>Aerated Static Pile Composting</i>	<i>Dry Anaerobic Digestion</i>	<i>Wet Anaerobic Digestion</i>
Residential yard waste	Yes	Yes	Limited	No
Residential food scraps	Yes	Yes	Yes	Yes
Self-haul yard waste	Yes	Yes	Limited	No
Commercial food scraps	Yes	Yes	Yes	Yes
Compostable serviceware*	Yes	Yes	Yes	No
* All proposers expressed concern about compostability of certain products, regardless of technology used.				

Source: HF&H presentation to the Local Task Force, January 29, 2015

The end products of the composting processes would include compost, mulch, and methane gas, which could be used to generate electric power or further processed into fuel on-site. The consultants' research indicates that the demand for these end products exceeds what can be produced in the county.

HF&H noted that the processing cost will be higher than the revenue that can be generated, and the increased cost will have to be passed on to ratepayers. Residential customers are likely to see an increase in the range of 25 cents to 75 cents per month; commercial customers will see a larger increase.

Non-Binding Cost Estimates

	<i>Covered Composting</i>	<i>Aerated Static Pile Composting</i>	<i>Dry Anaerobic Digestion</i>	<i>Wet Anaerobic Digestion</i>
Tipping fee	\$30-\$60/ton	\$60-\$95/ton	\$65-\$120/ton	\$50-\$100/ton
Capital expense	Low	High	High	Moderate
Operating cost	Moderate	Low	Moderate	Moderate

Source: HF&H presentation to the Local Task Force, January 29, 2015

Each jurisdiction will have to factor the new tipping fees (the fee charged per load) for

organics into their own rates. Some jurisdictions may see a decrease in the fees they are paying now, but for those operating their own landfills, the calculation is more complex because the new composting program will cannibalize the revenue from their current sale of compost, mulch, and gas. If a jurisdiction wants a contract that lets them share in the revenue from the sale of compost under the new system, the contractor will charge a higher tipping fee.

The Evaluation Committee had hoped that the respondents would offer turn-key solutions on sites other than the three in-county landfills, but none were offered. Respondents indicated that regulatory issues, especially Coastal Commission regulations, would require using sites already approved to receive solid waste.

Other insights from the respondents:

- **Economy of scale is critical**, with an ideal project size of 30,000 to 70,000 tons per year.
- A **phased approach** and a **multi-site system** are important to manage collection costs paid by customers.
- **Implementation will take at least a year**, largely due to the time required to obtain permits.
- **Technology must match the site**
 - Wet anaerobic digestion is only feasible at the city of Santa Cruz landfill with its proximity to the city's wastewater treatment plant.
 - Aerated static pile and dry anaerobic digestion facilities are 30-year assets which should not be located on areas designated for future landfill use, where they would eventually have to be torn down. We were told that Buena Vista is the only site with adequate open space for these technologies.
- **Processing areas should be kept separate** to maintain different markets for different end products. For example, compost made from self-hauled agricultural waste might be certified as organic, but not compost made from food waste.

The Evaluation Committee recommended:

- Proceeding into a formal Request for Proposal (RFP) process with GreenWaste/Zanker, Harvest Power, and Vision Recycling
- Establishing a two-site system (the city of Santa Cruz Resource Recovery Facility and the county's Buena Vista Landfill) to allow for balancing of rates and tonnages, and to reduce collection costs and environmental impact
- Accepting all the materials shown in the "Feedstocks Accepted" table above, with co-collected residential food scraps and yard trimmings
- Pursuing a technological solution with low capital cost and a short-term (5-10 year) contract
- Contractor agreements with each host agency (the landfills)
- Each host agency establishing a Memorandum of Understanding (a formal, non-binding agreement) with partner agencies (the other jurisdictions) for material delivery.

Current Status of the County's Plan

The Evaluation Committee is currently drafting an RFP to be issued to the selected firms in early summer of 2015, with a contract to be awarded in mid-2016.

The process for awarding the organics processing contract will be kept completely separate from the county's upcoming waste hauler franchise contract.

HF&H has begun making presentations to the elected bodies of each jurisdiction, encouraging them to participate in the RFP process. Each jurisdiction will have to negotiate its own contract with the composting contractor.

Preliminary design and permitting is underway for an organics processing facility at Buena Vista. County DPW staff informed the Grand Jury that they hope all jurisdictions will participate, however they will proceed on their own if necessary. A recent report to the Board of Supervisors stated:

While a regional approach, including the local Cities, would present opportunities for greater efficiency, we will also include in our planning options for a County run program if necessary.^[46]

Given the time required to conduct the RFP process, get authorization from the elected bodies, obtain permits, prepare the sites and construct the facilities, the Evaluation Committee expects that actual organics processing will not begin until late 2017 or early 2018.

Planning for Organics in Santa Cruz County's Next Franchise Contract

Santa Cruz County's contract with its current franchise hauler, GreenWaste Recovery, will expire December 31, 2017.^[47] The county has already begun the process of designing the "next generation" franchise agreement for exclusive curbside waste hauling and recycling, and has begun soliciting input from the public.^[48]

A recent presentation on the franchise agreement to the County Board of Supervisors^[49] listed several changes related to the organics infrastructure that should be included in the next contract:

- Updated collection services, focusing on increased recycling to reach "Zero Waste"
- Services for all accounts including most rural areas, with "universal" (mandatory) curbside collection in specified areas
- Purchase of "green" and "clean" collection vehicles with minimal impact on roads and the environment
- Single family residential customers: Food scraps collection with yard waste (now called "organics")
- Multi-family residential customers: Food scraps collection with yard waste, for a fee

- Commercial customers:
 - Pick up recycling and organics up to 6 days per week
 - No charge for organics up to 64 gallons per week. Additional organics service at a 20% discount vs. garbage
- Other services:
 - Large events to be “Zero Waste” events. Recyclables/food scraps collection at 15 large events at no charge, if the organizer pays for solid waste services
 - Contractor funded education and outreach programs
 - Unlimited recycling pick-up for public and private schools
 - Public education and outreach
 - \$30,000 per year (with Consumer Price Index increases) to the county’s Green Schools program
 - Educational signage on trucks

The plan is for the Board of Supervisors to award the next waste hauler franchise contract in the fall of 2016, with transition planning taking place in 2017.

Planning for Organics in the Cities of Santa Cruz. Capitola, Scotts Valley and Watsonville

In 2012 the city of Santa Cruz commissioned the consulting firm of Kennedy/Jenks to study the use of wet anaerobic digestion at the city’s Wastewater Treatment Facility to convert food waste to energy.^[50] The study showed that even doing a pilot project with a minimal amount of tonnage would require a significant financial investment in upgrades to the wastewater treatment plant. A subsequent opinion by a different consultant (Brown & Caldwell) suggested that the city might be able to start a pilot project at a minimal cost and then look at gradually upgrading the facility as the tonnage of food waste scaled up over time.

The Grand Jury was informed that the Resource Recovery Facility, located in a canyon, will not have enough flat space for large-scale composting using any of the other methods until future landfill cells are filled and can be built upon. We were also told that the county wants to include all the city’s organic material (including yard waste) in order to be cost-effective. If the city pursues wet anaerobic digestion, it will be difficult to find the space to handle the bio-solids at the treatment plant. Solids will have to be pre-mixed at the landfill and then hauled in septic-tank trucks to the treatment plant.

At this point, the city’s choices are limited and costly:

- Upgrade the wet anaerobic digestion system at the city’s wastewater plant to handle food waste, at a significant investment
- Haul the organics (including yard waste) to the county processing site at Buena Vista. This would cost more than the city’s current yard waste process and eliminate the relationship with the farming operation which buys the processed yard waste now
- Haul food waste to Marina for composting at additional cost

The Grand Jury learned that the city has decided to develop a pilot project for food waste using wet anaerobic digestion at the Wastewater Treatment Facility, as described above. The city has budgeted for upgrades to existing digester equipment and a used transport truck, and has already been approached by some interested restaurants about the project. It plans to start slowly, as each business must be trained to separate food waste in order to avoid contamination.

Scotts Valley and Capitola currently contract with GreenWaste Recovery to process their yard waste at the Buena Vista facility and haul their garbage to Marina. With no landfills of their own, their options are limited to going along with the County's plan or using Marina, which is near capacity, for composting.

Given the issues surrounding the Watsonville landfill (impending closure, difficulty of getting additional permits), it is unlikely that any in-county composting facilities can be located there. Watsonville, which plans to use the Marina landfill after its own landfill closes, may find that having a nearby facility at Buena Vista for composting is more cost-effective than hauling organics to Marina, but this will depend on the rates that the city can negotiate.

The Grand Jury learned that while all the cities participate in the Local Task Force and follow its studies with interest, they are not bound to accept its recommendations and will act in the best interest of their own jurisdiction. Cost is the primary consideration in their decisions whether to participate in any county organics project. The cost considerations are complex and each jurisdiction will need to analyze the specifics with the help of outside consultants before making its decision.

Can We Depend on the Monterey Regional Waste Management District?

The Grand Jury also learned that Santa Cruz County jurisdictions may not be able to rely on the Monterey Regional Waste Management District to do their composting for them. The anaerobic digestion facility at Marina is a pilot demonstration project with a capacity of only 5,000 tons per year.^[44] As cities in Monterey County come online with their own AB 1826-mandated composting projects over the next few years, the District will need to give them priority and may have to turn away out-of-county agencies.

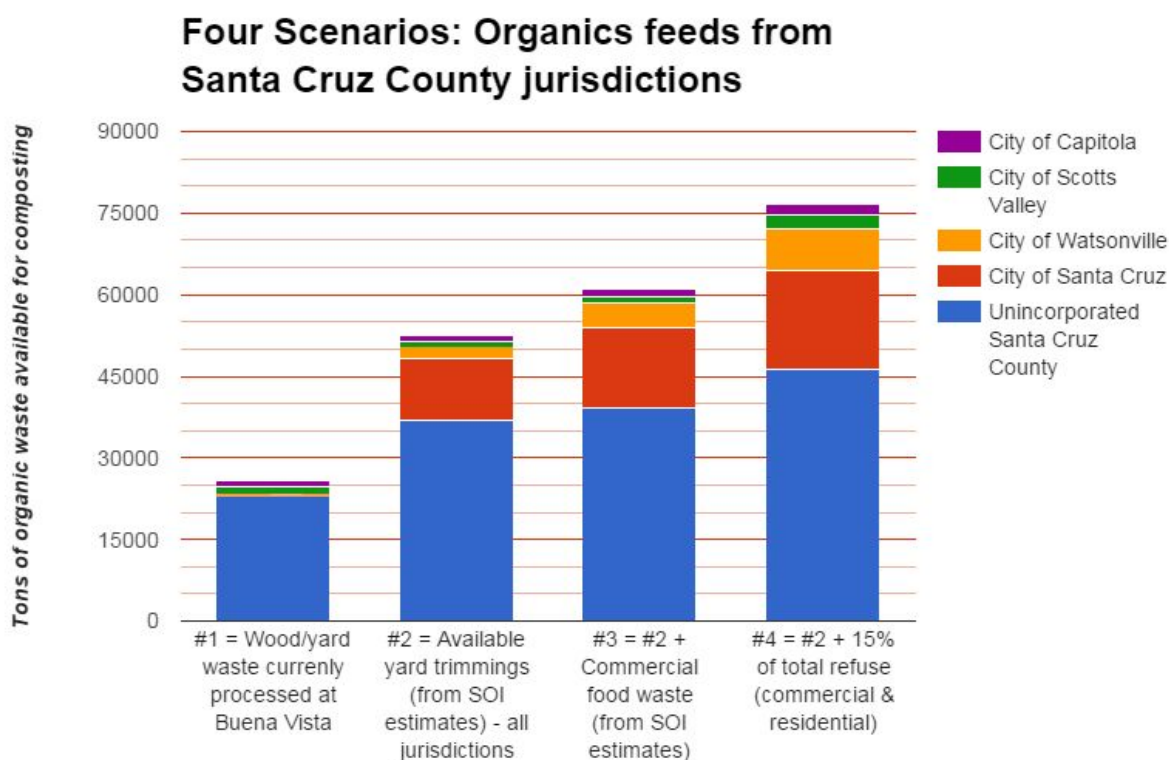
A recent report to the Board of Supervisors stated that Marina should be able to meet the needs of the pilot program until the county gets its own organics program up and running (no later than January 2018), but that Marina does not have the capacity to accept all of the county's organic waste.^[46] Marina's limited capacity presents a potential bottleneck and is another reason to implement a local program as soon as possible.

Participation and Cost Effectiveness

Respondents to the county Requests for Statements of Interest (SOI) considered economies of scale to be crucial to project success, with an ideal project size between 30,000 and 70,000 tons per year. The Grand Jury therefore considered four scenarios for organics processing in which different jurisdictions participated in a regional solution,

providing different amounts of compostable organic waste for processing.

- **Scenario #1:** Only the wood waste/yard waste currently processed at the Buena Vista landfill. This is a baseline scenario without food waste composting.
- **Scenario #2:** The yard waste identified by all county jurisdictions as available for composting in the Evaluation Committee's 2014 Request for Statements of Interest. This includes all yard waste now being processed at Buena Vista, Ben Lomond (which was not recommended for a composting facility), the Santa Cruz Resource Recovery Facility, and the Watsonville landfill.
- **Scenario #3:** Scenario #2, plus the commercial food waste from all jurisdictions, identified as available for composting in the Request for Statements of Interest.
- **Scenario #4:** Scenario #2, plus 15% of municipal solid waste produced by all jurisdictions. Fifteen percent is approximately what businesses and residents of the city of Cupertino are currently diverting from landfill to organics processing.^[51] Based on Cupertino's experience, this is the Grand Jury's conservative estimate of what Santa Cruz County could achieve by composting both residential and commercial food waste, along with yard waste.



Source: Jurisdiction disposal and wood waste/yard waste numbers in [Appendix C](#). Local Task Force's estimates of available yard waste and commercial food waste in [Appendix I](#).

Our conclusions from these scenarios:

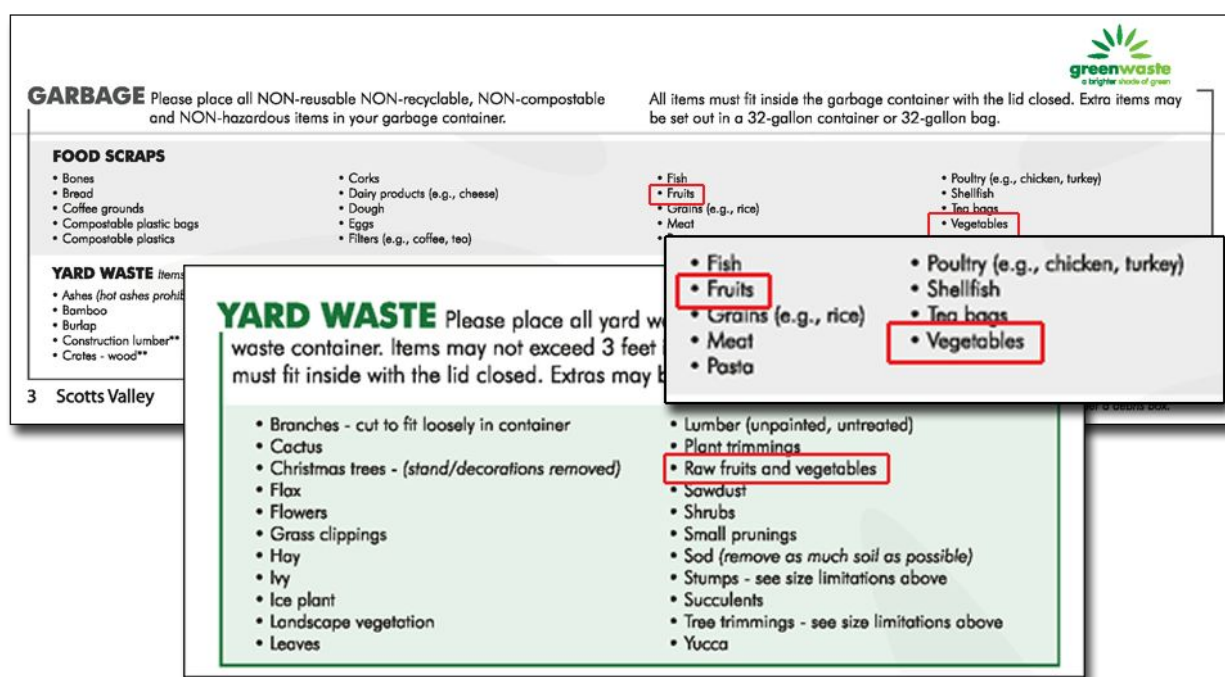
- Without waste from other jurisdictions, the county's volume would be on the low end of what the respondents identified as an ideal project size (30,000 - 70,000 tons per year). Achieving even this volume would require hauling yard waste

currently processed at Ben Lomond (over a quarter of the county's total yard waste) to Buena Vista for composting

- Only with the addition of Watsonville and Santa Cruz organics do we start to see an annual volume in the range that bidders identified as economical
- A composting system that accepts yard trimmings and commercial food waste (but not residential food waste) is in the viable range
- Once residential food waste is added, the volume will exceed the capacity of a single site, and a scaleable two-site system will be necessary.

Confusion at the Can

During our interviews, the Grand Jury asked each interviewee, “Is food waste accepted in the green cart?” The answers we received indicated that not only were the interviewees themselves often vague on the specifics of what food waste can currently be recycled, they admitted that the rules were somewhat arbitrary and widely ignored. An apple that falls from a tree in one’s backyard is yard waste and should go in the green cart; an apple from the store that goes bad in one’s kitchen is food waste and should be disposed of in the trash. The only thing that everyone agreed on was that meat scraps, bones, grease and the like should not go in the residential green cart.



Source: GreenWaste recycling guide for Scotts Valley.^[52] Guides for Capitola and the unincorporated county contain the same information. Highlights added by the Grand Jury.

The county’s commercial food scrap composting pilot project accepts all food scraps, food-soiled paper, and much more.^[53] The future residential organics composting program should also accept all these materials.

As large-scale organic composting is implemented in the county, there is likely to be a period of uncertainty over what food waste and “compostable serveware” can or

cannot be recycled without contaminating the organics stream.^[54] The Local Task Force is recommending that composting programs be phased in first to restaurants, hospitals, schools, and other large institutions, both for cost effectiveness and because these institutions can exercise more control over what they purchase, and can train their staff in proper disposal practices.

Public Outreach and Communication

Studies have shown that well-designed outreach campaigns are effective in promoting recycling.^{[55][56]} As new organics policies are rolled out to businesses and then to residents, effective coverage and a consistent message in signage, print, TV, radio and social media will be needed for public understanding and acceptance of curbside composting, as they were for recycling. Public service announcements cannot be targeted to individual small waste management districts, and a flyer inserted in the garbage bill is not adequate public outreach.

Other cities and counties that offer food scrap recycling have funded media campaigns with incentives and games to encourage residents and businesses to recycle food waste.^{[57][58]}

Alameda County, where curbside food scrap composting began in 2008, conducts spot-checks of residents' green carts to gauge compliance with recycling goals.^[59] A recent study showed that Alameda County residents have reverted to throwing more food waste into their garbage and less into their green carts, possibly due to "food waste fatigue" or newcomers' unfamiliarity with the rules.^[60] This suggests that both outreach and compliance monitoring need to be funded on an ongoing basis in order for organics composting programs to remain successful.



Billboard promoting food waste composting in Alameda County.

Source: www.stopwaste.org, the waste reduction agency of Alameda County.

Budget cutbacks have forced most Santa Cruz County jurisdictions to reduce the amount they spend on consumer education and outreach, with much of the work left to

nonprofits. As food scrap recycling rolls out in Santa Cruz County, nonprofits like the Central Coast Recycling Media Coalition will need funding and guidance from Santa Cruz County jurisdictions and franchise haulers in order to construct a clear, consistent and persuasive message as to “what goes in which can” across jurisdictional lines. Having a consolidated composting program will make it easier to provide consistent rules for food-scrap recycling, especially at the residential level. Ideally, funding for measuring the ongoing effectiveness of media campaigns in accordance with industry best practices should be factored into residential and consumer rates. ^[61]

School programs like the county’s Green Schools program^[62] and Watsonville’s award-winning Public Works Conservation Program^[63] will play an important role in promoting environmental awareness. The curricula and learning materials of these school programs will need to be updated as new organics policies are rolled out. The county plans to require funding for outreach and education (including \$30,000 for the county’s Green Schools program) in the next franchise hauler contract, as in the current contract.

Conclusion

The Grand Jury concludes that Santa Cruz County jurisdictions are currently in compliance with state laws mandating diversion of organics from the landfill, but will no longer be in compliance with AB 1826 by the year 2020 or sooner, unless a large-scale organics composting program is implemented. Given the uncertainty over the continued availability of the Monterey Regional Waste Management District’s pilot composting facility, an in-county composting facility is essential.

The County Department of Public Works is taking appropriate steps to create this facility and include food waste recycling in its next franchise hauler contract, but needs the participation of other local jurisdictions to gain the necessary economies of scale. The city of Santa Cruz is on a parallel path to develop its own solution. The cities of Scotts Valley, Capitola, and Watsonville are waiting to evaluate the County’s plan.

Municipal budgets are under tremendous pressure from many fronts, but unless AB 1826 is modified, each jurisdiction must find a way to comply with this composting mandate, regardless of cost.

Public acceptance and changes in behavior, combined with creative and assertive political leadership, will be critical to the success of the program, and will require outreach, education, and an awareness of residents’ needs.

Findings

- F1.** Compostable organic waste, which makes up approximately one third of municipal solid waste, must be diverted in order to extend the life of Santa Cruz County landfills and meet state mandates, specifically AB 1826.
- F2.** Unless Santa Cruz County and the cities of Santa Cruz, Capitola, Scotts Valley and Watsonville invest politically and financially in large-scale organics recycling systems, they will be out of compliance with AB 1826 by the year 2020 or sooner.
- F3.** Santa Cruz County and the cities of Capitola, Scotts Valley, and Watsonville all passed resolutions in 2005 recommending a regional composting facility, but as of 2015, no facility has been constructed, nor is there a completed plan to do so.
- F4.** Rather than building a permanent local infrastructure for organics composting, Santa Cruz County and the city of Capitola opted to continue their commercial composting pilot programs by hauling food waste out of the county to the Monterey Bay Regional Waste Management District's composting facility, at considerable cost in time and fuel.
- F5.** Unless the Monterey Regional Waste Management District decides to expand its current organic composting facility, Santa Cruz County jurisdictions cannot rely on it as a long-term solution for their organic waste recycling needs.
- F6.** Unless the cities of Watsonville and Scotts Valley develop organic waste recycling programs, neither city will be in compliance with AB 1826 by January 1, 2016.
- F7.** Rules about what can be put in the "green cart" are inconsistent and not well understood by the general public.

Recommendations

- R1.** In order to comply with AB 1826 mandates, the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville should join with Santa Cruz County to form a regional agency to develop a large-scale organics recycling system located in Santa Cruz County. (F1, F2, F3, F4, F5, F6)
- R2.** The current pilot program for composting food waste from restaurants and other large institutions in Capitola and Santa Cruz County should be expanded to serve other businesses in the AB 1826 first and second tiers throughout Santa Cruz County, including Scotts Valley and Watsonville, until a regional facility can be developed. (F1, F2, F4)
- R3.** After selection of a composting contractor and technology by the Local Task Force, Santa Cruz County and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville should create a coordinated outreach program to inform businesses and the public about the benefits and requirements of the new organics recycling program. (F7)

- R4.** Curbside “green carts” and bins should be clearly labeled to instruct residential and commercial customers specifying what materials are acceptable. (F7)

Commendations

- C1.** The Grand Jury commends Santa Cruz County and the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville on meeting or exceeding diversion goals set forth by the State in AB 939, SB 1016, AB 341, and AB 1594, in many cases well before the target dates.
- C2.** The Grand Jury commends Santa Cruz County and the city of Capitola for initiating pilot programs in composting food waste, and for continuing them despite the loss of permits to operate the programs at the Buena Vista Landfill.

Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1-F5, F7	R1-R4	90 Days 9/24/2015
Capitola City Council	F1-F3, F5, F7	R1-R4	90 Days 9/24/2015
Santa Cruz City Council	F1, F2, F5, F7	R1-R4	90 Days 9/24/2015
Scotts Valley City Council	F1-F3, F5-F7	R1-R4	90 Days 9/24/2015
Watsonville City Council	F1-F3, F5-F7	R1-R4	90 Days 9/24/2015

Definitions

- **Anaerobic Digestion:** The process of biologically decomposing organic matter with little or no oxygen in a fully enclosed structure (in-vessel digestion) to produce biogas, liquid fertilizer and compost. Often used at wastewater treatment facilities or dairies.
- **Alternative Daily Cover (ADC)/Alternative Intermediate Cover(AIC):** The use of CalRecycle approved materials (e.g. green waste) to cover disposed waste in a landfill cell at the end of the landfill operating day (daily cover) or at some other interval (intermediate cover) to control odors, fire, vectors, litter, and scavenging. Traditionally, earthen materials, such as soil, are used for cover. Alternative cover materials include tire shreds and low-grade wood chips. In California, proper use of ADC/AIC allows the material to be classified as “diverted through recycling,” and does not “count” as disposal.

- **Chipping and Grinding:** The process that separates, grades and resizes woody green wastes or used lumber to be sent to a composting facility, used at a landfill for Alternative Daily Cover (ADC) or sent to miscellaneous end markets such as feedstock at biomass-to-energy plants.
- **Composting:** The process of taking organic materials such as green waste, manure, food waste and other organics and transforming them through controlled biological decomposition for sale as an end product, usually in the form of home or farm soil amendments.
- **Compostable Organics:** Organic materials that are accepted and managed by typical composting activity operations. This usually includes green waste, food waste, and manure, but excludes wood, lumber, and manmade organics such as carpet.
- **Construction and Demolition Materials (C&D):** Includes, but is not limited to, concrete, wood, and drywall, usually found as a mixed material.
- **Digestion:** *See Anaerobic digestion*
- **Disposal:** The process of collecting municipal solid waste and transferring it to a transfer station, landfill, or transformation facility.
- **Diversion:** The process of managing waste in some way other than disposal at a landfill or transformation (incineration) facility, so that it is reused or recycled to create new products. Calculated diversion does not include residual material from processing that is sent to disposal.
- **Facility:** The physical location where a recycling or waste management activity occurs. More than one activity may be conducted at a single facility.
- **Landfill (solid waste disposal):** A permitted facility that provides a legal site for final disposal of materials including mixed solid waste, beneficial materials used for landfill construction, ADC, and specialized materials such as C&D and waste tires.
- **Municipal (or Mixed) Solid Waste:** Garbage. Refuse that may be mixed with or contain nonorganic, processed industrial materials, plastics, or other recyclables with the potential for recovery. It includes residential, commercial, and institutional wastes.
- **Municipal Solid Waste (MSW) Materials Recovery Facility (MRF):** Also known as mixed-waste processing facilities, these are facilities that systematically sort incoming mixed waste loads segregating and salvaging select loads and/or employing sorting lines with manual and automated sorting technologies.
- **Organic Waste:** food waste, green waste, landscape and pruning waste, non-hazardous wood waste, and food-soiled paper waste that is mixed in with food waste. Also known as “organics.”
- **Per Capita Disposal:** A numeric indicator of reported disposal divided by the population (residents) specific to a county, region, or statewide.
- **Tipping Fee:** A fee paid to dispose of solid waste at a landfill. May be charged by weight or volume.
- **Transfer Station:** Receives, temporarily stores, and ships unprocessed waste/recyclables.

- **Zero Waste:** an environmental concept with numerous definitions. Today, a 90 percent reduction of waste being sent to landfills and incinerators is considered an achievable goal by such groups as the Zero Waste International Alliance and the U.S. Zero Waste Business Council.

Sources: Definitions are from CalRecycle Glossary of Terms/Definitions^[64] except:

Organic Waste: AB 1826^[77]

Zero Waste: CalRecycle Zero Waste Home Page.^[65]

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Appendix A

Jurisdictions, Facilities, and Service Providers: Additional Detail

	<i>Santa Cruz County</i> ^[66]	<i>City of Capitola</i> ^[66]	<i>City of Santa Cruz</i> ^[66]	<i>City of Scotts Valley</i> ^[66]	<i>City of Watsonville</i> ^[66]
Population	271,804	10,093	62,864	11,755	52,477
Area (sq. mi.)	445.17	1.59	12.74	4.6	6.69
Population per sq.mi.	589.4	6,226.0	4,705.3	2,520.1	7,656.5
Landfill facility	Buena Vista Drive Landfill	-	Santa Cruz Resource Recovery Facility	-	Watsonville Landfill
Open to the public?	Yes	-	Yes	-	No
Remaining life (Appendix B)	15-20 years	-	47-60 years	-	5-8 years
Other facilities	Ben Lomond Transfer Station	-	-	-	Harvest Lane drop-off facility
Curbside service provider	GreenWaste Recovery, San Jose	GreenWaste Recovery, San Jose	City of Santa Cruz	GreenWaste Recovery, San Jose	City of Watsonville
Universal curbside pickup?	No	Yes	Yes	Yes	Yes
Weekly yard waste pickup?	Yes	Yes	Yes	Yes	Every other week (began 2012)
Yard waste processor	Vision Recycling, Fremont	Vision Recycling, Fremont	City of Santa Cruz	Vision Recycling, Fremont	City of Watsonville
Weekly recyclables pickup?	Yes	Yes	Yes	Yes	Every other week
Recycling processor	GreenWaste Recovery, San Jose	GreenWaste Recovery, San Jose	City of Santa Cruz	GreenWaste Recovery, San Jose	A&S Metals, Castroville

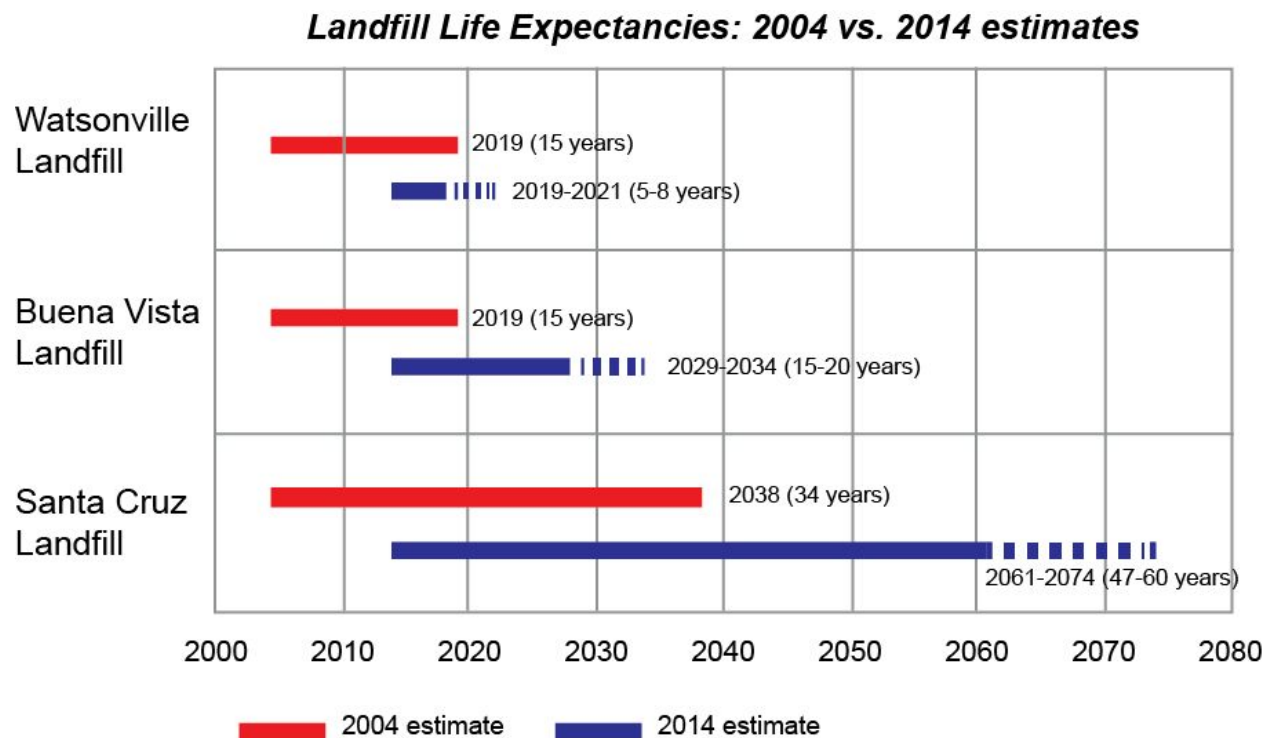
	<i>Santa Cruz County</i> ^[66]	<i>City of Capitola</i> ^[66]	<i>City of Santa Cruz</i> ^[66]	<i>City of Scotts Valley</i> ^[66]	<i>City of Watsonville</i> ^[66]
Sources of funding for jurisdiction waste operations	Tipping fees (GWR, other franchisees, self-haulers) Property tax assessments (CSA 9C)	-	Curbside collection fees Tipping fees (self-haulers) Sale of recycled materials	-	Curbside collection fees Tipping fees (self-haulers) Sale of recycled materials
Other revenue sources to jurisdiction, not targeted to fund waste operations	Franchise fees (GWR & other franchisees) go into the county General Fund	Franchise fees (GWR)	-	Franchise fees (GWR) Property tax assessments (CSA 9C)	-

Source: Population, area, and population per square miles: United States Census Bureau.^[66]

Appendix B

Extending the Life of the Landfills

The chart below shows that progress has been made on increasing the remaining life of the county's landfills in the past 10 years. The 2004 estimates were provided in the 2003/2004 Grand Jury report.^[1] The 2014 estimates are from our interviews.



The city of Santa Cruz provided estimates ranging from 47 to 60 more years for the landfill at the Resource Recovery Facility. The city is constructing a new landfill cell there this year, and two or three more cells can be built. After that, no more expansion is possible.

Santa Cruz County estimates that the Buena Vista Landfill has 15 to 20 years of capacity remaining. Repeated attempts to find new landfill sites to replace Buena Vista have been unsuccessful (see [Appendix F](#)). Construction on the landfill's last cell started in the summer of 2014.^[67]

The city of Watsonville estimates that their landfill has only five to eight years left, with a closure date somewhere between 2019 and 2021. The city has a contract with the Monterey Regional Waste Management District and is currently hauling small amounts of waste to the Marina landfill to keep the contract active in anticipation of the closure of the landfill, after which all solid waste will go to Marina.

The Ben Lomond landfill closed in 1994 and now operates as a transfer station.

By contrast, the life of the Marina landfill is estimated at somewhere between 100 and 150 years; the expected closure date listed on its facility permit is July 2161.^[68]

The economic downturn in the late 2000s, especially the decline in new construction, was the primary reason for the drop in the tonnage of solid waste going into the landfills. Now that the economy is turning around, they expect the fill rate to increase. As one interviewee put it, "What's good for the economy isn't necessarily good for the landfill."

Other factors mentioned as contributing to extending the life of the landfills were the success of waste reduction, diversion and recycling programs; and improved waste compaction and operating procedures that save landfill space.

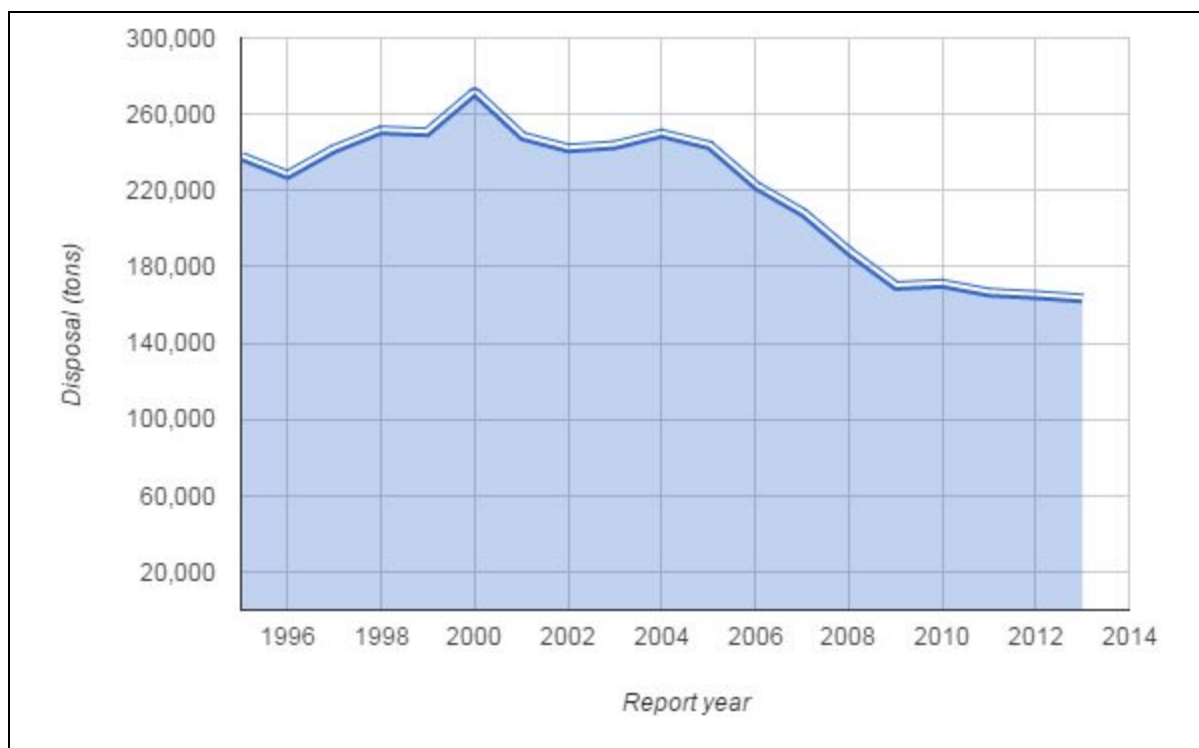
Once at capacity, landfills still require effort and funding to close and maintain. The county, the city of Santa Cruz, and the city of Watsonville all have funds budgeted for landfill closure and post-closure maintenance.

Appendix C

Waste Disposal in Santa Cruz County

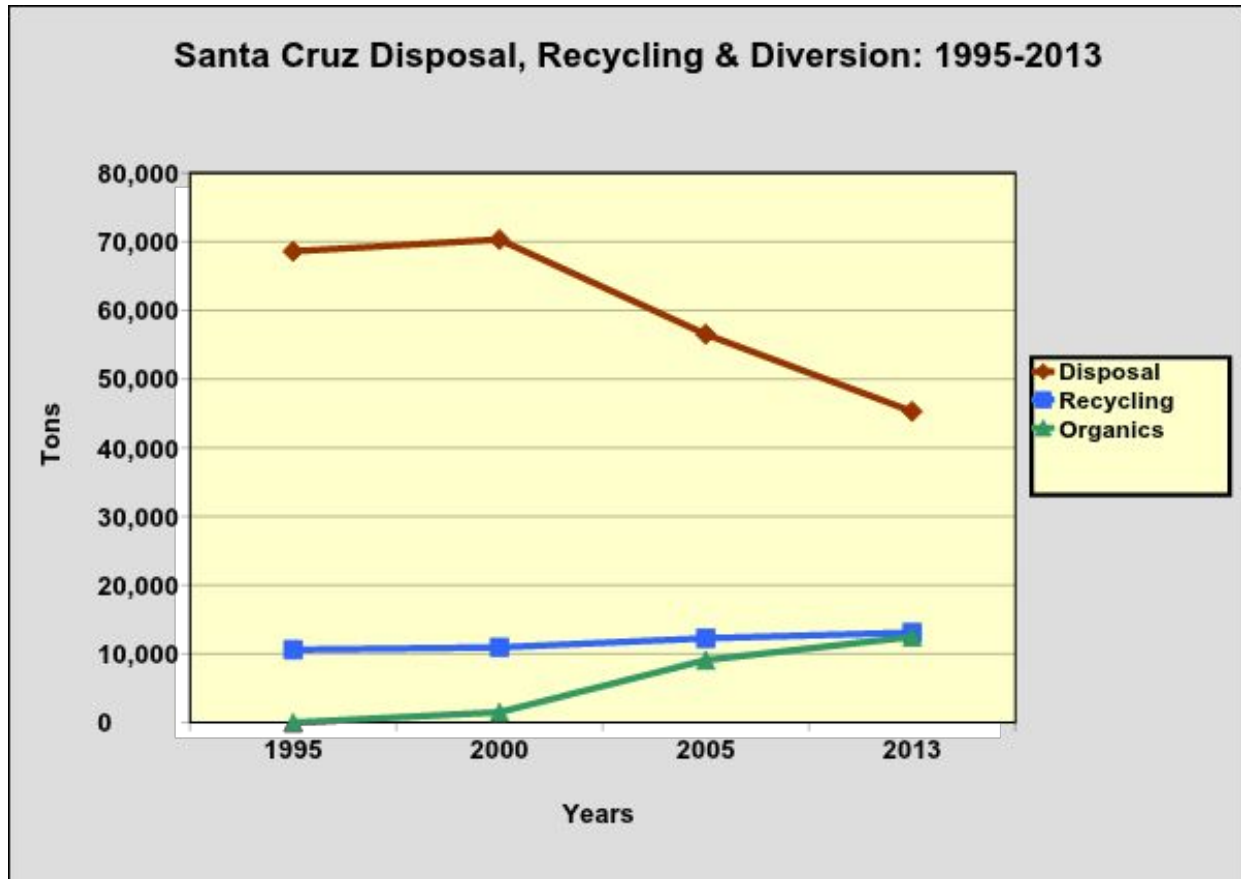
The following chart shows CalRecycle data on total solid waste disposal for the entire county between 1995 and 2013. The steep drop in disposal in the mid-to-late 2000's - a 32.2% decline between 2004 and 2009 - coincides with the general recession in the United States. This has leveled off in recent years, with only a 3.9% decline between 2009 and 2013.

Annual Solid Waste Disposal (in Tons) for the County of Santa Cruz 1995-2013



Source: CalRecycle Multi-Year County of Origin Summary for the County of Santa Cruz. [\[69\]](#)

The chart below shows the tonnages of municipal solid waste (disposal), recycling, and organics (yard waste) in recent years for the city of Santa Cruz.



Source: City of Santa Cruz Department of Public Works

Jurisdiction Waste Disposal (in Tons) for Santa Cruz County in 2013

The table below shows the amounts of municipal solid waste produced by each county jurisdiction in 2013 and the facilities where it was sent.

These numbers are for municipal solid waste only. They do not include material that is sent for recycling (blue cart) or wood waste/yard waste (green cart). CalRecycle does not provide statistics for either recycling or wood waste/yard waste.

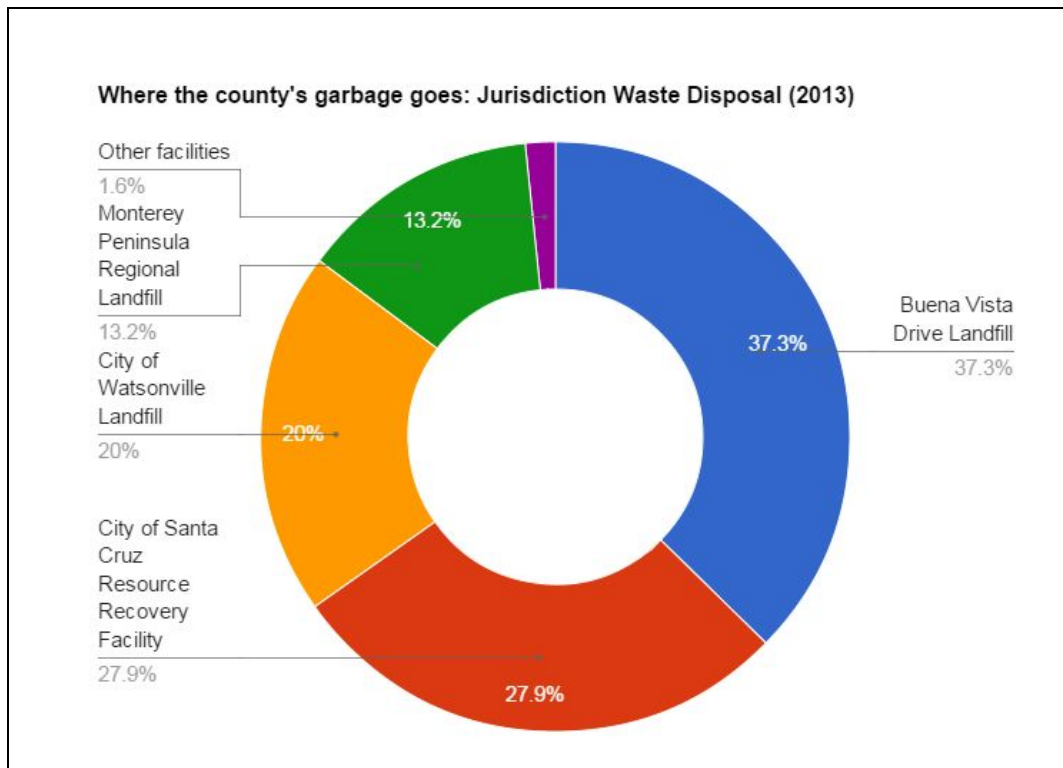
	<i>Source Jurisdiction</i>					
<i>Destination Facility</i>	<i>Unincorp. Santa Cruz County</i>	<i>City of Capitola</i>	<i>City of Santa Cruz</i>	<i>City of Scotts Valley</i>	<i>City of Watsonville</i>	<i>Outside Santa Cruz County</i>
Buena Vista Drive Landfill	59,252	148	152	660	190	497
City of Santa Cruz Resource Recovery Facility	67	0	45,068	0	0	0
City of Watsonville Landfill	0	0	0	0	32,284	0
Monterey Peninsula Regional Landfill	1,865	7,635	2,492	7,745	1,591	357,799
Other facilities	243	6	1,958	29	424	
Total waste disposal (tons)	61,427	7,789	49,670	8,434	34,489	

Source: CalRecycle reports:

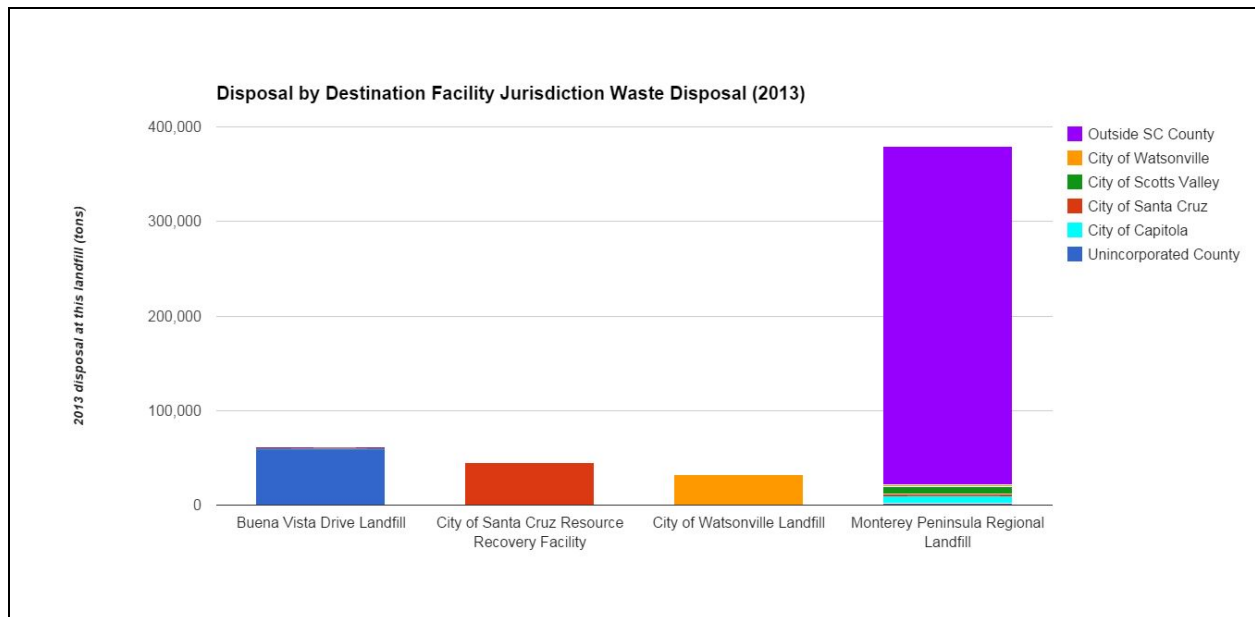
1. Jurisdiction of Origin Waste Disposal by Facility^[70]
2. Jurisdiction and Alternative Daily Cover (ADC) Tons by Facility^[71]

The graphs below show two different views of the disposal numbers in the table above.

Where the County's Garbage Goes



Where the Landfills Get Their Garbage



All Santa Cruz County jurisdictions send some solid waste to the Monterey Peninsula Regional landfill at Marina, but generate only a small fraction of the waste that the Marina landfill receives.

Wood Waste/Yard Waste Processed (in Tons) in 2013-2014

The table below shows the amounts of wood waste/yard waste produced by each county jurisdiction and the facilities where it is sent for processing.

Wood/Yard Waste Processed

<i>Destination Facility</i>	<i>Santa Cruz County</i>	<i>City of Capitola</i>	<i>City of Santa Cruz</i>	<i>City of Scotts Valley</i>	<i>City of Watsonville</i>
Buena Vista Drive Landfill	23,065	941	107	1371	212
Ben Lomond Transfer Station	9,397	9	12	881	0
City of Santa Cruz RRF	0	0	11,500	0	0
City of Watsonville landfill	0	0	0	0	1900
Total wood / yard waste processed (tons)	32,462	950	11,619	2252	2112

Does not include out-of-county wood waste processed at Buena Vista (142 tons) and Ben Lomond (10 tons)

Sources:

1. Buena Vista and Ben Lomond data: Santa Cruz County Department of Public Works.
Data is for the calendar year 2014.
2. City of Santa Cruz RRF data: City of Santa Cruz Department of Public Works.
Data is for July 2013 through June 2014.
3. Watsonville landfill data: City of Watsonville Department of Public Works.
Data is for the calendar year 2014

Appendix D

Waste Composition Findings for Jurisdictions within Santa Cruz (2009)

This table presents the estimated composition of disposed Municipal Solid Waste for each of the jurisdictions that commissioned the study. Compostable organic waste is shown in green. Note that in 2009, Watsonville did not yet provide “green cart” service for yard waste.

<i>Material</i>	<i>County of Santa Cruz^[41]</i>	<i>City of Santa Cruz^[41]</i>	<i>City of Watsonville^[41]</i>	<i>City of Scotts Valley^[41]</i>
Paper	13.5%	15.5%	13.1%	20.1%
Glass	2.3%	1.7%	1.5%	2.5%
Metal	4.3%	5.7%	3.4%	5.2%
Plastic	11.9%	10.3%	11.4%	12.4%
Organic	36.5%	37.0%	49.6%	39.0%
Vegetative Food	17.4%	17.3%	23.4%	18.4%
Other Food	3.4%	5.2%	3.2%	3.2%
Landscape & Agricultural Waste	6.1%	6.8%	13.8%	6.5%
Textiles	5.3%	5.1%	5.0%	5.6%
Manures	0.5%	0.2%	0.3%	0.5%
Miscellaneous Organic	0.5%	0.2%	0.3%	0.7%
Remainder / Composite Organics	3.2%	2.3%	3.5%	4.1%
Construction & Demolition	24.7%	24.5%	15.2%	14.3%
Hazardous	0.3%	0.1%	0.3%	0.1%
Special	2.7%	3.2%	2.8%	2.3%
Mixed Residue	3.9%	1.9%	2.7%	4.1%

Source: Cascadia Consulting Group, Inc. and Midatlantic Solid Waste Consultants, May 2010. “City of Watsonville Characterization of Disposed Waste for the Year 2009” Table 22.

Studies reprinted in: Santa Cruz County, the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, and UC Santa Cruz. September 30, 2014. “Request for Qualifications and Non-Binding Statement of Interest for Organics Processing Services.” Attachment B. ^[41]

Appendix E

Key State Laws Intended to Prolong Landfill Life and/or Divert Organic Waste

AB 939 (1989) ^[72]	The Integrated Waste Management Act. Among many other provisions, it established the California Integrated Waste Management Board, required each county to establish an Integrated Waste Management Local Task Force , and required each city and county to develop a plan for diverting 50% of all solid waste from the landfill by the year 2000, through source reduction, recycling, and composting.
SB 1016 (2008) ^[73]	Changed the state's 50% diversion mandate to a measurement system based on a per capita disposal rate and successful implementation of diversion programs.
AB 341 (2011) ^[74]	Required businesses generating more than four cubic yards of waste per week to arrange for recycling services Required each local government to implement a commercial recycling program Set a new statewide goal, requiring that at least 75% of solid waste generated be diverted (by recycling, composting, or source reduction) by the year 2020. Required CalRecycle to report to the Legislature on how this 75% goal was to be achieved. The CalRecycle report identified ten focus areas, the first of which was moving organics out of the landfill:^[75] CalRecycle further stated: <i>The 75 percent goal cannot be reached unless a significant amount of organics now being landfilled is instead used in new composting/anaerobic digestion (AD) facilities.</i>^[76]
AB 1594 (2014) ^[77]	Required green waste used as alternative daily cover in landfills to be counted as disposal, not as diversion, after 2020.
AB 1826 (2014) ^[78]	Required businesses generating specified amounts of organic waste to arrange for recycling services for that organic waste. Also required every jurisdiction (with some exceptions) to implement an organics recycling program for the businesses subject to this act, starting in 2016.

Source: CalRecycle. "History of California Solid Waste Law."^[71]

Appendix F

Not in Our Backyard

If the county needs more landfill space, why not just build a new landfill? The Grand Jury learned that repeated attempts to locate sites for new landfills have failed due to Santa Cruz County's dense population, high cost of land, and close proximity to the ocean and ecologically sensitive wetlands.

In 1993 the county began a siting study, identifying six possible sites for a Materials Recovery Facility (MRF) and composting facility. Due to acquisition and facility development costs, these sites were not pursued further.

In 2000 the Local Task Force, through a Citizens' Advisory Group, began another study to search for a regional composting facility and solid waste disposal site. The study was completed in 2004 and identified 24 possible sites. After two lengthy public hearings and overwhelming public opposition, the Local Task Force voted to terminate the study and focus resources solely on alternatives to new landfills.^[79]

In 2006 the county began to focus on solid waste resource recovery and transfer facilities in anticipation of Buena Vista Landfill closing. Consultants were hired to develop plans for a "Zero Waste Eco-Park." This ambitious project was intended to create a state-of-the-art facility which would have included:

- A transfer station for municipal solid waste and curbside recyclables
- A Materials Recovery Facility (MRF) for construction and demolition processing
- A second-hand materials exchange
- Green waste processing and composting operations

The county began yet another search for sites for the Eco-Park components, identifying 14 sites in the south county. This study concluded that the Buena Vista Landfill was the preferred location for the Eco-Park, specifically Module 5, the last undeveloped cell of the Buena Vista Landfill (approximately 7 acres).^[80] A series of siting reports and cost studies followed.^[81]

In 2009 the Board of Supervisors accepted the County Department of Public Works' project description and directed them to submit it to the Planning Department for a permit application and California Environmental Quality Act review. Two significant areas of concern were identified: the sensitive location of the project within the Coastal Zone, and the cost of the project during the economic downturn, at a time of reduced county revenues.^[82] These two concerns essentially killed the Eco-Park.

Subsequently, the project was scaled down in favor of a smaller, less costly alternative:

- Module 5 would be used as a landfill, possibly relocating some recycling facilities to a new plateau on top of the landfill when the cell is filled
- A transfer station would be built nearby on Rountree Lane, with planning to be delayed for several years until the need is more pressing and funding more available^[83]

Construction of the Module 5 landfill began in the summer of 2014.^[66] It was supposed to be finished by the end of the year, but due to rains and the discovery of unexpected groundwater sources, work was halted and was not resumed until March 2015. It is now expected to be finished by mid-June 2015. In the meantime, the County is routing some of its solid waste to the Watsonville landfill (in return for Watsonville using Buena Vista at a later date) and to the Marina landfill, until Module 5 is ready.

Appendix G

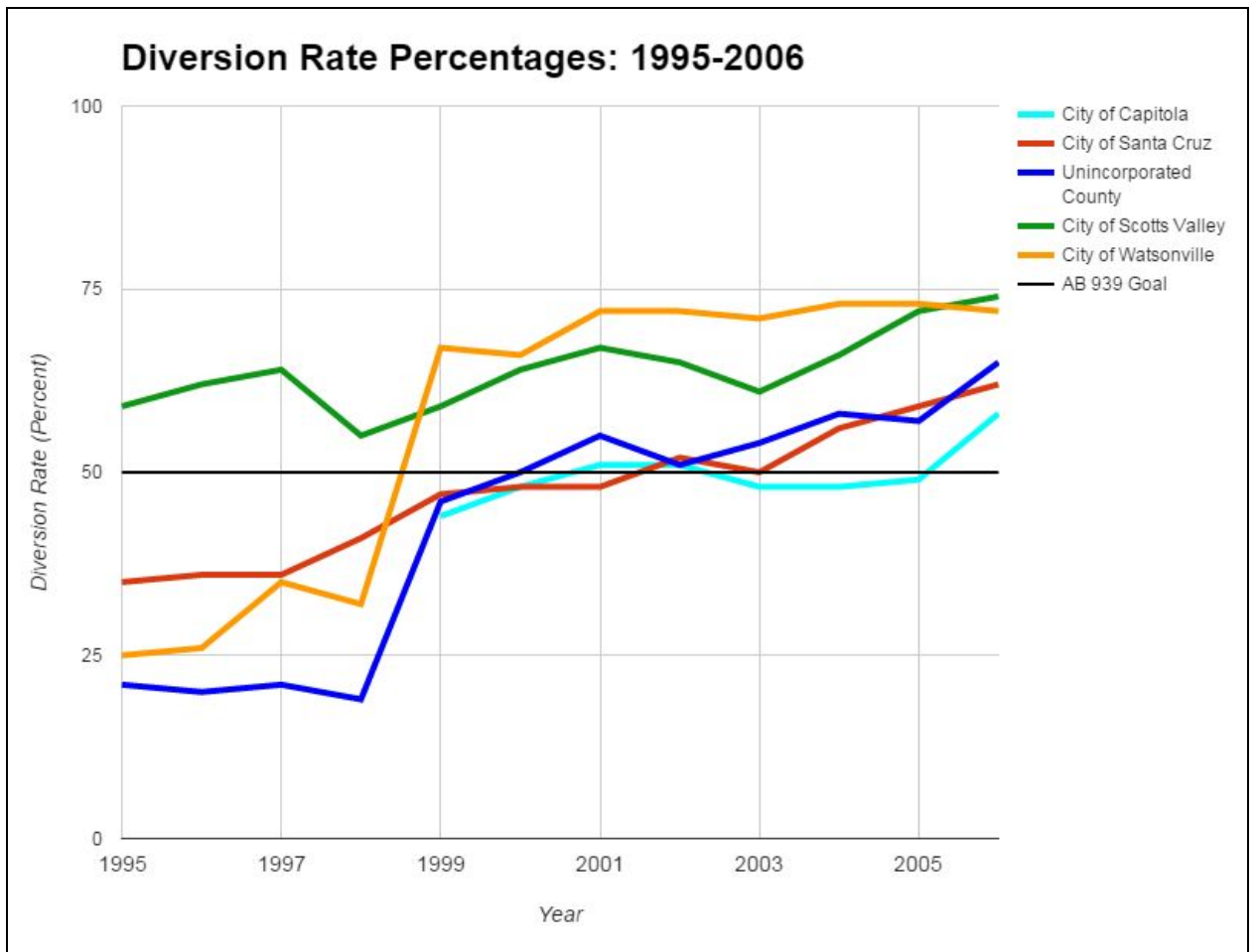
Compliance with AB 939 (1995-2006)

The Integrated Waste Management Act of 1989 (AB 939) made major changes to the California's waste management infrastructure. In addition to repealing many earlier laws regulating waste management and creating the Integrated Waste Management Board and Local Task Forces, AB 939 required each county's Local Task Force to develop a **Countywide Integrated Waste Management Plan**. Each plan was to include a schedule for reaching the goal of diverting 50% of all solid waste from the landfills by the year 2000, through source reduction, recycling, and composting. This was the first time individual jurisdictions in California had been mandated to divert solid waste from landfills and report their progress to a state agency.

Diversion Rate Percentages 1995-2006

<i>Year</i>	<i>City of Capitola</i>	<i>City of Santa Cruz</i>	<i>Santa Cruz County unincorp.</i>	<i>City of Scotts Valley</i>	<i>City of Watsonville</i>
1995	n.a.	35%	21%	59%	25%
1996	n.a.	36%	20%	62%	26%
1997	n.a.	36%	21%	64%	35%
1998	n.a.	41%	19%	55%	32%
1999	44%	47%	46%	59%	67%
2000	48%	48%	50%	64%	66%
2001	51%	48%	55%	67%	72%
2002	51%	52%	51%	65%	72%
2003	48%	50%	54%	61%	71%
2004	48%	56%	58%	66%	73%
2005	49%	59%	57%	72%	73%
2006	58%	62%	65%	74%	72%

Source: CalRecycle Countywide, Regionwide, and Statewide Jurisdiction Diversion/Disposal Progress Report. [\[84\]](#)



Source: CalRecycle Countywide, Regionwide, and Statewide Jurisdiction Diversion/Disposal Progress Report.^[84]

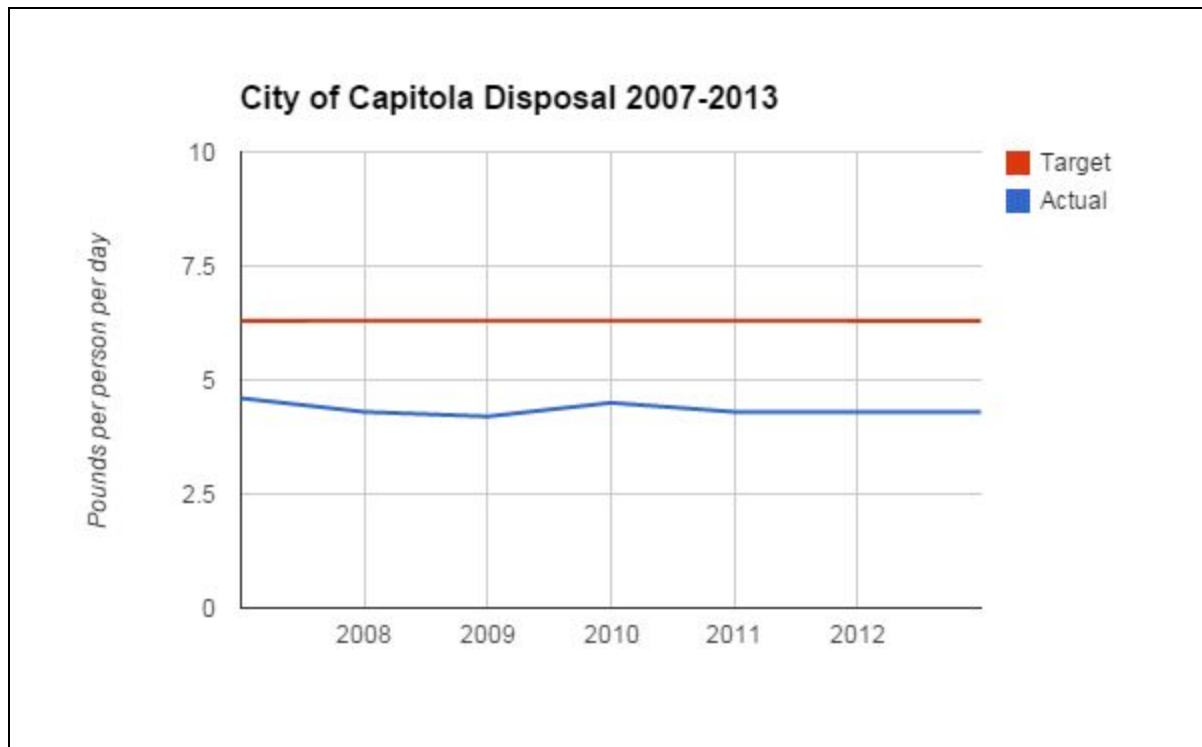
Appendix H

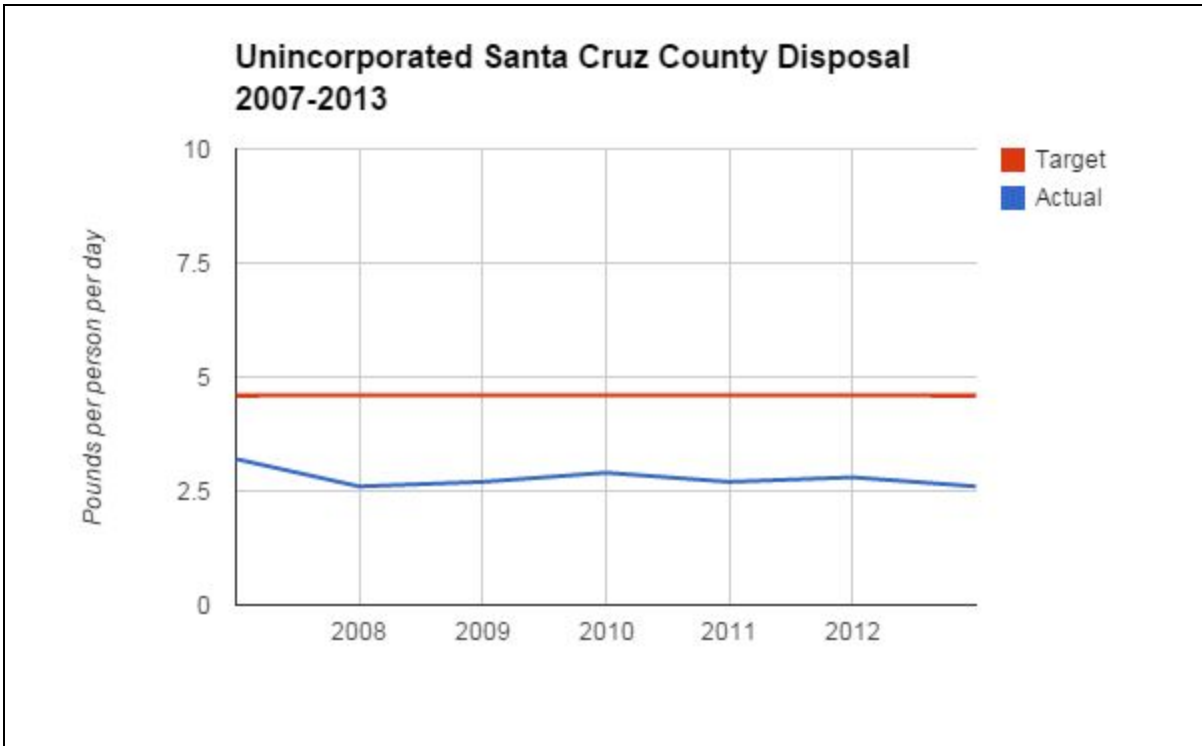
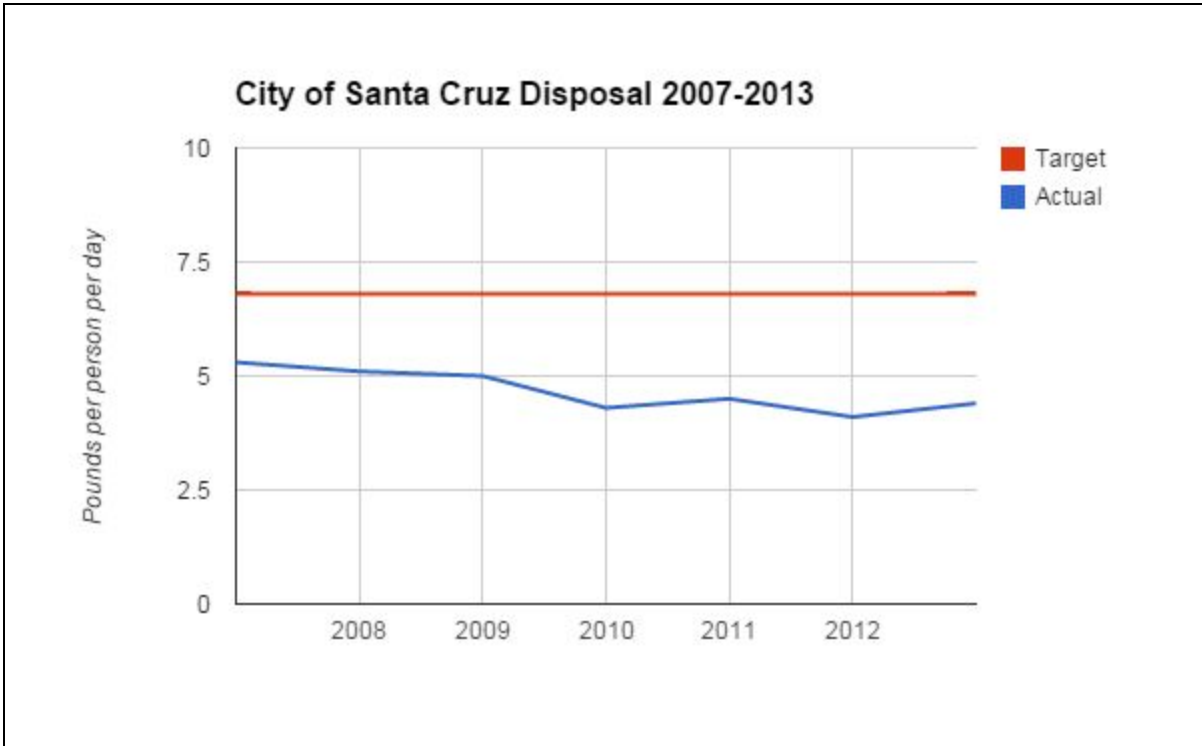
Compliance With SB 1016 (2007-2013)

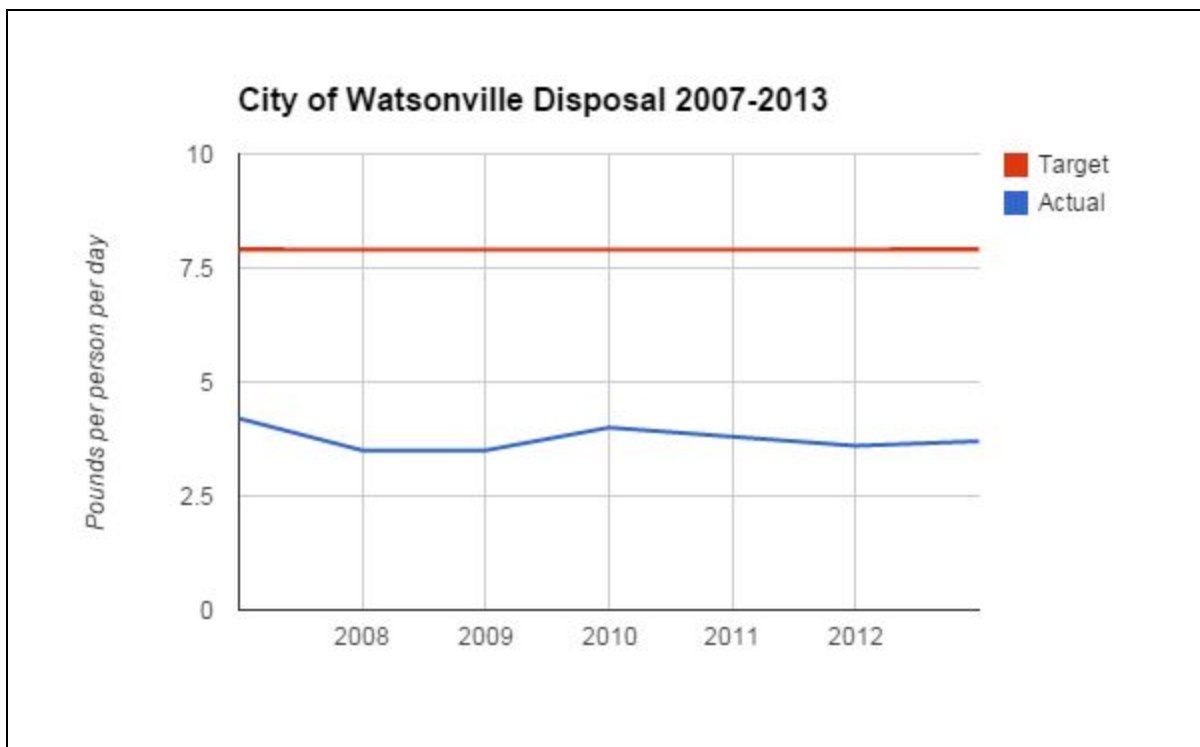
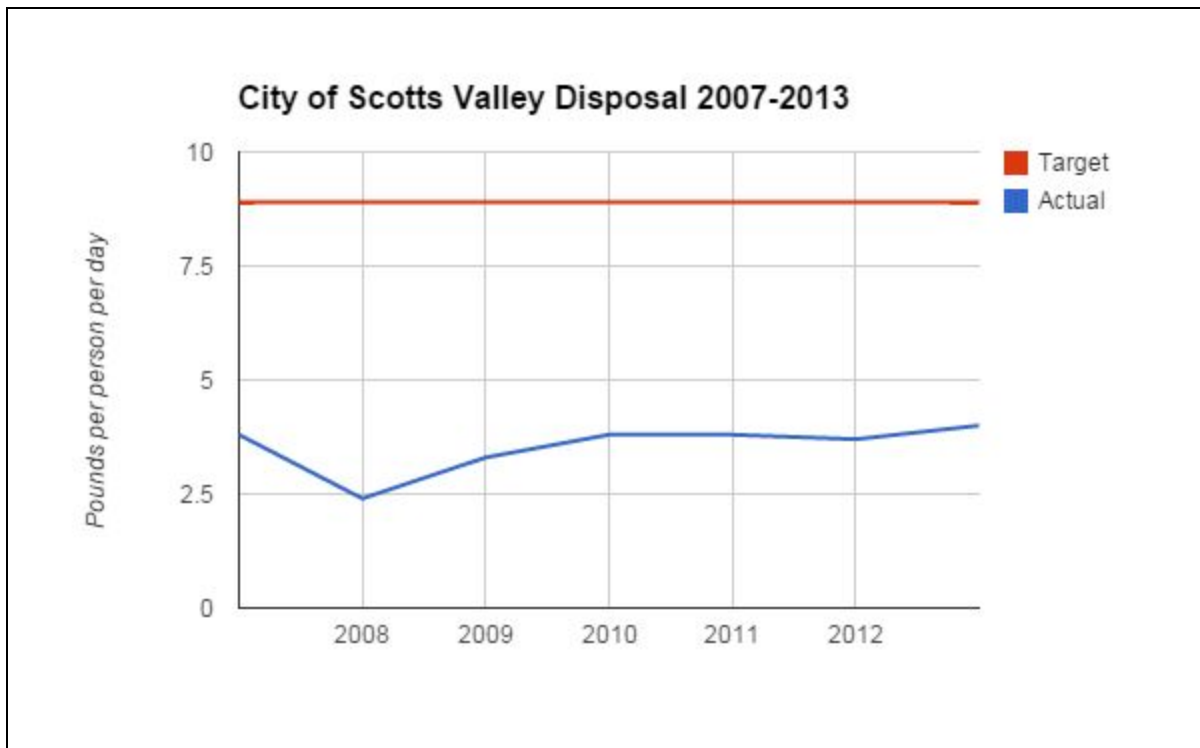
In 2008 the Legislature passed SB 1016, which simplified the way jurisdictions measured their waste streams and put more emphasis on recycling and diversion program implementation. Jurisdictions no longer had to estimate diversion percentages through a complex formula. Instead, they report **per capita disposal**: waste disposal in pounds per person per year. Each jurisdiction was assigned a disposal target that was the equivalent of 50% diversion, expressed on a per capita basis.

If a jurisdiction disposes *less* than its target *and* is implementing its recycling and related programs, it has met the mandate. The 50% requirement was not changed, just measured differently. [\[85\]](#)

Using data on CalRecycle, the Grand Jury developed the charts below. The charts show that the per capita disposal rates for the cities and county of Santa Cruz have been consistently below their assigned targets. The *lower* the actual disposal rate, the less waste the jurisdiction is generating per person.







Source: CalRecycle Countywide, Regionwide, and Statewide Jurisdiction Diversion/Disposal Progress Report. [\[84\]](#) Data for 2014 was not yet available.

Appendix I

Estimated Tonnage of Available Targeted Organic Materials

This table from the 2014 Request for Statements of Interest gives the participating agencies' best estimates of the available tonnage of each type of targeted organic material that could be available for processing under this project. Additional volumes of residential food scraps may be available depending on the timing, nature, and cost of the project.

<i>Agency</i>	<i>Yard Trimmings</i>	<i>Commercial Food Waste*</i>
City of Capitola	917	550
City of Santa Cruz	11,350	3,328
County of Santa Cruz	37,000	2,259
City of Scotts Valley	1,108	N/A
City of Watsonville	2,058	2,610
UC Santa Cruz	424	600
Total All Agencies	52,857	9,347
<i>* Estimates provided by Participating Agencies and/or based on data from Waste Characterization Study</i>		

Source: Santa Cruz County, the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, and UC Santa Cruz. September 30, 2014. "Request for Qualifications and Non-Binding Statement of Interest for Organics Processing Services."^{[41](#)}

City of Scotts Valley INTEROFFICE MEMORANDUM

DATE: September 2, 2015

TO: Honorable Mayor and City Council

FROM: Steve Ando, City Manager

SUBJECT: **APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) WITH
THE SCOTTS VALLEY POLICE BARGAINING UNIT AND THE POLICE
SUPERVISORS ASSOCIATION THROUGH JUNE 30, 2018**

SUMMARY OF ISSUE

The term of the current contract with the Scotts Valley Police Bargaining Unit and Police Supervisors Association expired on June 30, 2015. This contract was subject to bargaining over the past few months. A tentative agreement was reached. Below is a recap of the main terms:

Term: **July 1, 2015 through June 30, 2018**

Salary: **2% increase effective July 1, 2015**
1% increase effective July 1, 2016
1% increase effective July 1, 2017
One-time bonus amount to be paid in fiscal year 2016-17 based on a percentage of actual sales tax revenues for 2015-16 exceeding the budgeted amount.
One-time bonus amount to be paid in fiscal year 2017-18 based on a percentage of actual sales tax revenues for 2016-17 exceeding the actual sales tax revenues for 2015-16.

Longevity: **Add 1% longevity stipend after five consecutive years of service and increase the 15-year stipend to 3%.**

Vacation Buyback: **Allow 40 hours buyback of vacation accrual after ten consecutive years of service.**

Dental Insurance: **Increase dental reimbursement by \$100 to a maximum of \$1,100.**

A redline copy of the MOU highlighting the changes for the previous MOU is attached for your review. Deletions are shown as ~~strikeouts~~ and additions are underlined.

FISCAL IMPACT

The financial impacts are within the parameters set by the City Council.

STAFF RECOMMENDATION

Staff recommends that the City Council approve the Memorandum of Understanding between the City of Scotts Valley and Scotts Valley Police Bargaining Unit and Police Supervisors Association and authorize the Mayor and City Manager to execute the MOU.

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE BARGAINING UNIT

July 1, 2015 – June 30, 2018

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE BARGAINING UNIT
July 1, 2015- June 30, 2018

This **Memorandum of Understanding**, (the "Agreement") is made and entered into this first day of July 2015, by and between the Scotts Valley Police Bargaining Unit, hereinafter referred to as "Association," affiliated with Operating Engineers Local #3, and the City of Scotts Valley, hereinafter referred to as "City," for and on behalf of its Members hereinafter identified.

In this Agreement, whenever the terms "he" or "his" is used they shall be interpreted to apply to both the masculine and feminine gender.

1.00 ASSOCIATION RECOGNITION

Rights and Security.

1.01 Recognition of Association

The City hereby recognizes the Association as the exclusive collective bargaining agent for Police Officers and Dispatchers (collectively referred to as "Members").

1.02 Notice of Recognized Association

The Police Department ("Department") shall give written notice to persons newly employed in the classifications of Police Officers and Dispatchers, which shall contain the name and address of the Member organization recognized by the City as the exclusive bargaining agent for the Association.

1.03 Payroll Deduction and Pay Over

The City shall deduct Association dues and premiums for approved insurance programs from Members' pay in conformance with State and local regulations. The City shall promptly pay over to the designated payee all sums so dedicated.

1.04 Hold Harmless

Association shall indemnify and hold City harmless from any and all claims, demands, suits or any other action arising from the modified

maintenance of membership and modified agency shop provisions herein, or from compliance with any demand for termination hereunder.

1.05 Bulletin Boards

Reasonable space shall be allowed on bulletin boards as specified by the Chief of Police for use by the Association to communicate with Departmental Members. Material shall be posted on the bulletin board space as designated, and not upon the walls, doors, file cabinets or any other place. Posted material shall not be obscene, defamatory or of a partisan political nature, nor shall it pertain to public issues which do not involve the City or its relations with City employees. The City will post employment solicitations for police positions, however, Association shall maintain notices while they remain on the bulletin board and shall be responsible for their removal in a timely fashion. All posted material shall bear the identity of the sponsor, be neatly displayed and be removed when no longer timely.

1.06 Use of Employer Facilities

City facilities may be made available upon timely application for use by Members. Application for such use shall be made to the management person under whose control the facility is placed.

1.07 Job Contacts

Any authorized representative of the Association shall have the right to contact individual Members working within the Association in City facilities during business hours on matters within the scope of representation, providing prior arrangements have been made for each contact with the Chief of Police or the Chief's designated representative who shall grant permission for such contact if, in his judgment, it will not disrupt the business of the work unit involved or the Department.

1.08 Bargaining Committee

Members of the Association's bargaining committee shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. No more than two (2) Members at a time may absent themselves from work for this purpose. Off-duty personnel participating in negotiations are not authorized compensation for this time. Members of Association's bargaining committee shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this Agreement for review of grievances and contract compliance questions. Adequate levels of police protection shall be maintained at all times.

1.09 Alternative Locations

When contact and bargaining on the work location is precluded by reason of confidentiality of records, work situations, health and safety of employees, the public, or disturbance to others, the Chief of Police or the Chief's representative shall have the right to make other arrangements for a contact location removed from the work area.

2.00 HIRING PROVISIONS

2.01 Non-Discrimination

No Member shall be discriminated against by the City or by the Association for reason of race, color, religion, disability, medical condition, national origin, ancestry, marital status, sex, sexual preference, age (over 40), veteran's status, or any other factor except where sex or physical capability is determined to be a bonafide occupational qualification after consideration of reasonable accommodation factors in relation to the essential duties of the position.

2.02 Employment

The City shall not discipline, discharge or otherwise discriminate against any Member for any Association activity that does not interfere with the proper performance of that Member's work.

3.00 CHECK-OFF

3.01 Association Dues, Initiation Fees and Credit Union Share Contribution

The City agrees to deduct initiation fees and dues from the wages of Members and to transmit these deductions to the Association. In addition, the City agrees to deduct credit union share contributions and to transmit these deductions to the employee's applicable credit union at the employee's request. Such deduction(s) shall be authorized by signature on a proper assignment form.

3.02 Dues Deductions

At the request of the Members, City agrees to deduct and send deducted quarterly dues to the Peace Officers Research Association ("PORAC") headquarters for the general membership and to the PORAC Legal Defense Fund ("LDF"). Payments to PORAC and LDF are voluntary and deductions shall be made only for those Members who have executed a proper deduction authorization form and presented it to the Chief of Police. Once the form is received, deductions will commence. Members

should present forms to the Chief as soon as possible. Payments will be made concurrently with and only in the amount of authorized deductions.

4.00 PAYMENTS

4.01 Items Not Covered by Agreement

Existing wages, hours and other terms and conditions of employment including fringe benefits not changed, modified or specifically referenced in this Agreement and not inconsistent with the terms and conditions of this Agreement shall remain in full force and effect during the term of this Agreement.

4.02 New Job Classifications

If a Member covered by this Agreement is assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Association will negotiate the wage rate applicable to the new classification.

5.00 HOURS OF WORK, SHIFT, SCHEDULES AND REST PERIODS

5.01 Work Schedule and Departmental Shift Change

The Chief of Police has implemented a 3/12 work schedule for the patrol division and emergency dispatch/clerical unit ("EDC") (except for the EDC-II and EDC-III positions).

The Chief of Police will designate the schedule that FTO's and their trainees will work. The SRO schedule is on a 5/8 plan with holidays off.

The Chief of Police or the Chief's designated representative shall prepare a schedule showing the hours each Member is to work. Except under unforeseeable circumstances, the Chief of Police shall make every reasonable effort to assure that no Member shall have more than one shift change in any calendar month. Whenever shift changes are required, it shall not result in a reduction in salary where overtime is actually worked.

The normal working hours for the adult investigations detective and juvenile officer, when the investigations division is fully staffed, shall be a 4/10 schedule, which includes a one hour lunch period provided a pager is carried. One detective will have a Friday flex day, with the other detective having a Monday flex day.

5.02 Hours of Work

Hours of work for patrol officers and Emergency Dispatcher Clerk I (EDC-1) will be twelve (12) hours per shift. For patrol personnel, the normal work period for the purpose of calculating overtime will be twenty-eight (28) days. For emergency dispatchers and all other personnel, the normal period for calculating overtime will be seven (7) days. The normal work week for employees other than patrol and EDC-1 personnel will be forty (40) hours.

The day shift EDC-1 personnel will work a 40-hour work week beginning Wednesday at 1200 hours and ending the following Wednesday at 1200 hours.

The night shift EDC-1 personnel will begin their work week on Wednesday at 2400 hours and end their work week the following Wednesday at 2400 hours.

For the detectives or juvenile officers, hours of work include paid holidays. The work week for all other personnel shall begin on Friday at 2400 hours and end on the following Friday at 2400 hours.

All hours worked shall be compensated at the straight hourly rate (Section 6.05), provided that i) hours of work in excess of one hundred and sixty-eight (168) per each twenty-eight (28) day work period will be considered overtime for patrol personnel, and ii) hours of work in excess of forty (40) hours per each seven (7) day work period will be considered overtime for all other employees. All overtime hours will be compensated pursuant to the provisions of Section 6.04 of this Agreement.

5.03 Voice Mail

Members are required to check their voice mail at least once daily on scheduled work days. Members are not required to check voice mail during vacation leave. Members are required to telephonically respond to text messages but will not be entitled to on-call pay.

5.04 Rest Periods

Each Member on the 3/12 plan will have three (3) fifteen (15) minute breaks that will be scheduled throughout the work day. Rest breaks will not be scheduled during the first or last hour of any period of work. Each Member will be granted a forty-five (45) minute lunch break close to the middle of the Member's shift. No wage deduction shall be made nor time off charged against Members taking authorized rest periods, nor shall any rights or overtime be accrued for rest periods voluntarily not taken. There

is no obligation upon the City to provide facilities for refreshments during the rest periods, or for procurement thereof.

6.00 OVERTIME

6.01 Regular Work Schedule Requirement

The Department shall prepare a schedule designating the hours each Member shall work. Work for the City by a Member at time other than those so scheduled shall be approved in advance by the Chief of Police or the Chief's designated representative.

6.02 Authorization of Overtime

No Member shall receive compensation for overtime in cash, in time off or a combination thereof unless such overtime work has been approved by the Chief of Police or the Chief's designated representative.

6.03 Definition of Overtime

For the purposes of the 3/12 work schedule, all overtime work for patrol will be defined as all work performed in excess of one hundred and sixty-eight (168) hours in an established twenty-eight (28) day work period. For employees other than patrol personnel, all overtime work will be defined as all work performed pursuant to Section 6.01 and 6.02 in excess of forty (40) hours for each seven (7) day work period.

For all Members on the 3/12 work schedule, all work performed does not include the eight (8) hours of holidays paid (whether they work on those holidays or not) and does not include the four (4) hours of additional holiday hours paid to Members who work on holidays as provided elsewhere in this Agreement.

6.04 Payment of Overtime

For patrol personnel, the first eight (8) hours of overtime in the established twenty-eight day work week period will be paid at straight time. All hours in excess of one hundred sixty-eight (168) hours in the twenty-eight day work period will be paid at the rate of one and one half (1.5) times the hourly rate. For all other employees, all overtime work will be compensated at the rate of one and one half (1.5) times the hourly rate after forty (40) hours in any work week. All paid time off will be considered time worked in determining overtime, except that for Members on the 3/12 work schedule, both the eight (8) or ten (10) hours of holiday paid to Members (whether they work holidays or not) and the four (4) hours or pro-rated hours of additional holiday hours paid to Members who do work

holidays other than the floating holiday will not be considered time worked in determining overtime.

6.05 Definition of Hourly Rate

For purposes of this section, hourly rate shall be defined as follows:

Base Monthly Pay times (12) months, divided by 2,080 hours (per year) equals hourly rate.

6.06 Fractions of Less than One-Fourth Hours

No overtime payment shall be allowed for any period of less than one-fourth (.25) hours, and fractions of less than one-fourth (.25) hour overtime worked shall not be considered overtime and may not be accumulated in order to total one-fourth (.25) hour or more.

6.07 Compensatory Time Off ("CTO")

At the sole option of a Member CTO may be accrued in lieu of monetary compensation for overtime and is earned at a rate of one and one-half (1.5) times the hourly rate up to the maximum CTO accruals established herein.

All Members may accrue CTO in lieu of monetary compensation for overtime to a maximum of forty (40) hours. Such CTO may be replenished during the year up to the forty hour maximum. The timing of taking the CTO shall be determined by the Division Commander, considering the Member's preference.

CTO may be granted with a two (2) pay period notice at the discretion of the supervisor. Supervisors are not precluded from granting CTO with a shorter notice if the needs of the Department will allow this time off provided however, that overtime shall not be used to cover absences resulting from CTO use by employees. Overtime can be used to cover absences resulting from CTO used by graveyard shift dispatchers.

6.08 Shift Adjustments

If the department intends to adjust a Member's shift due to overtime worked on a shift, the Member's supervisor must notify him of the intended shift adjustment on the day before the adjustment occurs. Such notice shall be given by the end of the Member's shift.

For patrol personnel, all shift adjustments shall be made within the twenty-eight (28) day work period. For all other employees, all shift adjustments shall be made within a forty (40) hour work week. All shift adjustments will

be completed at the time that the change in the shift is made. Except for unforeseeable circumstances, the Chief of Police shall make every effort to assure that no Member shall have more than one shift adjustment occur during a pay period.

7.00 HEALTH AND SAFETY

7.01 Health and Safety - Equipment

City shall comply with all applicable State and Federal Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the Chief of Police to all Members. At the commencement of employment, each Member shall be provided safety equipment by the City as follows:

One (1) belt for slacks

One (1) leather duty belt with: holster, double magazine holder, double handcuff case, O.C. spray holder, baton ring, key ring, four (4) keepers, belt buckle, digital voice recorder holster

One (1) semiautomatic handgun with three magazines and duty ammunition sufficient for the capacity of a full loaded pistol and three magazines

One (1) O.C. spray canister

One (1) soft body armor ballistic vest, replaced every five years

Two (2) pair of handcuffs with keys

One (1) baton

One (1) police flashlight

One (1) digital voice recorder

7.02 Equipment

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

8.00 UNIFORMS

At the commencement of employment, each Member shall be provided uniforms by the City as follows:

Officers:

One (1) uniform hat and hat piece

Three (3) uniform shirts, long or short sleeve

Three (3) uniform slacks or skirts

One (1) uniform duty jacket

One (1) uniform dress jacket

- Patches as required for above uniforms
- One (1) name tag for uniform shirt
- One (1) name tag for uniform jacket
- One (1) complete set of rain gear
- Two (2) B.D.U. uniforms (Three (3) for SRT members)
- One (1) duty badge
- One (1) off-duty badge and badge wallet
- One (1) pair of tactical boots for SRT members

Dispatchers:

- Three (3) uniform shirts, long or short sleeve
- Three (3) uniform slacks or skirts
- One (1) uniform sweater
- One (1) duty badge
- One (1) name tag for uniform shirt
- One (1) belt for slacks
- Patches as required for above uniforms

During the course of employment, the City shall replace uniforms, at no cost to the Member, at the discretion of the Chief of Police. The City further agrees to establish an account at a local dry cleaners to clean and maintain said uniforms at no cost to the Member. All above uniform costs shall be subject to the applicable public retirement rate as required by the Public Employees Retirement System (PERS) regulations.

For the detective and juvenile detective only, City will pay to clean clothes soiled as a result of a work-related incident, with the approval of the Lieutenant or higher level position. This cost will be paid through the City's local dry cleaners account.

9.00 HOLIDAYS

All Members on the 3/12 work schedule will receive eight (8) hours of straight time as compensation in lieu of paid holidays for each holiday other than the floating holiday and ten (10) hours of straight time as compensation in lieu of the paid floating holiday. One twelfth (1/12) of the annual aggregate in lieu compensation shall be paid for each calendar month of employment. This compensation shall be received in equal monthly increments. In addition, any Member on the 3/12 work schedule who works a twelve (12) hour shift on a City recognized holiday other than the floating holiday will receive an additional four (4) hours of pay at straight time in addition to regular pay for the day worked. Any Member on the 3/12 work schedule who works less than twelve (12) hours on a City recognized holiday other than the floating holiday will receive pro-rated straight time holiday pay.

Each Member of the bargaining unit who is assigned as a detective or juvenile officer shall be entitled to the following holidays and receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on the following Monday.

- A. First day of January
- B. Third Monday in January - Dr. Martin Luther King Jr. Day
- C. Third Monday in February - Presidents Day
- D. Last Monday in May - Memorial Day
- E. July 4th
- F. First Monday in September - Labor Day
- G. Second Monday in October - Columbus Day
- H. November 11 - Veterans Day
- I. Thanksgiving Day
- J. The day following Thanksgiving Day
- K. The day preceding Christmas
- L. Christmas Day
- M. The Day preceding New Years Day
- N. One floating holiday per fiscal year. Members must use the floating holiday for that fiscal year
- O. Every day appointed by the President of the United States, or the Governor of the State of California or the City Council for a public fast, thanksgiving or holiday

Detectives and juvenile officers shall take Holidays and shall be paid for those days off. EDC-11 and EDC-111 employees do not take Holidays off. Instead they shall be paid eight (8) additional hours of overtime compensation in lieu of paid holidays for each recognized municipal holiday (refer to Personnel Rules and Regulations). One-twelfth (1/12) of the annual compensation shall be paid for each calendar month of employment. Such compensation shall be received monthly.

10.00 HEALTH AND WELFARE BENEFITS

10.1 Health and Welfare Benefits

10.01 PERS Medical Plan

10.01.1 Cafeteria Plan: The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate during the term of this MOU shall be the PERS HMO rate, minus the Government Code section 22825 contribution. However, for employees choosing the PERS Choice or PORAC Plans, the City shall contribute either the PERS Choice or PORAC plan rate plus 50% of the difference between the PERS Choice or PORAC plan and the PERS HMO plan per month towards the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

Employees may also elect the following optional benefits:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

10.01.2 Rebate for Non-Enrolled Dependents: The City shall pay any full-time (40 hours per week) Member who chooses not to enroll in the PERS Health plan the Member's otherwise eligible dependents the following amount provided proof of alternative medical coverage is provided:

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = \$100.
2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = \$100.
3. Employee eligible to enroll employee plus two, but enrolls employee only = \$150.

10.01.03 Reopener in the Event of Provider Change: In the event that no PERS HMO and/or no PERS Choice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree that to re-open section 10.01 if members are covered by the affected health plans.

10.02 Section 125 Plan

The City also agrees, to the extent allowable by law, to adopt the provisions of Section 125 of the Internal Revenue Code, thereby enabling Members to pay allowable medical costs with pre-tax dollars.

10.03 Dental and Vision

The City shall provide reimbursement for employees' and dependents' document dental expenses, with the first \$200 in expenses – 100% reimbursed, the next \$500 in expenses – 80% reimbursed, and the next \$1,000 in expenses – 50% reimbursed up to a maximum of \$1,100 in City contribution each calendar year.

Vision coverage benefits shall remain the same as those benefits in effect in the previous MOU in the Vision Service Plan.

10.04 Deductibles

Members shall be responsible for paying the deductible portion of their medical, dental and vision insurance plans, where applicable.

10.05 Long-Term Disability Insurance

City agrees to maintain a long-term disability plan at City's sole cost, not to exceed one and eight-tenths (1.8%) of annual salary per month.

10.06 Member Retiree Medical Coverage Program

It is the purpose of the Members Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this retirement benefit a Member:

1. Must have been employed with the City for ten years or longer.
2. Shall retire from the City of Scotts Valley. Public safety Members shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."

3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit will be provided directly to the retired Member at the following rates:

1. For Members who have served 10 to 15 years with the City: 100% of premiums to a maximum of 33% of the PERS-CARE plan premium level (benchmark plan); reduced to 16.5% at social security age.
2. For Members who have served 15-20 years with the City: 100% of the premiums to a maximum of 50% of the PERS-CARE plan; reduced to 25% at social security age.
3. For Members who have served over 20 years: 100% of premiums to a maximum of 67% of the PERS-CARE plan; reduced to 33.5% at social security age.

The medical benefit will be provided to the retired Member and the Member's spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

10.07 Life Insurance

The City shall pay the premium for a \$50,000 life insurance plan for all Members.

10.08 Joint Committee for Health Care Cost Containment

City and Association agree to participate in a "Joint Health Care Cost Containment Committee" for the purpose of controlling health care costs. The Committee shall make recommendations consistent with this goal. Recommendations shall be implemented if approved by the City and Association.

11.00 CALL-BACK PAY

Any Member who has departed from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a regularly scheduled work day for that Member shall be guaranteed a minimum of two (2) hours compensation at one and one-half (1.5) times the hourly rate in accordance with Section 6.02. Any Member who has departed from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a day for which the Member is not scheduled to work shall be guaranteed a minimum of four (4) hours compensation at one and one-half times (1.5) the hourly rate in accordance with Section 6.02. A regularly scheduled work day is defined as each day on which the majority of hours worked in each shift falls.

12.00 COURT APPEARANCE

Any Member who is required to testify in connection with a Member's usual official duties or in connection with a case in which the City or Police Department is a party shall be guaranteed a minimum of four (4) hours compensation at one and one-half (1.5) times the hourly rate.

13.00 STANDBY PAY

Members who are required to perform standby duty by the Chief of Police, or the Chief's designee or the court shall be compensated at the rate of five dollars (\$5.00) per hour, not to exceed forty dollars (\$40) per day for such duty. Standby duty is that period of time a Member is required to be available by phone for immediate call out.

13.01 On-Call Pay

On-call positions shall receive five dollars (\$5.00) per hour, not to exceed forty dollars (\$40.00) per day, or portion thereof, for on-call status. The detective sergeant will rotate the on-call duty with the detectives and juvenile officer.

14.00 ADDITIONAL COMPENSATION

14.01 Temporary Assignment to Higher Level

A Member assigned to a higher level under this section will revert to a 5/8 schedule if the Chief of Police deems that this is an appropriate work shift for the assignment.

If the temporary assignment lasts longer than six (6) months, then the Member will be able to use and accrue forty-eight (48) hours of CTO per

fiscal year. Any other benefit that is particular to the 5/8 schedule will be included in this section if the assignment lasts more than six months.

A Member specifically assigned on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceeds a total of twenty (20) days in any twelve (12) month period. Payment shall be retroactive to the first day of such service.

14.02 Designation of Bilingual Position

Upon the recommendation of the Chief of Police or the Chief's designated representative and with the approval of the City Manager, a Member occupying a position designated as requiring fluency in a language other than English shall receive Two Hundred Dollars (\$200) per month.

14.03 Daylight Savings Time

All Members working at the time daylight savings time starts or ends shall be paid for actual time worked in accordance with Section 6.00 and its provisions.

14.04 Mileage Allowance

When a Member is required to use the Member's personal vehicle on City business, the City shall pay the mileage allowance provided by the rules and regulations of the International Revenue Service.

14.05 Assignment Differential

A. A five percent (5%) additional salary differential over base pay shall be paid to all Members assigned to the following job assignments:

- (1) Motorcycle Officer
- (2) Field Training Officer (FTO). No more than two (2) FTOs will receive this benefit at any one time, unless more are authorized by the City Manager.
- (3) In addition, up to two (2) Dispatchers shall receive a five percent (5%) differential for at least one whole pay period during which a trainee is assigned to them for any part of the pay period. No more than two (2) Dispatchers will receive this benefit at any one time.

- B. A twenty percent (20%) salary differential over base pay shall be paid to all Members assigned to detective position inclusive of juvenile officer. An assignment differential of twenty percent (20%) is for the purpose of taking on increased responsibilities. The Chief of Police and/or his designee will develop an on-call schedule for all individuals assigned to the investigations unit on a rotational basis. When a detective has been placed on-call, he is expected to be able to respond to the department within one hour and carry a pager during the on-call assignment period (maximum one detective on-call at a time).

All assignment differentials shall be approved in advance by the Chief of Police. The assignment as stated above shall be noted on the Member time card.

14.06 Canine Officer Differential

All Members assigned as Canine Officer will receive additional compensation at the rate of five percent (5%) of base pay for the care and maintenance of their dog, whether the actual time is more or less than that. The parties mutually agree that this is adequate for care and maintenance.

The California Police Officers Standards of Training currently require canine units to receive a minimum of 16 hours of training a month. These hours will be offset by allowing the Canine Officer to train on duty or during a scheduled training time and then adjust the start time of their work day by four hours.

15.00 LEAVE OF ABSENCE

15.01 Other Leave Without Pay

The appointing authority may grant a Member a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a Member a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the Member and must be approved by both the department head, the appointing authority and, when necessary, the Council.

Upon expiration of the approved leave, the Member shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the Member would otherwise not have been laid off.

Failure on the part of a Member to return to work on the date scheduled shall be cause for termination.

15.02 Outside Employment

A leave of absence without pay may not be granted to a Member for purposes of accepting either private or other public employment outside the service of the City, except as hereinafter provided in this Article 15.00.

A Member may not work outside employment on the days that he/she is actually assigned to work his/her regular shift. On a day off, no employee may work on outside employment within twelve (12) hours of the beginning of his/her work shift without the approval of the Chief of Police.

15.03 Military Leave

Every Member shall be entitled to military leaves of absence as specified in Chapter 7, Part 1, Division 2, of the California Military and Veterans Code. If such Member shall have been in the service of the City for at least one (1) year prior to the date such absence begins, he shall be entitled to receive pay for up to one (1) month of military leave during any fiscal year at the rate he would have received for service to the City. Time spent on military leave shall be included in determining eligibility to occupy a classification based upon length of service.

15.04 Leave for Jury Duty

Leave of absence with pay shall be granted to a Member while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer. Any Member who serves jury duty on any calendar day in which he would have commenced a regularly scheduled shift shall receive that shift off as leave of absence with pay.

15.05 Maternity Leave

Refer to City Personnel Rules and Regulations (Section 17.08 adopted 11/11/86).

15.06 Paternity Leave

All male Members whose spouse or significant other is pregnant may take up to a four (4) month leave of absence. Said leave shall be called a "Paternity Leave" and must be applied for, in writing, to the City. Included with said application shall be a doctor's certificate, certifying the

pregnancy, and estimating the delivery date. Application will also state the beginning and ending dates of requested leave.

A longer leave may be granted where extenuating circumstances exist. All paternity leaves shall be without pay and without a loss in seniority. Members may use accumulated sick leave, vacation, or compensatory time during this period, immediately preceding this period, or immediately following this period; subject to the City approval of any leave totaling more than four months.

Vacation and sick leave benefits do not accrue during paternity leave. All other benefits accrue in accordance with the provisions of the City Personnel Rules and Regulations.

15.07 Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any Member of the Member's immediate family. The leave shall be for a period of twenty-four (24) hours or forty (40) hours if travel in excess of five hundred (500) miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, any person living in the immediate household of the Member, family member where Member maintains Power of Attorney or Executor of Estate, or any other special circumstance as approved the City Manager.

16.00 VACATION

16.01 Vacation

Members covered by the provisions of this Agreement shall receive annual vacation leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Vacation Hours</u>
Less than 5 years	80 hours
5-10 years	120 hours
10 years	160 hours
15 or more years	168 hours

Vacation hours are those a Member would be normally scheduled to work. Holidays, hours off, sick leave hours and emergency or personal leave hours shall not be considered or charged as vacation hours.

16.02 Vacation Accrual

A Member may not carry forward from year to year more than two (2) times his annual vacation rate unless he has first received a written extension granted by the City Manager at the recommendation of the Chief of Police. Written extensions shall be granted in cases where, due to service requirements of the department, it was not reasonably possible for the employee to reduce his vacation accumulation below two (2) times. Members who have refused to take vacation during the calendar year are not guaranteed of receiving written extension.

16.03 Effect of Absence on Continuous Service

Absence or authorized leave with or without pay, time during which a Member is laid off because his services are not needed and time during which a Member is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is followed by re-employment within one (1) year. However, such absences shall not be counted in computing the Member's years of continuous service.

16.04 Vacation Scheduling

The Chief of Police or the Chief's designated representative shall determine when vacation leave may be taken. The Member shall be allowed to divide his vacation leave in any calendar year into two (2) segments. The Chief of Police, at his discretion, may grant a Member additional segments of vacation. Seniority in department service among Members in a classification and working unit consistent with Department operating requirements shall be the basis on which vacation schedule conflicts shall be resolved in favor of the most senior Member who has not, by virtue of Member's senior position, previously had such a conflict resolved in his favor during the calendar year. In the event of vacation schedule conflicts among Members who have had such conflicts resolved in their favor before, the senior Member who has had the least number of successful conflict resolutions shall prevail. Vacation may be started on any day of the week.

16.05 Rate of Vacation Pay

Compensation during vacation shall be at the rate that the Member is entitled to receive, including premium pay, as if the Member was on active service during such vacation.

16.06 Vacation Request Notification

All vacation requests will be made no less than ninety (90) days prior to the requested time for leave. Supervisors will not be precluded from granting vacation requests upon shorter notice provided that the needs of the Department will allow for the requested time off.

16.07 Vacation Buy-back

The City will buy back up to one week (40 hours) of vacation annually, after 10 years of service with the City and an additional one week (40 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

17.00 SICK LEAVE

17.01 Definition of Sick Leave

As used in this section, "sick leave" means leave of absence of a Member because of any of the following: (1) illness or injury which renders him incapable of performing the Member's work or duties for the City; (2) the Member's exposure to contagious disease as evidenced by a doctor's certification that this exposure necessitates the Member being on sick leave; and (3) routine medical or dental appointments of the Member.

17.02 Exclusion of Self-Inflicted Injury

In no case shall an absence due to purposeful or intentional self-inflicted incapacity or injury be deemed a basis for granting either sick leave or sick leave with pay under the provision of this section.

17.03 Industrial Sick Leave

If a Member is incapacitated by sickness or injury received in the course of his employment with the City, he shall be entitled to pay as provided herein.

17.04 Amount and Duration of Payment

Such Member shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his normal salary and the amount of any Worker's Compensation temporary disability payments to which he

is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

17.05 Denial of Payment

Notwithstanding the foregoing provisions of this section, such payment shall not be made pursuant to this subsection to a Member:

- (1) who does not apply for or receive temporary disability benefits under the Worker's Compensation Law;
- (2) whose injury or illness has become permanent;
- (3) whose injury or illness, although continuing to show improvement, is unlikely to improve sufficiently to permit the Member's return to work in his position;
- (4) who is retired on permanent disability or pension;
- (5) whose injury or illness is the result of intentional failure to observe City health or safety regulations or the commission of a criminal offense;
- (6) whose injury or illness has been aggravated or delayed in healing by reason of the Member's failure to receive medical treatment or follow medical advice, except where such treatment or advice has not been sought or followed by reason of the Member's religious beliefs; and
- (7) whose injury or illness is a recurrence or re-injury of an earlier job-related injury or illness or is contributed to by a susceptibility or predisposition to such injury.

17.06 Members Excluded

The provisions of Article 17.00 do not apply to safety Members who are subject to the provisions of California Labor Code section 4850.

17.07 Cumulative Sick Leave Plan

Each employee will accumulate sick leave at the rate of eight (8) hours per each full calendar month on a paid status. The Chief of Police or the Chief's designated representative shall grant sick leave with pay, not to exceed a Member's accumulated unused sick leave, to a Member incapacitated by injuries or sickness.

17.08 Medical Report

As a condition of granting sick leave with pay, the Chief of Police may require medical evidence of sickness or injury acceptable to the Department, which may include a statement of diagnosis and treatment from a licensed physician or a medical clearance to return to work.

17.09 Emergency Leave: Sickness in Immediate Family

Leave of absence with pay because of sickness or injury in the immediate family of a Member shall be granted by the Chief of Police or the Chief's designated representative for up to forty-eight (48) hours per fiscal year but not to exceed the amount of time which the person has accrued for sick leave in Section 17.07. Time taken for leave of absence under the provisions of this subsection shall be deducted from the Member's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent, foster child or any person sharing the relationship of loco parentis; and, which living in the household of the Member, a brother, sister, brother-in-law, sister-in-law, mother-in-law, father-in-law or grandparent.

17.10 Sick Leave Compensation on Termination

City shall pay to each terminated, separated Member the value of his accrued and unused sick leave not to exceed a maximum of nine hundred and sixty (960) hours, based on the following sliding scale, representing the percentage of salary to be applied to available accumulated hours of sick leave applicable at the time of separation from City service:

<u>Years of Service</u>	<u>% of Compensation</u>
5 years, 1 day - 10 years	20%
10 years, 1 day - 15 years	25%
15 years, 1 day - 20 years	30%
20 years, 1 day - 25 years	40%
25 years, 1 day - 30 years	50%
Over 30 years or at retirement	60%

This compensation will be paid with the final paycheck.

The City has implemented PERS option Section 20862.8 (Credit for Unused Sick Leave) for sworn personnel.

17.11 Personal Leave

City shall allow each Member not on the 3/12 work schedule to utilize up to sixteen (16) hours of accrued sick leave annually for personal reasons.

City shall allow each Member on the 3/12 work schedule to utilize up to twenty-four (24) hours of accrued sick leave annually for personal reasons. Personal Leave shall be taken in minimum of four (4) hour periods, and shall be approved in advance by the Chief of Police or the Chief's designated representative if reasonably possible and with due consideration for the needs of the Member and the Department.

Personal Leave periods taken will not be charged against the stay well bonus described in Section 29.00, unless the periods are used immediately before or immediately following vacation or holidays (for those employees who receive holidays off), except as otherwise authorized by the Chief of Police.

17.12 State Disability Insurance

Members receiving State Disability Insurance payments shall file the "notice of calculation" for disability insurance with the City immediately upon receipt from the Employment Development Department. Upon receipt of notice, the City shall adjust the Member's sick leave usage and wages for the effective period so that his net pay, including SDI, is equal to that which he would receive if working.

18.00 WAGES

- 18.01 Effective July 1, 2015, all Members will receive a two percent (2%) salary increase, as reflected on Exhibit A. Effective July 1, 2016, all Members will receive a one percent (1%) salary increase, as reflected on Exhibit B. Effective July 1, 2017, all Members will receive a one percent (1%) salary increase, as reflected on Exhibit C.
- 18.02 All Members assigned to patrol shall be paid for eighty-four (84) hours at straight time on the first pay date for each 28-day pay period, not withstanding hours actually worked, and shall be paid for the balance of hours actually worked (which will normally also be 84 hours) on the second pay date for that pay period. The purpose of this section is to more equitably spread wage payments to Members over the 28-day pay period. However, this provision shall not apply if the combination of hours worked and hours of paid leave by patrol members in any 28-day pay period is less than 84 hours. For example, if any patrol Member only works fifty (50) hours and receives ten (10) hours of paid vacation during the 28 day pay period, the Member will only be paid for sixty (60) hours.
- 18.03 All Members will be eligible to receive a one percent (1%) longevity stipend upon completion of five consecutive years of service, an additional two percent (2%) longevity stipend upon completion of ten consecutive

years of service and an additional three percent (3%) longevity stipend upon completion of fifteen consecutive years of service.

- 18.04 In addition to the salary above, each permanent Member shall receive two one-time bonuses if the following conditions are met. For the first bonus, should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-16, the difference between the budgeted sales tax revenues and the actual sales tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a total first bonus amount. This total first bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit B to be paid no later than the first full pay period in November 2016.

For the second bonus, should the City's actual sales tax revenues for Fiscal Year 2016-17 be greater than the actual sales tax revenues for Fiscal Year 2015-16, the difference shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a second total bonus amount. This second total bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit C to be paid no later than the first full pay period in November 2017.

19.00 GRIEVANCE PROCEDURES

Refer to Rule 15 of the Personnel Rules and Regulations.

19.01 Effect of Failure of Timely Action

Failure of the Member to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the City to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.

19.02 Limitation on Stale Grievances

A grievance shall be void unless presented within thirty (30) calendar days from the date upon which the City has allegedly failed to provide a condition of employment, or within thirty (30) calendar days from the time at which a Member might reasonably have been expected to have learned of such alleged failure to provide. In no event shall any grievance include a claim for money relief for more than the thirty (30) day period plus such reasonable discovery period.

19.03 Exclusion of Non-Recognized Organizations

For the purposes of this section, the provisions of Section 1.00 of this Agreement shall be construed to limit the Member's right of selection of a representative to the extent that agents or any other employee organization, which is not party to this Agreement, are specifically excluded from so acting. In those cases where a Member elects to represent himself or arranges for other representation, the Association shall have the right to participate in the resolution procedure for the purpose of protecting the interest of its Members in negotiated conditions of employment.

20.00 SAVINGS CLAUSE

If any provision of this Agreement shall be held invalid by operation of law, or by any court of competent jurisdiction, or if compliance with enforcement of any provision shall be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

21.00 ENACTMENT

It is agreed that the foregoing shall be jointly submitted to the City Council by the City Manager and Association for Council's consideration and approval.

22.00 PEACE OFFICERS BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Members by law, including, but without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code §3300 et seq.) and the Meyers-Milias-Brown Act (Gov. Code §3500 et seq.).

23.00 DEPARTMENT VEHICLES AND EQUIPMENT

23.01 Definition of Vehicles

Any motor vehicle as defined by Sections 165 and 414 of the California Vehicle Code.

23.02 Repairs

All necessary repairs and maintenance of vehicles (as defined in Section 23.01) shall be performed to insure the safety of the operator of the vehicle.

23.03 Unsafe Vehicles

Under no circumstances shall a supervisor of the City require a Member to operate an unsafe department vehicle.

23.04 Claims - Unsafe Vehicles

Claims of unsafe vehicles will be made by the representatives of the Association to the shift supervisor. The City shall have the sole authority to remove vehicles from service.

23.05 Vehicle Maintenance

Routine maintenance of departmental vehicles shall be no less than required by the manufacturer. Only high quality parts and tires will be used on the vehicles. Department vehicles with over 80,000 miles will be inspected annually by a certified mechanic to include frame, suspension and mechanical parts for wear and stress fractures. Any vehicle deemed unsafe will be repaired or pulled from service, as determined by the Chief of Police.

23.06 Vehicle Equipment

All equipment, lights, sirens and switches shall be uniform and provided the same on each patrol vehicle.

23.07 Mileage

All departmental vehicles used for patrol or emergency response shall be taken out of service upon exceeding 115,000 miles, or sooner, and a replacement vehicle shall be properly equipped in accordance with Section 23.06. The Association agrees to continue to meet and confer over the need to extend these mileage limits due to economic constraints of the City.

23.08 Vehicle Equipment Determination

Any equipment deemed necessary by the Chief of Police shall be provided for the departmental vehicles for the safety of any operator.

24.00 VOLUNTARY EDUCATIONAL INCENTIVE PROGRAM

24.01 Definition and Purpose

Scotts Valley Police Department's Educational Achievement Program is designed to upgrade and/or improve the law enforcement skills and

knowledge of its personnel. The Department encourages additional educational achievement, which can lead to a higher level of performance.

24.02 Objectives

- (1) To upgrade the educational level of technical skills of the personnel of Scotts Valley Police Department to insure a high quality of law enforcement.
- (2) To provide an additional attraction for qualified individuals at the entry level who have an interest in law enforcement as a career.
- (3) To provide an additional inducement to personnel to improve themselves throughout their career.
- (4) To promote the most highly qualified officers to supervisory and administrative levels.

24.03 Procedures for Establishing Educational Incentive Pay

Courses used to obtain the educational incentive pay shall represent a logical progression of the Member's goals and/or those classes that shall be applied toward the achievement of a degree within an approved curriculum.

24.04 Eligibility

The Member shall submit the curriculum to the Education Committee for approval with the following exceptions:

Police Science Majors
Administration of Justice Majors
Criminology Majors
Public Administration Majors (with minor in any of the above)

24.05 Education Committee

The Committee shall be composed of the following:

- (1) Chief of Police or the Chief's designated representative; and
- (2) Association President or his designated representative.

The Committee shall determine the appropriateness of courses and/or curriculum outside of the above-named majors. In the event the members of the Committee are unable to agree on the appropriateness of the

courses and curriculum, the City Manager shall be asked to participate in the decision making process and shall be entitled to vote therein.

24.06 Certification

The Education Committee shall certify to the Member's eligibility in accordance with Section 24.05. Such notification shall then be sent to the City Manager.

24.07 Effective Date

Educational incentive pay shall be effective the first day of the next pay period following receipt by the City Manager of certification in accordance with Section 24.06.

24.08 Educational Incentive Pay

All Members will be eligible for the following educational incentive program (amounts are not cumulative) based upon earning a degree in higher education as follows:

AA or AS degree	\$150 per month
BA or BS degree	\$250 per month
MA or MS degree	\$300 per month

24.09 Course Reimbursement

The City agrees to reimburse Members for the costs associated with college courses and training sessions approved in advance, in writing, by the Chief of Police, up to a maximum of one thousand dollars (\$1,000) per Member per fiscal year. Reimbursable costs include only the following:

- (a) Tuition
- (b) Books
- (c) Course-related fees

The City will not reimburse Members for supplies or mileage used traveling to and from such courses.

To ensure that the City budget has adequate funds to pay for a Member's course reimbursement request, the Member should submit a request for reimbursement no later than February 15 of each year preceding the July 1 through June 30 fiscal year.

25.00 RETIREMENT

City agrees to maintain retirement benefits in the Public Employees' Retirement System (PERS) for all Members. Those eligible as "Safety" Members shall be in the three (3%) percent at age fifty (50) plan. Those eligible as "Miscellaneous" Members shall be in the two and a half (2.5%) percent at 55 plan. City also agrees to pay the Member's contribution. For both "Safety" and "Miscellaneous" Members hired on or after January 1, 2013, the City agrees to maintain the retirement benefits in accordance with the provisions of the Public Employees' Pension Reform Act of 2013.

The City shall provide the Government Code 20042 single highest year benefit for all Miscellaneous Members at City expense.

The City shall also provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payments as employer contributions in lieu of employee contributions for all PERS Miscellaneous members in the unit.

26.00 LAYOFF POLICY

26.01 Layoffs

The following procedures will be followed in the event of layoffs and/or reductions of personnel.

26.02 Order

Layoffs and/or reductions shall occur in the following order:

- (1) Temporary employees
- (2) Probationary employees
- (3) Regular part-time employees
- (4) Regular employees on "Needs to Improve"
- (5) Regular employees

The Police Department's monthly evaluations shall not be considered as the appropriate evaluation. The Chief of Police shall evaluate the employee's last yearly evaluations concern #4 above.

26.03 Seniority

Within each classification of sworn or non-sworn personnel, layoffs and reductions shall be made on the basis of inverse order to seniority in City Service.

26.04 Special Skills

Where the Chief of Police or the Chief's appointing authority deems it in the best interest of the Department, he may waive the order of layoffs or reductions when loss of a Member's skills on a particular assignment or loss of his special skills would negatively affect the Department's work.

26.05 Association President

The President of the Association shall be exempt from layoffs during his/her term of office.

26.06 Notification

The City Manager and the Association agree that the City Manager shall notify the Association immediately (at least thirty (30) days prior) of any pending layoffs and/or reductions affecting Members covered by the Agreement. The Association shall have the right to meet and confer concerning such layoffs and/or reductions.

27.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of employees within the law; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/employee relationships. These rights shall not be limited except as specified in this agreement.

28.00 PEACEFUL PERFORMANCE

The Association agrees that during the term of this Agreement neither it nor the Members it represents will engage in, encourage, sanction, or support: (1) strikes; (2) slowdowns; (3) mass resignations; (4) mass absenteeism; (5) picketing which would involve suspension of or interference with normal work of the department or other City departments; or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.

29.00 STAY WELL PLAN

The City has implemented the following Stay Well Plan, which includes the following conditions:

- (1) Each stay well year will be from December 1 through November 30.
- (2) Eligible Members are those who have accumulated two hundred forty (240) hours of unused sick leave.
- (3) The stay well bonus will be paid each year in a separate check on the first pay date in December.
- (4) Eligible Members shall receive a bonus according to the following schedule, or a pro rata share of this bonus, should they achieve their two hundred forty (240) hours at some point during the stay well year.

<u>Sick Leave Used</u>	<u>Straight Time Bonus</u>	<u>Pro Rata Bonus</u>
0 sick hours	48 hours	50.0%
8 sick hours	40 hours	41.6%
12 sick hours	36 hours	37.5%
16 sick hours	32 hours	33.3%
24 sick hours	24 hours	25.0%
32 sick hours	16 hours	16.6%
36 sick hours	12 hours	12.5%
40 sick hours	8 hours	8.3%
48 - 96 sick hours	0 hours	0.0%

For example, if a Member has accumulated two hundred forty (240) hours by August of the stay well year and then accrues an additional twenty-four (24) hours from September 1 to November 30, the Member will have a total of two hundred sixty-four (264) hours. If the Member has taken sixteen (16) sick hours, the Member will receive 33.3% of the twenty-four (24) hours in excess of the required two hundred forty (240) hour minimum.

- (5) Personal leave hours are considered sick leave hours for the purpose of the stay well bonus, only if they are used immediately before or immediately following vacation or holidays (for those Members who receive holidays off) except as otherwise authorized by the Chief of Police.

- (6) The stay well bonus is payable at straight time.
- (7) Members shall have the option of receiving the bonus on the first pay date in December or crediting their unused sick hours to their total accumulations. Such a decision must be received by the City Manager prior to December 1 of each year. The City Manager shall forward this notification to the Finance Department immediately.
- (8) Sick hours taken off by Members, regardless of the reason, shall be deducted from the potential stay well bonus.

The specific purpose of the Stay Well Plan is to encourage Members to stay physically fit and well and to miss as few work hours as possible due to illness or any other reason.

30.00 TERM OF AGREEMENT

The term of this Agreement shall be July 1, 2015, through June 30, 2018.

31.00 ENTIRE AGREEMENT

This Agreement rescinds and replaces any prior agreements between the parties except side letter agreements that are in effect by their terms.

“City”
CITY OF SCOTTS VALLEY

“Association”
SCOTTS VALLEY POLICE
BARGAINING UNIT

Dene Bustichi, Mayor

Scott Mitchell, Police Officer

Stephen H. Ando, City Manager

Kami Raabe, EDC

David Cariaga, Operating Eng. Local 3

Approved as to form:

Kirsten Powell, City Attorney

EXHIBIT A

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2015 - 06/30/2016

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,281	3,445	3,617	3,798	3,988	4,187	4,396
Emergency Dispatcher/ Clerk II	3,637	3,819	4,010	4,211	4,422	4,643	4,875
Emergency Dispatcher/ Clerk III	3,711	3,897	4,092	4,297	4,512	4,738	4,975
Officer	4,777	5,016	5,267	5,530	5,807	6,097	6,402

EXHIBIT B

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2016 - 06/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,314	3,480	3,654	3,837	4,029	4,230	4,442
Emergency Dispatcher/ Clerk II	3,673	3,857	4,050	4,253	4,466	4,689	4,923
Emergency Dispatcher/ Clerk III	3,748	3,935	4,132	4,339	4,556	4,784	5,023
Officer	4,825	5,066	5,319	5,585	5,864	6,157	6,465

EXHIBIT C

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,347	3,514	3,690	3,875	4,069	4,272	4,486
Emergency Dispatcher/ Clerk II	3,710	3,896	4,091	4,296	4,511	4,737	4,974
Emergency Dispatcher/ Clerk III	3,785	3,974	4,173	4,382	4,601	4,831	5,073
Officer	4,873	5,117	5,373	5,642	5,924	6,220	6,531

MEMORANDUM OF UNDERSTANDING

between

CITY OF SCOTTS VALLEY

and

SCOTTS VALLEY POLICE SUPERVISORS ASSOCIATION

July 1, 2015 – June 30, 2018

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE SUPERVISORS ASSOCIATION

July 1, 2015 – June 30, 2018

This **Memorandum of Understanding**, (the "Agreement") is made and entered into this first day of July 2015, by and between the Scotts Valley Police Supervisors Association, hereinafter referred to as "Association," affiliated with Operating Engineers Local #3, and the City of Scotts Valley, hereinafter referred to as "City," for and on behalf of its Members hereinafter identified.

In this Agreement, whenever the terms "he" or "his" is used they shall be interpreted to apply to both the masculine and feminine gender.

1.00 ASSOCIATION RECOGNITION

Rights and Security.

1.01 Recognition of Association

The City hereby recognizes the Association as the exclusive collective bargaining agent for classifications of Police Lieutenant, Police Sergeants and Police Services Supervisor (collectively referred to as "Members").

1.02 Notice of Recognized Association

The Police Department ("Department") shall give written notice to persons newly employed in the classifications set out in Section 1.01, which shall contain the name and address of the Member organization recognized by the City as the exclusive bargaining agent for the Association.

1.03 Payroll Deduction and Pay Over

The City shall deduct Association dues and premiums for approved insurance programs from Members' pay in conformance with State and local regulations. The City shall promptly pay over to the designated payee all sums so dedicated.

1.04 Hold Harmless

Association shall indemnify and hold City harmless from any and all claims, demands, suits or any other action arising from the modified

maintenance of membership and modified agency shop provisions herein, or from compliance with any demand for termination hereunder.

1.05 Bulletin Boards

Reasonable space shall be allowed on bulletin boards as specified by the Chief of Police for use by the Association to communicate with Departmental Members. Material shall be posted on the bulletin board space as designated, and not upon the walls, doors, file cabinets or any other place. Posted material shall not be obscene, defamatory or of a partisan political nature, nor shall it pertain to public issues which do not involve the City or its relations with City employees. The City will post employment solicitations for police positions, however, Association shall maintain notices while they remain on the bulletin board and shall be responsible for their removal in a timely fashion. All posted material shall bear the identity of the sponsor, be neatly displayed and be removed when no longer timely.

1.06 Use of Employer Facilities

City facilities may be made available upon timely application for use by Members. Application for such use shall be made to the management person under whose control the facility is placed.

1.07 Job Contacts

Any authorized representative of the Association shall have the right to contact individual Members working within the Association in City facilities during business hours on matters within the scope of representation, providing prior arrangements have been made for each contact with the Chief of Police or the Chief's designated representative who shall grant permission for such contact if, in his judgment, it will not disrupt the business of the work unit involved or the Department.

1.08 Bargaining Committee

Members of the Association's bargaining committee shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. No more than two (2) Members at a time may absent themselves from work for this purpose. Off-duty personnel participating in negotiations are not authorized compensation for this time. Members of Association's bargaining committee shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this Agreement for review of grievances and contract compliance questions. Adequate levels of police protection shall be maintained at all times.

1.09 Alternative Locations

When contact and bargaining on the work location is precluded by reason of confidentiality of records, work situations, health and safety of employees, the public, or disturbance to others, the Chief of Police or the Chief's representative shall have the right to make other arrangements for a contact location removed from the work area.

2.00 HIRING PROVISIONS

2.01 Non-Discrimination

No Member shall be discriminated against by the City or by the Association for reason of race, color, religion, disability, medical condition, national origin, ancestry, marital status, sex, sexual preference, age (over 40), veteran's status, or any other factor except where sex or physical capability is determined to be a bonafide occupational qualification after consideration of reasonable accommodation factors in relation to the essential duties of the position.

2.02 Employment

The City shall not discipline, discharge or otherwise discriminate against any Member for any Association activity which does not interfere with the proper performance of that Member's work.

3.00 CHECK-OFF

3.01 Association Dues, Initiation Fees and Credit Union Share Contribution

The City agrees to deduct initiation fees, and dues from the wages of Members and to transmit these deductions to the Association. In addition, the City agrees to deduct credit union share contributions and to transmit these deductions to the employee's applicable credit union at the employee's request. Such deduction(s) shall be authorized by signature on a proper assignment form.

3.02 Dues Deductions

At the request of the Members, City agrees to deduct and send deducted quarterly dues to the Peace Officers Research Association ("PORAC") headquarters for the general membership and to the PORAC Legal Defense Fund ("LDF"). Payments to PORAC and LDF are voluntary and deductions shall be made only for those Members who have executed a proper deduction authorization form and presented it to the Chief of

Police. Once the form is received, deductions will commence. Members should present forms to the Chief as soon as possible. Payments will be made concurrently with and only in the amount of authorized deductions.

4.00 PAYMENTS

4.01 Items Not Covered by Agreement

Existing wages, hours and other terms and conditions of employment including fringe benefits not changed, modified or specifically referenced in this Agreement and not inconsistent with the terms and conditions of this Agreement shall remain in full force and effect during the term of this Agreement.

4.02 New Job Classifications

If a Member covered by this Agreement is assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Association will negotiate the wage rate applicable to the new classification.

4.03 Lieutenant Position

The filling of the Lieutenant position will be at the sole discretion of the City. The position is exempt from all other forms of salary, including longevity, and holiday pay except as otherwise expressly provided in this Agreement. The position will receive City holidays off with pay, but will be exempt from all overtime compensation.

5.00 HOURS OF WORK, SHIFT, SCHEDULES AND REST PERIODS

5.01 Work Schedule and Departmental Shift Change

The Chief of Police has implemented a 3/12 work schedule for the patrol division.

The Chief of Police will designate the schedule that FTO's and their trainees will work. The Association agrees that if an SRO position is developed, the working schedule for that officer will be on the 5/8 plan with holidays off.

The Chief of Police or the Chief's designated representative shall prepare a schedule showing the hours each Member is to work. Except under unforeseeable circumstances, the Chief of Police shall make every reasonable effort to assure that no Member shall have more than one shift

change in any calendar month. Whenever shift changes are required, it shall not result in a reduction in salary where overtime is actually worked. The normal working hours for each detective sergeant shall be from 0800 to 1700 with one hour for lunch. In the event a detective sergeant is called to duty during his/her lunch hour, it shall be that Member's option to leave work one hour early unless the Member's supervisor determines that it is necessary for the operations of the department for the employee to continue to work in which event the Member's shall receive overtime pay for the lost lunch period. Staggered lunches will not be required.

The Lieutenant position shall be exempt from this provision.

5.02 Hours of Work

Hours of work for patrol sergeants will be twelve (12) hours per shift. For patrol personnel, the normal work period for the purpose of calculating overtime will be twenty-eight (28) days. For all other personnel, the normal work period for calculating overtime will be seven (7) days. The normal work week for employees other than patrol will be forty (40) hours.

For the detective sergeant, hours of work include paid holidays. The work week for all other personnel shall begin on Friday at 2400 hours and end on the following Friday at 2400 hours.

All hours worked shall be compensated at the straight hourly rate (Section 6.05) provided that i) hours of work in excess of one hundred sixty-eight (168) per each twenty-eight (28) day work period will be considered overtime for patrol personnel, and ii) hours of work in excess of forty (40) hours per each seven (7) day work period will be considered overtime for all other employees. All overtime hours will be compensated pursuant to the provisions of Section 6.04 of this Agreement.

The Services Supervisor works from 8 a.m. to 5 p.m. and has a one hour lunch break. The Services Supervisor is off for holidays.

The Lieutenant position shall be exempt from all overtime compensation.

5.03 Voice Mail

Members are required to check their voice mail at least once daily on scheduled work days. Members are not required to check voice mail during vacation leave. Members are required to telephonically respond to text messages but will not be entitled to on-call pay.

5.04 Rest Periods

Each Member on the 3/12 plan will have three (3) fifteen (15) minute breaks that will be scheduled throughout the work day. Rest breaks will not be scheduled during the first or last hour of any period of work. Each Member will be granted a forty-five (45) minute lunch break close to the middle of the Member's shift. No wage deduction shall be made nor time off charged against Members taking authorized rest periods, nor shall any rights or overtime be accrued for rest periods voluntarily not taken. There is no obligation upon the City to provide facilities for refreshments during the rest periods, or for procurement thereof.

6.00 OVERTIME

6.01 Regular Work Schedule Requirement

The Department shall prepare a schedule designating the hours each Member shall work. Work for the City by a Member at time other than those so scheduled shall be approved in advance by the Chief of Police or the Chief's designated representative.

6.02 Authorization of Overtime

No Member (excluding Lieutenants) shall receive compensation for overtime in cash, in time off or a combination thereof, unless such overtime work has been approved by the Chief of Police or the Chief's designated representative as set forth above.

The Lieutenant position shall be exempt from all overtime compensation.

6.03 Definition of Overtime

For the purposes of the 3/12 work schedule, all overtime work for patrol will be defined as all work performed in excess of one hundred and sixty-eight (168) hours in an established twenty-eight (28) day work period. For employees other than patrol personnel, all overtime work will be defined as all work performed pursuant to Section 6.01 and 6.02 in excess of forty (40) hours for each seven (7) day work period.

For all Members on the 3/12 work schedule, all work performed does not include the eight (8) hours of holidays paid (whether they work on those holidays or not) and does not include the four (4) hours of additional holiday hours paid to Members who work on holidays as provided elsewhere in this Agreement.

6.04 Payment of Overtime

For patrol personnel, the first eight (8) hours of overtime in the established twenty-eight (28) day work week period will be paid at straight time. All hours in excess of one hundred sixty-eight (168) hours in the twenty-eight (28) day work period will be paid at the rate of one and one-half (1.5) times the hourly rate. For all other employees, all overtime work will be compensated at the rate of one and one-half (1.5) times the hourly rate after forty (40) hours in any work week. All paid time off will be considered time worked in determining overtime, except that for Members on the 3/12 work schedule, both the eight (8) or ten (10) hours of holiday paid to Members (whether they work holidays or not) and the four (4) hours or pro-rated hours of additional holiday hours paid to Members who do work holidays other than the floating holiday will not be considered time worked in determining overtime.

6.05 Definition of Hourly Rate

For purposes of this section, hourly rate shall be defined as follows:

Base Monthly Pay times (12) months, divided by 2,080 hours (per year) equals hourly rate.

The Lieutenant position shall be exempt from this provision.

6.06 Fractions of Less than One-Fourth Hours

No overtime payment shall be allowed for any period of less than one-fourth (.25) hours, and fractions of less than one-fourth (.25) hour overtime worked shall not be considered overtime and may not be accumulated in order to total one-fourth (.25) hour or more.

6.07 Compensatory Time Off ("CTO")

At the sole option of a Member CTO may be accrued in lieu of monetary compensation for overtime and is earned at a rate of one and one-half (1.5) times the hourly rate up to the maximum CTO accruals established herein.

All Members may accrue CTO in lieu of monetary compensation for overtime to a maximum of forty (40) hours. Such CTO may be replenished during the year up to the forty hour maximum. The timing of taking the CTO shall be determined by the Division Commander, considering the Member's preference.

CTO may be granted with a two (2) pay period notice at the discretion of the supervisor. Supervisors are not precluded from granting CTO with a shorter notice if the needs of the Department will allow this time off.

The Lieutenant position shall be exempt from this provision.

6.08 Shift Adjustments

If the department intends to adjust a Member's shift due to overtime worked on a shift, the Member's supervisor must notify him of the intended shift adjustment on the day before the adjustment occurs. Such notice shall be given by the end of the Member's shift.

For patrol personnel, all shift adjustments shall be made within the twenty-eight (28) day work period. For all other employees, all shift adjustments shall be made within a forty (40) hour work week. All shift adjustments will be completed at the time that the change in the shift is made. Except for unforeseeable circumstances, the Chief of Police shall make every effort to assure that no Member shall have more than one shift adjustment occur during a pay period.

7.00 HEALTH AND SAFETY

7.01 Health and Safety - Equipment

City shall comply with all applicable State and Federal Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the Chief of Police to all Members. At the commencement of employment, each Member shall be provided safety equipment by the City as follows:

One (1) belt for slacks

One (1) leather duty belt with: holster, double magazine holder, double handcuff case, O.C. spray holder, baton ring, key ring, four (4) keepers, belt buckle, digital voice recorder holster

One (1) semiautomatic handgun with three magazines and duty ammunition sufficient for the capacity of a full loaded pistol and three magazines

One (1) O.C. spray canister

One (1) soft body armor ballistic vest, replaced every five years

Two (2) pair of handcuffs with keys

One (1) baton

One (1) police flashlight

One (1) digital voice recorder

7.02 Equipment

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

8.00 UNIFORMS

At the commencement of employment, each Member shall be provided uniforms by the City as follows:

Lieutenants and Sergeants:

- One (1) uniform hat and hat piece
- Three (3) uniform shirts, long or short sleeve
- Three (3) uniform slacks or skirts
- One (1) uniform duty jacket
- One (1) uniform dress jacket
- Patches as required for above uniforms
- One (1) name tag for uniform shirt
- One (1) name tag for uniform jacket
- One (1) complete set of rain gear and rain boots
- Two (2) B.D.U. uniforms (Three (3) for SRT members)
- One (1) duty badge
- One (1) off-duty badge and badge wallet
- One (1) pair of tactical boots for SRT members

Services Supervisor:

The City agrees to maintain any required uniform for the Services Supervisor.

During the course of employment, the City shall replace uniforms, at no cost to the Member, at the discretion of the Chief of Police. The City further agrees to establish an account at a local dry cleaners to clean and maintain said uniforms at no cost to the Member. All above uniform costs shall be subject to the applicable public retirement rate as required by the Public Employees Retirement System (PERS) regulations.

For the detective sergeant only, City will pay to clean clothes soiled as a result of a work-related incident, with the approval of a supervisor. This cost will be paid through the City's local dry cleaners account.

9.00 HOLIDAYS

All Members on the 3/12 work schedule will receive eight (8) hours of straight time as compensation in lieu of paid holidays for each holiday other than the floating holiday and ten (10) hours of straight time as compensation in lieu of the paid floating holiday. One twelfth (1/12) of the annual aggregate in lieu compensation shall be paid for each calendar month of employment. This compensation shall be received in equal monthly increments. In addition, any Member on the 3/12 work schedule who works a twelve (12) hour shift on a City recognized holiday other than the floating holiday will receive an additional four (4) hours of pay at straight time in addition to regular pay for the day worked. Any Member on the 3/12 work schedule who works less than twelve (12) hours on a City recognized holiday other than the floating holiday will receive pro-rated straight time holiday pay.

Each Member of the bargaining unit who is assigned as a detective or juvenile officer shall be entitled to the following holidays and receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on the following Monday.

- A. First day of January
- B. Third Monday in January - Dr. Martin Luther King Jr. Day
- C. Third Monday in February - Presidents Day
- D. Last Monday in May - Memorial Day
- E. July 4th
- F. First Monday in September - Labor Day
- G. Second Monday in October - Columbus Day
- H. November 11 - Veterans Day
- I. Thanksgiving Day
- J. The day following Thanksgiving Day
- K. The day preceding Christmas
- L. Christmas Day
- M. The Day preceding New Years Day
- N. One floating holiday per fiscal year. Members must use the floating holiday for that fiscal year
- O. Every day appointed by the President of the United States, or the Governor of the State of California or the City Council for a public fast, thanksgiving or holiday

Detectives, sergeants, and lieutenants shall take Holidays and shall be paid for those days off.

10.00 HEALTH AND WELFARE BENEFITS

10.1 Health and Welfare Benefits

10.01 PERS Medical Plan

10.01.1 Cafeteria Plan

The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate during the term of this MOU shall be the PERS Choice rate, minus the Government Code section 22825 contribution. However, for employees choosing the PERS Choice or PORAC plans, the City shall contribute the PERS Choice or PORAC rate plus 50% of the difference between the PERS Choice or PORAC rates and the PERS HMO rate to be used in the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

Employees may also elect the following optional benefits if the employee has surplus cafeteria plan funds remaining after electing medical insurance coverage:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

10.01.2 Rebate for Non-Enrolled Dependents

The City shall pay any full-time (40 hours per week) Member who chooses not to enroll in the PERS Health plan the Member's otherwise eligible

dependents the following amount provided proof of alternative medical coverage is provided:

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = \$100.
2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = \$100.
3. Employee eligible to enroll employee plus two, but enrolls employee only = \$150.

10.01.3 Reopener in the Event of Provider Change

In the event that no PERS HMO and/or PERS Choice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree to re-open section 10.01 if members are covered by the affected plans.

10.02 Section 125 Plan

The City also agrees, to the extent allowable by law, to adopt the provisions of Section 125 of the Internal Revenue Code, thereby enabling Members to pay allowable medical costs with pre-tax dollars.

10.03 Dental and Vision

The City shall provide reimbursement for employee's and dependents' documented dental expenses, with the first \$200 in expenses – 100% reimbursed, the next \$500 in expenses – 80% reimbursed, and the next \$1,000 in expenses – 50% reimbursed up to a maximum of \$1,100 in City contribution each calendar year.

Vision coverage benefits shall remain the same as those benefits in effect in the previous MOU in the Vision Service Plan.

10.04 Deductibles

Members shall be responsible for paying the deductible portion of their medical, dental and vision insurance plans, where applicable.

When two Members are married to each other, the City shall reimburse the married Members for the deductible portion of the medical premiums up to a maximum of Three Hundred Dollars (\$300.00) per calendar year per couple.

10.05 Long-Term Disability Insurance

City agrees to maintain a long-term disability plan at City's sole cost, not to exceed one and eight-tenths (1.8%) of annual salary per month.

10.06 Member Retiree Medical Coverage Program

It is the purpose of the Members Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this retirement benefit a Member:

1. Must have been employed with the City for ten years or longer.
2. Shall retire from the City of Scotts Valley. Public safety Members shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."
3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit will be provided directly to the retired Member at the following rates:

1. For Members who have served 10 to 15 years with the City: 100% of premiums to a maximum of 33% of the PERS-CARE plan premium level (benchmark plan); reduced to 16.5% at social security age.
2. For Members who have served 15-20 years with the City: 100% of the premiums to a maximum of 50% of the PERS-CARE plan; reduced to 25% at social security age.

3. For Members who have served over 20 years: 100% of premiums to a maximum of 67% of the PERS-CARE plan; reduced to 33.5% at social security age.

The medical benefit will be provided to the retired Member and the Member's spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

10.07 Life Insurance

The City shall pay the premium for a \$50,000 life insurance plan for all Members.

10.08 Joint Committee for Health Care Cost Containment

City and Association agree to participate in a "Joint Health Care Cost Containment Committee" for the purpose of controlling health care costs. The Committee shall make recommendations consistent with this goal. Recommendations shall be implemented if approved by the City and Association.

11.00 CALL-BACK PAY

Any Member who has **departed** from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative (on a regularly scheduled work day for that Member) shall be guaranteed a minimum of two (2) hours compensation at one and one-half (1.5) times the hourly rate in accordance with Section 6.02. Any Member who has **departed** from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a day for which the Member is not scheduled to work shall be guaranteed a minimum of four (4) hours compensation at one and one-half times (1.5) the hourly rate in accordance with Section 6.02. A regularly scheduled work day is defined as each day on which the majority of hours worked in each shift falls.

The Lieutenant position shall be exempt from this provision.

12.00 COURT APPEARANCE

Any Member who is required to testify in connection with a Member's usual official duties or in connection with a case in which the City or Police Department is a party shall be guaranteed a minimum of four (4) hours compensation at one and one-half (1.5) times the hourly rate.

The lieutenant position shall be exempt from this provision.

13.00 STANDBY PAY

Members who are required to perform standby duty by the Chief of Police, or the Chief's designee or the court shall be compensated at the rate of five dollars (\$5.00) per hour, not to exceed forty dollars (\$40) per day for such duty. Standby duty is that period of time a Member is required to be available by phone for immediate call out.

The Lieutenant position shall be exempt from this provision.

13.01 On-Call Pay

On-call positions shall receive five dollars (\$5.00) per hour, not to exceed forty dollars (\$40.00) per day, or portion thereof, for on-call status. The detective sergeant will rotate the on-call duty with the detectives and juvenile officer.

14.00 ADDITIONAL COMPENSATION

14.01 Temporary Assignment to Higher Level

A Member assigned to a higher level under this section will revert to a 5/8 schedule if the Chief of Police deems that this is an appropriate work shift for the assignment.

If the temporary assignment lasts longer than six (6) months, then the employee will be able to use and accrue forty-eight (48) hours of CTO per fiscal year, unless the position is the Lieutenant position. Any other benefit that is particular to the 5/8 schedule will be included in this section if the assignment lasts more than six months.

A Member specifically assigned on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceed a total of twenty (20) days in any twelve (12) month period. Payment shall be retroactive to the first day of such service.

14.02 Designation of Bilingual Position

Upon the recommendation of the Chief of Police or the Chief's designated representative and with the approval of the City Manager, a Member occupying a position designated as requiring fluency in a language other than English shall receive, Two Hundred Dollars(\$200).

14.03 Daylight Savings Time

All Members working at the time daylight savings time starts or ends shall be paid for actual time worked in accordance with Section 6.00 and its provisions.

14.04 POST Incentive Compensation

The Lieutenant position shall be paid a Seventy-five dollar (\$75.00) monthly incentive for attaining a POST Management Certificate.

14.05 Mileage Allowance

When a Member is required to use the Member's personal vehicle on City business, the City shall pay the mileage allowance provided by the rules and regulations of the International Revenue Service.

14.06 Assignment Differential

A five percent (5%) additional salary differential over base pay shall be paid to all Members assigned as a motorcycle officer.

A twenty percent (20%) salary differential over base pay shall be paid to all Members assigned to detective position. An assignment differential of twenty percent (20%) is for the purpose of taking on increased responsibilities. The Chief of Police and/or his designee will develop an on-call schedule for all individuals assigned to the investigations unit on a rotational basis. When a detective sergeant has been placed on-call, he is expected to be able to respond to the department within one hour and carry a pager during the on-call assignment period (maximum one detective on-call at a time).

All assignment differentials shall be approved in advance by the Chief of Police. The assignment as stated above shall be noted on the Member time card.

14.07 Canine Officer Differential

All Members assigned as Canine Officer will receive additional compensation at the rate of five percent (5%) of base pay for the care and maintenance of their dog, whether the actual time is more or less than that. The parties mutually agree that this is adequate for care and maintenance.

The California Police Officers Standards of Training currently require canine units to receive a minimum of 16 hours of training a month. These hours will be offset by allowing the Canine Officer to train on duty or during a scheduled training time and then adjust the start time of their work day by four hours.

15.00 LEAVE OF ABSENCE

15.01 Other Leave Without Pay

The appointing authority may grant a Member a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a Member a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the Member and must be approved by both the department head, the appointing authority and, when necessary, the Council.

Upon expiration of the approved leave, the Member shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the Member would otherwise not have been laid off.

Failure on the part of a Member to return to work on the date scheduled shall be cause for termination.

15.02 Outside Employment

A leave of absence without pay may not be granted to a Member for purposes of accepting either private or other public employment outside the service of the City, except as hereinafter provided in this Article 15.00.

A Member may not work outside employment on the days that he/she is actually assigned to work his/her regular shift. On a day off, no employee may work on outside employment within twelve (12) hours of the beginning of his/her work shift without the approval of the Chief of Police.

15.03 Military Leave

Every Member shall be entitled to military leaves of absence as specified in Chapter 7, Part 1, Division 2, of the California Military and Veterans Code. If such Member shall have been in the service of the City for at least one (1) year prior to the date such absence begins, he shall be entitled to receive pay for up to one (1) month of military leave during any fiscal year at the rate he would have received for service to the City. Time spent on military leave shall be included in determining eligibility to occupy a classification based upon length of service.

15.04 Leave for Jury Duty

Leave of absence with pay shall be granted to a Member while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer. Any Member who serves jury duty on any calendar day in which he would have commenced a regularly scheduled shift shall receive that shift off as leave of absence with pay.

15.05 Maternity Leave

Refer to City Personnel Rules and Regulations (Section 17.08 adopted 11/11/86).

15.06 Paternity Leave

All male Members whose spouse or significant other is pregnant may take up to a four (4) month leave of absence. Said leave shall be called a "Paternity Leave" and must be applied for, in writing, to the City. Included with said application shall be a doctor's certificate, certifying the pregnancy, and estimating the delivery date. Application will also state the beginning and ending dates of requested leave.

A longer leave may be granted where extenuating circumstances exist. All paternity leaves shall be without pay and without a loss in seniority. Members may use accumulated sick leave, vacation, or compensatory time during this period, immediately preceding this period, or immediately following this period; subject to the City approval of any leave totaling more than four months.

Vacation and sick leave benefits do not accrue during paternity leave. All other benefits accrue in accordance with the provisions of the City Personnel Rules and Regulations.

15.07 Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any Member of the Member's immediate family. The leave shall be for a period of twenty-four (24) hours or forty (40) hours if travel in excess of five hundred (500) miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, or any person living in the immediate household of the Member.

15.08 Administrative Leave

The Lieutenant position shall be entitled to take eighty (80) hours of Administrative Leave per fiscal year. Administrative Leave shall not cumulate from year to year, and no compensation shall be made for any unused leave. Administrative Leave shall be prorated if employment is commenced during the fiscal year.

16.00 VACATION

16.01 Vacation

Members covered by the provisions of this Agreement shall receive annual vacation leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Vacation Hours</u>
Less than 5 years	80 hours
5-10 years	120 hours
10 years	160 hours
15 or more years	168 hours

The Lieutenant position shall accrue an additional forty (40) hours of vacation after fifteen (15) years of service.

Vacation hours are those a Member would be normally scheduled to work. Holidays, hours off, sick leave hours and emergency or personal leave hours shall not be considered or charged as vacation hours.

16.02 Vacation Accrual

A Member may not carry forward from year to year more than two (2) times his annual vacation rate unless he has first received a written extension granted by the City Manager at the recommendation of the Chief of Police. Written extensions shall be granted in cases where, due to service requirements of the department, it was not reasonably possible for the employee to reduce his vacation accumulation below two (2) times. Members who have refused to take vacation during the calendar year are not guaranteed of receiving written extension.

16.03 Effect of Absence on Continuous Service

Absence or authorized leave with or without pay, time during which a Member is laid off because his services are not needed and time during which a Member is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is

followed by re-employment within one (1) year. However, such absences shall not be counted in computing the Member's years of continuous service.

16.04 Vacation Scheduling

The Chief of Police or the Chief's designated representative shall determine when vacation leave may be taken. The Member shall be allowed to divide his vacation leave in any calendar year into two (2) segments. The Chief of Police, at his discretion, may grant a Member additional segments of vacation. Seniority in department service among Members in a classification and working unit consistent with Department operating requirements shall be the basis on which vacation schedule conflicts shall be resolved in favor of the most senior Member who has not, by virtue of Member's senior position, previously had such a conflict resolved in his favor during the calendar year. In the event of vacation schedule conflicts among Members who have had such conflicts resolved in their favor before, the senior Member who has had the least number of successful conflict resolutions shall prevail. Vacation may be started on any day of the week.

16.05 Rate of Vacation Pay

Compensation during vacation shall be at the rate that the Member is entitled to receive, including premium pay, as if the Member was on active service during such vacation.

16.06 Vacation Request Notification

All vacation requests will be made no less than ninety (90) days prior to the requested time for leave. Supervisors will not be precluded from granting vacation requests upon shorter notice provided that the needs of the Department will allow for the requested time off.

16.07 Vacation Buy-back

The City will buy back up to one week (40 hours) of vacation annually, after 10 years of service with the City and an additional one week (40 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

17.00 SICK LEAVE

17.01 Definition of Sick Leave

As used in this section, "sick leave" means leave of absence of a Member because of any of the following: (1) illness or injury which renders him incapable of performing the Member's work or duties for the City; (2) the Member's exposure to contagious disease as evidenced by a doctor's certification that this exposure necessitates the Member being on sick leave; and (3) routine medical or dental appointments of the Member.

17.02 Exclusion of Self-Inflicted Injury

In no case shall an absence due to purposeful or intentional self-inflicted incapacity or injury be deemed a basis for granting either sick leave or sick leave with pay under the provision of this section.

17.03 Industrial Sick Leave

If a Member is incapacitated by sickness or injury received in the course of his employment with the City, he shall be entitled to pay as provided herein.

17.04 Amount and Duration of Payment

Such Member shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his normal salary and the amount of any Worker's Compensation temporary disability payments to which he is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

17.05 Denial of Payment

Notwithstanding the foregoing provisions of this section, such payment shall not be made pursuant to this subsection to a Member:

- (1) who does not apply for or receive temporary disability benefits under the Worker's Compensation Law;
- (2) whose injury or illness has become permanent;
- (3) whose injury or illness, although continuing to show improvement, is unlikely to improve sufficiently to permit the Member's return to work in his position;
- (4) who is retired on permanent disability or pension;

- (5) whose injury or illness is the result of intentional failure to observe City health or safety regulations or the commission of a criminal offence;
- (6) whose injury or illness has been aggravated or delayed in healing by reason of the Member's failure to receive medical treatment or follow medical advice, except where such treatment or advice has not been sought or followed by reason of the Member's religious beliefs; and
- (7) whose injury or illness is a recurrence or re-injury of an earlier job-related injury or illness or is contributed to by a susceptibility or predisposition to such injury.

17.06 Members Excluded

The provisions of Article 17.00 do not apply to safety Members who are subject to the provisions of California Labor Code section 4850.

17.07 Cumulative Sick Leave Plan

Each employee will accumulate sick leave at the rate of eight hours per each full calendar month on a paid status. The Chief of Police or the Chief's designated representative shall grant sick leave with pay, not to exceed a Member's accumulated unused sick leave, to a Member incapacitated by injuries or sickness.

17.08 Medical Report

As a condition of granting sick leave with pay, the Chief of Police may require medical evidence of sickness or injury acceptable to the Department, which may include a statement of diagnosis and treatment from a licensed physician or a medical clearance to return to work.

17.09 Emergency Leave: Sickness in Immediate Family

Leave of absence with pay because of sickness or injury in the immediate family of a Member shall be granted by the Chief of Police or the Chief's designated representative for up to forty-eight (48) hours per fiscal year, but not to exceed the amount of time which the person has accrued for sick leave in Section 17.07. Time taken for leave of absence under the provisions of this subsection shall be deducted from the Member's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent,

foster child or any person sharing the relationship of loco parentis; and, when living in the household of the Member, a brother, sister, brother-in-law, sister-in-law, father-in-law or grandparent.

17.10 Sick Leave Compensation on Termination

City shall pay to each terminated, separated Member the value of his accrued and unused sick leave not to exceed a maximum of nine hundred and sixty (960) hours, based on the following sliding scale, representing the percentage of salary to be applied to available accumulated hours of sick leave applicable at the time of separation from City service:

<u>Years of Service</u>	<u>% of Compensation</u>
5 years, 1 day - 10 years	20%
10 years, 1 day - 15 years	25%
15 years, 1 day - 20 years	30%
20 years, 1 day - 25 years	40%
25 years, 1 day - 30 years	50%
Over 30 years or at retirement	60%

This compensation will be paid with the final paycheck.

The City has implemented PERS option Section 20862.8 (Credit for Unused Sick Leave) for sworn personnel.

17.11 Personal Leave

City shall allow each Member not on the 3/12 work schedule to utilize up to sixteen (16) hours of accrued sick leave annually for personal reasons. City shall allow each Member on the 3/12 work schedule to utilize up to twenty-four (24) hours of accrued sick leave annually for personal reasons. Personal Leave shall be taken in minimum of four (4) hour periods, and shall be approved in advance by the Chief of Police or the Chief's designated representative if reasonably possible and with due consideration for the needs of the Member and the Department.

Personal Leave periods taken will not be charged against the stay well bonus described in Section 29.00, unless the periods are used immediately before or immediately following vacation or holidays (for those employees who receive holidays off), except as otherwise authorized by the Chief of Police.

17.12 State Disability Insurance

Members receiving State Disability Insurance payments shall file the "notice of calculation" for disability insurance with the City immediately upon receipt from the Employment Development Department. Upon receipt of notice, the City shall adjust the Member's sick leave usage and wages for the effective period so that his net pay, including SDI, is equal to that which he would receive if working.

18.00 WAGES

18.01 Effective July 1, 2015, all Members will receive a two percent (2%) salary increase, as reflected on Exhibit A. Effective July 1, 2016, all Member will receive a one percent (1%) salary increase, as reflected on Exhibit B. Effective July 1, 2017, all Members will receive a one percent (1%) salary increase, as reflected on Exhibit C.

18.02 All Members assigned to patrol shall be paid for eighty-four (84) hours at straight time on the first pay date for each 28 day pay period., not withstanding hours actually worked, and shall be paid for the balance of hours actually worked (which will normally also be 84 hours) on the second pay date for that pay period. The purpose of this section is to more equitably spread wage payments to Members over the 28 day pay period. However, this provision shall not apply if the combination of hours worked and hours of paid leave by patrol members in any 28 day pay period is less than 84 hours. For example, if any patrol Member only works fifty (50) hours and receives ten (10) hours of paid vacation during the 28 day pay period, the Member will only be paid for sixty (60) hours.

18.03 All Members will be eligible to receive a one percent (1%) longevity stipend upon completion of five consecutive years of City service, an additional two percent (2%) longevity stipend upon completion of ten consecutive years of City service and an additional three percent (3%) longevity stipend upon completion of fifteen consecutive years of service.

18.04 In addition to the salary above, each permanent Member shall receive two one-time bonuses if the following conditions are met. For the first bonus, should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-16, the difference between the budgeted sales tax revenues and the actual sales tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a total first bonus amount. This total first bonus amount will be

allocated to the Members based on their monthly salary amount in Exhibit B to be paid no later than the first full pay period in November 2016.

For the second bonus, should the City's actual sales tax revenues for Fiscal Year 2016-17 be greater than the actual sales tax revenues for Fiscal Year 2015-16, the difference shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a second total bonus amount. This second total bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit C to be paid no later than the first full pay period in November 2017.

19.00 GRIEVANCE PROCEDURES

Refer to Rule 15 of the Personnel Rules and Regulations.

19.01 Effect of Failure of Timely Action

Failure of the Member to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the City to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.

19.02 Limitation on Stale Grievances

A grievance shall be void unless presented within thirty (30) calendar days from the date upon which the City has allegedly failed to provide a condition of employment, or within thirty (30) calendar days from the time at which a Member might reasonably have been expected to have learned of such alleged failure to provide. In no event shall any grievance include a claim for money relief for more than the thirty (30) day period plus such reasonable discovery period.

19.03 Exclusion of Non-Recognized Organizations

For the purposes of this section, the provisions of Section 1.00 of this Agreement shall be construed to limit the Member's right of selection of a representative to the extent that agents or any other employee organization, which is not party to this Agreement, are specifically excluded from so acting. In those cases where a Member elects to represent himself or arranges for other representation, the Association shall have the right to participate in the resolution procedure for the purpose of protecting the interest of its Members in negotiated conditions of employment.

20.00 SAVINGS CLAUSE

If any provision of this Agreement shall be held invalid by operation of law, or by any court of competent jurisdiction, or if compliance with enforcement of any provision shall be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

21.00 ENACTMENT

It is agreed that the foregoing shall be jointly submitted to the City Council by the City Manager and Association for Council's consideration and approval.

22.00 PEACE OFFICERS BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Members by law, including, but without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code §3300 et seq.) and the Meyers-Milias-Brown Act (Gov. Code §3500 et seq.).

23.00 DEPARTMENT VEHICLES AND EQUIPMENT

23.01 Definition of Vehicles

Any motor vehicle as defined by Sections 165 and 414 of the California Vehicle Code.

23.02 Repairs

All necessary repairs and maintenance of vehicles (as defined in Section 23.01) shall be performed to insure the safety of the operator of the vehicle.

23.03 Unsafe Vehicles

Under no circumstances shall a supervisor of the City require a Member to operate an unsafe department vehicle.

23.04 Claims - Unsafe Vehicles

Claims of unsafe vehicles will be made by the representatives of the Association to the shift supervisor. The City shall have the sole authority to remove vehicles from service.

23.05 Vehicle Maintenance

Routine maintenance of departmental vehicles shall be no less than required by the manufacturer. Only high quality parts and tires will be used on the vehicles. Department vehicles with over 80,000 miles will be inspected annually by a certified mechanic to include frame, suspension and mechanical parts for wear and stress fractures. Any vehicle deemed unsafe will be repaired or pulled from service, as determined by the Chief of Police.

23.06 Vehicle Equipment

All equipment, lights, sirens and switches shall be uniform and provided the same on each patrol vehicle.

23.07 Mileage

All departmental vehicles used for patrol or emergency response shall be taken out of service upon exceeding 115,000 miles, or sooner, and a replacement vehicle shall be properly equipped in accordance with Section 23.06. The Association agrees to continue to meet and confer over the need to extend these mileage limits due to economic constraints of the City.

23.08 Vehicle Equipment Determination

Any equipment deemed necessary by the Chief of Police shall be provided for the departmental vehicles for the safety of any operator.

24.00 VOLUNTARY EDUCATIONAL INCENTIVE PROGRAM

24.01 Definition and Purpose

Scotts Valley Police Department's Educational Achievement Program is designed to upgrade and/or improve the law enforcement skills and knowledge of its personnel. The Department encourages additional educational achievement which can lead to a higher level of performance.

24.02 Objectives

- (1) To upgrade the educational level of technical skills of the personnel of Scotts Valley Police Department to insure a high quality of law enforcement.
- (2) To provide an additional attraction for qualified individuals at the entry level who have an interest in law enforcement as a career.

- (3) To provide an additional inducement to personnel to improve themselves throughout their career.
- (4) To promote the most highly qualified officers to supervisory and administrative levels.

24.03 Procedures for Establishing Educational Incentive Pay

Courses used to obtain the educational incentive pay shall represent a logical progression of the Member's goals and/or those classes which shall be applied toward the achievement of a degree within an approved curriculum.

24.04 Eligibility

The Member shall submit the curriculum to the Education Committee for approval with the following exceptions:

Police Science Majors
Administration of Justice Majors
Criminology Majors
Public Administration Majors (with minor in any of the above)

24.05 Education Committee

The Committee shall be composed of the following:

- (1) Chief of Police or the Chief's designated representative; and
- (2) Association President or his designated representative.

The Committee shall determine the appropriateness of courses and/or curriculum outside of the above-named majors. In the event the members of the Committee are unable to agree on the appropriateness of the courses and curriculum, the City Manager shall be asked to participate in the decision making process and shall be entitled to vote therein.

24.06 Certification

The Education Committee shall certify to the Member's eligibility in accordance with Section 24.05. Such notification shall then be sent to the City Manager.

24.07 Effective Date

Educational incentive pay shall be effective the first day of the next pay period following receipts by the City Manager of certification in accordance with Section 24.06.

24.08 Educational Incentive Pay

Effective July 1, 1994, all Members, including the Lieutenant, shall be eligible for the following educational incentive program (amounts are not cumulative) based upon earning a degree in higher education as follows:

AA or AS degree	\$175 per month
BA or BS degree	\$250 per month
MA or MS degree	\$300 per month

24.09 Course Reimbursement

The City agrees to reimburse Members for the costs associated with college courses and training sessions approved in advance, in writing, by the Chief of Police, up to a maximum of One Thousand Dollars (\$1,000) per Member per fiscal year, beginning July 1, 1999. Reimbursable costs include only the following:

- (a) Tuition
- (b) Books
- (c) Course-related fees

The City will not reimburse Members for supplies or mileage used traveling to and from such courses.

To ensure that the City budget has adequate funds to pay for a Member's course reimbursement request, the Member should submit a request for reimbursement no later than February 15 of each year preceding the July 1 through June 30 fiscal year.

25.00 RETIREMENT

City agrees to maintain retirement benefits in the Public Employees' Retirement System (PERS) for all Members. Those eligible as "Safety" Members shall be in the three (3%) percent at age fifty (50) plan. Those eligible as "Miscellaneous" Members shall be in the two and a half percent (2.5%) at age fifty-five (55) plan. City also agrees to pay the Member's contribution. For both "Safety" and "Miscellaneous" Members hired on or after January 1, 2013, the City agrees to maintain the retirement benefits in accordance with the provisions of the Public Employees' Pension Reform Act of 2013.

The City shall provide the Government Code 20042 single highest year benefit plan for all miscellaneous Members at City expense.

The City shall also provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payments as employer contributions in lieu of employee contributions, for all bargaining unit members.

26.00 LAYOFF POLICY

26.01 Layoffs

The following procedures will be followed in the event of layoffs and/or reductions of personnel.

26.02 Order

Layoffs and/or reductions shall occur in the following order:

- (1) Temporary employees
- (2) Probationary employees
- (3) Regular part-time employees
- (4) Regular employees on "Needs to Improve"
- (5) Regular employees

The Police Department's monthly evaluations shall not be considered as the appropriate evaluation. The Chief of Police shall evaluate the employee's last yearly evaluations concern #4 above.

26.03 Seniority

Within each classification of sworn or non-sworn personnel, layoffs and reductions shall be made on the basis of inverse order to seniority in City Service.

26.04 Special Skills

Where the Chief of Police or appointing authority deems it in the best interest of the Department, he may waive the order of layoffs or reductions when loss of a Member's skills on a particular assignment or loss of his special skills would negatively affect the Department's work.

26.05 Association President

The President of the Association shall be exempt from layoffs during his/her term of office.

26.06 Notification

The City Manager and the Association agree that the City Manager shall notify the Association immediately (at least thirty (30) days prior) of any pending layoffs and/or reductions affecting Members covered by the Agreement. The Association shall have the right to meet and confer concerning such layoffs and/or reductions.

27.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of employees within the law; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/employee relationships. These rights shall not be limited except as specified in this agreement.

28.00 PEACEFUL PERFORMANCE

The Association agrees that during the term of this Agreement neither it nor the Members it represents will engage in, encourage, sanction, or support: (1) strikes; (2) slowdowns; (3) mass resignations; (4) mass absenteeism; (5) picketing which would involve suspension of or interference with normal work of the department or other City departments; or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.

29.00 STAY WELL PLAN

The City has implemented the following Stay Well Plan which includes the following conditions:

- (1) Each stay well year will be from December 1 through November 30.
- (2) Eligible Members are those who have accumulated two hundred forty (240) hours of unused sick leave.

(3) The stay well bonus will be paid each year in a separate check on the first pay date in December.

(4) Eligible Members shall receive a bonus according to the following schedule, or a pro rata share of this bonus, should they achieve their two hundred forty (240) hours at some point during the stay well year.

<u>Sick Leave Used</u>	<u>Straight Time Bonus</u>	<u>Pro Rata Bonus</u>
0 sick hours	48 hours	50.0%
8 sick hours	40 hours	41.6%
12 sick hours	36 hours	37.5%
16 sick hours	32 hours	33.3%
24 sick hours	24 hours	25.0%
32 sick hours	16 hours	16.6%
36 sick hours	12 hours	12.5%
40 sick hours	8 hours	8.3%
48 - 96 sick hours	0 hours	0.0%

For example, if a Member has accumulated two hundred forty (240) hours by August of the stay well year and then accrues an additional twenty-four (24) hours from September 1 to November 30, the Member will have a total of two hundred sixty-four (264) hours. If the Member has taken sixteen (16) sick hours, the Member will receive 33.3% of the twenty-four (24) hours in excess of the required two hundred forty (240) hour minimum.

(5) Personal leave hours are considered sick leave hours for the purpose of the stay well bonus, only if they are used immediately before or immediately following vacation or holidays (for those Members who receive holidays off) except as otherwise authorized by the Chief of Police.

(6) The stay well bonus is payable at straight time.

(7) Members shall have the option of receiving the bonus on the first pay date in December or crediting their unused sick hours to their total accumulations. Such a decision must be received by the City Manager prior to December 1 of each year. The City Manager shall forward this notification to the Finance Department immediately.

(8) Sick hours taken off by Members, regardless of the reason, shall be deducted from the potential stay well bonus.

The specific purpose of the Stay Well Plan is to encourage Members to stay physically fit and well and to miss as few work hours as possible due to illness or any other reason.

30.00 TERM OF AGREEMENT

The term of this Agreement shall be July 1, 2015, through June 30, 2018.

(This space intentionally left blank.)

31.00 ENTIRE AGREEMENT

This Agreement rescinds and replaces any prior agreements between the parties except side letter agreements that are in effect by their terms.

“City”
CITY OF SCOTTS VALLEY

“Association”
SCOTTS VALLEY POLICE
SUPERVISORS ASSOCIATION

Dene Bustichi, Mayor

Jayson Rutherford, Sergeant

Stephen H. Ando, City Manager

Dave Cariaga, Operating Eng. Local 3

Approved as to form:

Kirsten Powell, City Attorney

EXHIBIT A

**CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION**

**SVPSA SALARY SCHEDULE
07/01/2015 - 06/30/2016**

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	6,926	7,272	7,636	8,018	8,419	8,840	9,282
Sergeant	5,674	5,958	6,256	6,569	6,897	7,242	7,604
Services Supervisor	4,252	4,465	4,688	4,922	5,168	5,426	5,697
Services Supervisor/ Information Tech & Project Manager	4,889	5,133	5,390	5,660	5,943	6,240	6,552

EXHIBIT B

**CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION**

**SVPSA SALARY SCHEDULE
07/01/2016 - 06/30/2017**

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	6,995	7,345	7,712	8,098	8,503	8,928	9,374
Sergeant	5,731	6,018	6,319	6,635	6,967	7,315	7,681
Services Supervisor	4,295	4,510	4,736	4,973	5,222	5,483	5,757
Services Supervisor/ Information Tech & Project Manager	4,938	5,185	5,444	5,716	6,002	6,302	6,617

EXHIBIT C

CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPSA SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	7,065	7,418	7,789	8,178	8,587	9,016	9,467
Sergeant	5,788	6,077	6,381	6,700	7,035	7,387	7,756
Services Supervisor	4,338	4,555	4,783	5,022	5,273	5,537	5,814
Services Supervisor/ Information Tech & Project Manager	4,987	5,236	5,498	5,773	6,062	6,365	6,683

MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE BARGAINING UNIT

| **July 1, 20145 – June 30, 20158**

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE BARGAINING UNIT
July 1, 201~~4~~⁵- June 30, 201~~5~~⁸

This **Memorandum of Understanding**, (the "Agreement") is made and entered into this first day of July 201~~0~~⁵, by and between the Scotts Valley Police Bargaining Unit, hereinafter referred to as "Association," affiliated with Operating Engineers Local #3, and the City of Scotts Valley, hereinafter referred to as "City," for and on behalf of its Members hereinafter identified.

In this Agreement, whenever the terms "he" or "his" is used they shall be interpreted to apply to both the masculine and feminine gender.

1.00 ASSOCIATION RECOGNITION

Rights and Security.

1.01 Recognition of Association

The City hereby recognizes the Association as the exclusive collective bargaining agent for Police Officers and Dispatchers (collectively referred to as "Members").

1.02 Notice of Recognized Association

The Police Department ("Department") shall give written notice to persons newly employed in the classifications of Police Officers and Dispatchers, which shall contain the name and address of the Member organization recognized by the City as the exclusive bargaining agent for the Association.

1.03 Payroll Deduction and Pay Over

The City shall deduct Association dues and premiums for approved insurance programs from Members' pay in conformance with State and local regulations. The City shall promptly pay over to the designated payee all sums so dedicated.

1.04 Hold Harmless

Association shall indemnify and hold City harmless from any and all claims, demands, suits or any other action arising from the modified

maintenance of membership and modified agency shop provisions herein, or from compliance with any demand for termination hereunder.

1.05 Bulletin Boards

Reasonable space shall be allowed on bulletin boards as specified by the Chief of Police for use by the Association to communicate with Departmental Members. Material shall be posted on the bulletin board space as designated, and not upon the walls, doors, file cabinets or any other place. Posted material shall not be obscene, defamatory or of a partisan political nature, nor shall it pertain to public issues which do not involve the City or its relations with City employees. The City will post employment solicitations for police positions, however, Association shall maintain notices while they remain on the bulletin board and shall be responsible for their removal in a timely fashion. All posted material shall bear the identity of the sponsor, be neatly displayed and be removed when no longer timely.

1.06 Use of Employer Facilities

City facilities may be made available upon timely application for use by Members. Application for such use shall be made to the management person under whose control the facility is placed.

1.07 Job Contacts

Any authorized representative of the Association shall have the right to contact individual Members working within the Association in City facilities during business hours on matters within the scope of representation, providing prior arrangements have been made for each contact with the Chief of Police or the Chief's designated representative who shall grant permission for such contact if, in his judgment, it will not disrupt the business of the work unit involved or the Department.

1.08 Bargaining Committee

Members of the Association's bargaining committee shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. No more than two (2) Members at a time may absent themselves from work for this purpose. Off-duty personnel participating in negotiations are not authorized compensation for this time. Members of Association's bargaining committee shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this Agreement for review of grievances and contract compliance questions. Adequate levels of police protection shall be maintained at all times.

1.09 Alternative Locations

When contact and bargaining on the work location is precluded by reason of confidentiality of records, work situations, health and safety of employees, the public, or disturbance to others, the Chief of Police or the Chief's representative shall have the right to make other arrangements for a contact location removed from the work area.

2.00 HIRING PROVISIONS

2.01 Non-Discrimination

No Member shall be discriminated against by the City or by the Association for reason of race, color, religion, disability, medical condition, national origin, ancestry, marital status, sex, sexual preference, age (over 40), veteran's status, or any other factor except where sex or physical capability is determined to be a bonafide occupational qualification after consideration of reasonable accommodation factors in relation to the essential duties of the position.

2.02 Employment

The City shall not discipline, discharge or otherwise discriminate against any Member for any Association activity that does not interfere with the proper performance of that Member's work.

3.00 CHECK-OFF

3.01 Association Dues, Initiation Fees and Credit Union Share Contribution

The City agrees to deduct initiation fees and dues from the wages of Members and to transmit these deductions to the Association. In addition, the City agrees to deduct credit union share contributions and to transmit these deductions to the employee's applicable credit union at the employee's request. Such deduction(s) shall be authorized by signature on a proper assignment form.

3.02 Dues Deductions

At the request of the Members, City agrees to deduct and send deducted quarterly dues to the Peace Officers Research Association ("PORAC") headquarters for the general membership and to the PORAC Legal Defense Fund ("LDF"). Payments to PORAC and LDF are voluntary and deductions shall be made only for those Members who have executed a proper deduction authorization form and presented it to the Chief of Police. Once the form is received, deductions will commence. Members

should present forms to the Chief as soon as possible. Payments will be made concurrently with and only in the amount of authorized deductions.

4.00 PAYMENTS

4.01 Items Not Covered by Agreement

Existing wages, hours and other terms and conditions of employment including fringe benefits not changed, modified or specifically referenced in this Agreement and not inconsistent with the terms and conditions of this Agreement shall remain in full force and effect during the term of this Agreement.

4.02 New Job Classifications

If a Member covered by this Agreement is assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Association will negotiate the wage rate applicable to the new classification.

5.00 HOURS OF WORK, SHIFT, SCHEDULES AND REST PERIODS

5.01 Work Schedule and Departmental Shift Change

The Chief of Police has implemented a 3/12 work schedule for the patrol division and emergency dispatch/clerical unit ("EDC") (except for the EDC-II and EDC-III positions).

The Chief of Police will designate the schedule that FTO's and their trainees will work. The SRO schedule is on a 5/8 plan with holidays off.

The Chief of Police or the Chief's designated representative shall prepare a schedule showing the hours each Member is to work. Except under unforeseeable circumstances, the Chief of Police shall make every reasonable effort to assure that no Member shall have more than one shift change in any calendar month. Whenever shift changes are required, it shall not result in a reduction in salary where overtime is actually worked.

The normal working hours for the adult investigations detective and juvenile officer, when the investigations division is fully staffed, shall be a 4/10 schedule, which includes a one hour lunch period provided a pager is carried. One detective will have a Friday flex day, with the other detective having a Monday flex day.

5.02 Hours of Work

Hours of work for patrol officers and Emergency Dispatcher Clerk I (EDC-1) will be twelve (12) hours per shift. For patrol personnel, the normal work period for the purpose of calculating overtime will be twenty-eight (28) days. For emergency dispatchers and all other personnel, the normal period for calculating overtime will be seven (7) days. The normal work week for employees other than patrol and EDC-1 personnel will be forty (40) hours.

The day shift EDC-1 personnel will work a 40-hour work week beginning Wednesday at 1200 hours and ending the following Wednesday at 1200 hours.

The night shift EDC-1 personnel will begin their work week on Wednesday at 2400 hours and end their work week the following Wednesday at 2400 hours.

For the detectives or juvenile officers, hours of work include paid holidays. The work week for all other personnel shall begin on Friday at 2400 hours and end on the following Friday at 2400 hours.

All hours worked shall be compensated at the straight hourly rate (Section 6.05), provided that i) hours of work in excess of one hundred and sixty-eight (168) per each twenty-eight (28) day work period will be considered overtime for patrol personnel, and ii) hours of work in excess of forty (40) hours per each seven (7) day work period will be considered overtime for all other employees. All overtime hours will be compensated pursuant to the provisions of Section 6.04 of this Agreement.

5.03 ~~Pagers~~Voice Mail

~~All members will be provided a department issued pager, which will continuously, activated while away from home or not readily available by telephone. It is not required that pagers be set to alert for voice mail notification but they must be set to alert for numeric or text page messages.~~ Members are required to check their voice mail at least once daily on scheduled work days. Members are not required to ~~wear their pager or~~ check voice mail during vacation leave. Members are required to telephonically respond to ~~numeric or text~~ pagesmessages but will not be entitled to on-call pay.

5.04 Rest Periods

Each Member on the 3/12 plan will have three (3) fifteen (15) minute breaks that will be scheduled throughout the work day. Rest breaks will

not be scheduled during the first or last hour of any period of work. Each Member will be granted a forty-five (45) minute lunch break close to the middle of the Member's shift. No wage deduction shall be made nor time off charged against Members taking authorized rest periods, nor shall any rights or overtime be accrued for rest periods voluntarily not taken. There is no obligation upon the City to provide facilities for refreshments during the rest periods, or for procurement thereof.

6.00 OVERTIME

6.01 Regular Work Schedule Requirement

The Department shall prepare a schedule designating the hours each Member shall work. Work for the City by a Member at time other than those so scheduled shall be approved in advance by the Chief of Police or the Chief's designated representative.

6.02 Authorization of Overtime

No Member shall receive compensation for overtime in cash, in time off or a combination thereof unless such overtime work has been approved by the Chief of Police or the Chief's designated representative.

6.03 Definition of Overtime

For the purposes of the 3/12 work schedule, all overtime work for patrol will be defined as all work performed in excess of one hundred and sixty-eight (168) hours in an established twenty-eight (28) day work period. For employees other than patrol personnel, all overtime work will be defined as all work performed pursuant to Section 6.01 and 6.02 in excess of forty (40) hours for each seven (7) day work period.

For all Members on the 3/12 work schedule, all work performed does not include the eight (8) hours of holidays paid (whether they work on those holidays or not) and does not include the four (4) hours of additional holiday hours paid to Members who work on holidays as provided elsewhere in this Agreement.

6.04 Payment of Overtime

For patrol personnel, the first eight (8) hours of overtime in the established twenty-eight day work week period will be paid at straight time. All hours in excess of one hundred sixty-eight (168) hours in the twenty-eight day work period will be paid at the rate of one and one half (1.5) times the hourly rate. For all other employees, all overtime work will be compensated at the rate of one and one half (1.5) times the hourly rate

after forty (40) hours in any work week. All paid time off will be considered time worked in determining overtime, except that for Members on the 3/12 work schedule, both the eight (8) or ten (10) hours of holiday paid to Members (whether they work holidays or not) and the four (4) hours or pro-rated hours of additional holiday hours paid to Members who do work holidays other than the floating holiday will not be considered time worked in determining overtime.

6.05 Definition of Hourly Rate

For purposes of this section, hourly rate shall be defined as follows:

Base Monthly Pay times (12) months, divided by 2,080 hours (per year) equals hourly rate.

6.06 Fractions of Less than One-Fourth Hours

No overtime payment shall be allowed for any period of less than one-fourth (.25) hours, and fractions of less than one-fourth (.25) hour overtime worked shall not be considered overtime and may not be accumulated in order to total one-fourth (.25) hour or more.

6.07 Compensatory Time Off ("CTO")

At the sole option of a Member CTO may be accrued in lieu of monetary compensation for overtime and is earned at a rate of one and one-half (1.5) times the hourly rate up to the maximum CTO accruals established herein.

All Members may accrue CTO in lieu of monetary compensation for overtime to a maximum of forty (40) hours. Such CTO may be replenished during the year up to the forty hour maximum. The timing of taking the CTO shall be determined by the Division Commander, considering the Member's preference.

CTO may be granted with a two (2) pay period notice at the discretion of the supervisor. Supervisors are not precluded from granting CTO with a shorter notice if the needs of the Department will allow this time off; provided however, that overtime shall not be used to cover absences resulting from CTO use by employees. Overtime can be used to cover absences resulting from CTO used by graveyard shift dispatchers.

6.08 Shift Adjustments

If the department intends to adjust a Member's shift due to overtime worked on a shift, the Member's supervisor must notify him of the intended

shift adjustment on the day before the adjustment occurs. Such notice shall be given by the end of the Member's shift.

For patrol personnel, all shift adjustments shall be made within the twenty-eight (28) day work period. For all other employees, all shift adjustments shall be made within a forty (40) hour work week. All shift adjustments will be completed at the time that the change in the shift is made. Except for unforeseeable circumstances, the Chief of Police shall make every effort to assure that no Member shall have more than one shift adjustment occur during a pay period.

7.00 HEALTH AND SAFETY

7.01 Health and Safety - Equipment

City shall comply with all applicable State and Federal Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the Chief of Police to all Members. At the commencement of employment, each Member shall be provided safety equipment by the City as follows:

One (1) ~~leather~~ belt for slacks

One (1) leather duty belt with: holster, double magazine holder, double handcuff case, O.C. spray holder, baton ring, key ring, four (4) keepers, belt buckle, digital voice recorder holster

One (1) semiautomatic handgun with three magazines and duty ammunition sufficient for the capacity of a full loaded pistol and three magazines

One (1) O.C. spray canister

One (1) soft body armor ballistic vest, replaced every five years

~~One~~Two (2) pair of handcuffs with keys

One (1) baton

One (1) police flashlight

One (1) digital voice recorder

7.02 Equipment

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

8.00 UNIFORMS

At the commencement of employment, each Member shall be provided uniforms by the City as follows:

Officers:

- One (1) uniform hat and hat piece
- Three (3) uniform shirts, long or short sleeve
- Three (3) uniform slacks or skirts
- One (1) uniform duty jacket
- One (1) uniform dress jacket
- Patches as required for above uniforms
- One (1) name tag for uniform shirt
- One (1) name tag for uniform jacket
- One (1) complete set of rain gear ~~and rain boots~~
- ~~One~~Two (2) B.D.U. uniforms (Three (3) for SRT members)
- One (1) duty badge
- One (1) off-duty badge and badge wallet
- One (1) pair of tactical boots for SRT members

Dispatchers:

- Three (3) uniform shirts, long or short sleeve
- Three (3) uniform slacks or skirts
- One (1) uniform sweater
- One (1) duty badge
- One (1) name tag for uniform shirt
- One (1) ~~leather~~ belt for slacks
- Patches as required for above uniforms

During the course of employment, the City shall replace uniforms, at no cost to the Member, at the discretion of the Chief of Police. The City further agrees to establish an account at a local dry cleaners to clean and maintain said uniforms at no cost to the Member. All above uniform costs shall be subject to the applicable public retirement rate as required by the Public Employees Retirement System (PERS) regulations.

For the detective and juvenile detective only, City will pay to clean clothes soiled as a result of a work-related incident, with the approval of the Lieutenant or higher level position. This cost will be paid through the City's local dry cleaners account.

9.00 HOLIDAYS

All Members on the 3/12 work schedule will receive eight (8) hours of straight time as compensation in lieu of paid holidays for each holiday other than the floating holiday and ten (10) hours of straight time as compensation in lieu of the paid floating holiday. One twelfth (1/12) of the annual aggregate in lieu compensation shall be paid for each calendar month of employment. This compensation shall be received in equal monthly increments. In addition, any Member on the 3/12 work schedule who works a twelve (12) hour shift on a City

recognized holiday other than the floating holiday will receive an additional four (4) hours of pay at straight time in addition to regular pay for the day worked. Any Member on the 3/12 work schedule who works less than twelve (12) hours on a City recognized holiday other than the floating holiday will receive pro-rated straight time holiday pay.

Each Member of the bargaining unit who is assigned as a detective or juvenile officer shall be entitled to the following holidays and receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on the following Monday.

- A. First day of January
- B. Third Monday in January - Dr. Martin Luther King Jr. Day
- C. Third Monday in February - Presidents Day
- D. Last Monday in May - Memorial Day
- E. July 4th
- F. First Monday in September - Labor Day
- G. Second Monday in October - Columbus Day
- H. November 11 - Veterans Day
- I. Thanksgiving Day
- J. The day following Thanksgiving Day
- K. The day preceding Christmas
- L. Christmas Day
- M. The Day preceding New Years Day
- N. One floating holiday per fiscal year. Members must use the floating holiday for that fiscal year
- O. Every day appointed by the President of the United States, or the Governor of the State of California or the City Council for a public fast, thanksgiving or holiday

Detectives and juvenile officers shall take Holidays and shall be paid for those days off. EDC-11 and EDC-111 employees do not take Holidays off. Instead they shall be paid eight (8) additional hours of overtime compensation in lieu of paid holidays for each recognized municipal holiday (refer to Personnel Rules and Regulations). One-twelfth (1/12) of the annual compensation shall be paid for each calendar month of employment. Such compensation shall be received monthly.

10.00 HEALTH AND WELFARE BENEFITS

10.1 Health and Welfare Benefits

10.01 PERS Medical Plan

10.01.1 Cafeteria Plan: The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate for 2005 during the term of this MOU shall be the PERS HMO rate, minus the Government Code section 22825 contribution. ~~The cafeteria plan contribution rate for 2006, 2007 and 2008 shall be the PERS HMO rate minus the Government Code section 22825 contribution.~~ However, for employees choosing the PERS Choice or PORAC Plans ~~in 2006, 2007 and 2008~~, the City shall contribute either the PERS Choice or PORAC plan rate plus 50% of the difference between the PERS Choice or PORAC plan and the PERS HMO plan per month towards the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

Employees may also elect the following optional benefits:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

10.01.2 Rebate for Non-Enrolled Dependents: The City shall pay any full-time (40 hours per week) Member who chooses not to enroll in the PERS Health plan the Member's otherwise eligible dependents the following amount provided proof of alternative medical coverage is provided:

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = \$100.
2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = \$100.

3. Employee eligible to enroll employee plus two, but enrolls employee only = \$150.

10.01.03 Reopener in the Event of Provider Change: In the event that no PERS HMO and/or no PERS Choice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree that to re-open section 10.01 if members are covered by the affected health plans.

10.02 Section 125 Plan

The City also agrees, to the extent allowable by law, to adopt the provisions of Section 125 of the Internal Revenue Code, thereby enabling Members to pay allowable medical costs with pre-tax dollars.

10.03 Dental and Vision

The City shall provide reimbursement for employees' and dependents' document dental expenses, with the first \$200 in expenses – 100% reimbursed, the next \$500 in expenses – 80% reimbursed, and the next ~~\$800~~\$1,000 in expenses – 50% reimbursed up to a maximum of ~~\$1,000~~\$1,100 in City contribution each calendar year.

Vision coverage benefits shall remain the same as those benefits in effect ~~December 2008, in the previous MOU~~ in the Vision Service Plan.

10.04 Deductibles

Members shall be responsible for paying the deductible portion of their medical, dental and vision insurance plans, where applicable.

10.05 Long-Term Disability Insurance

City agrees to maintain a long-term disability plan at City's sole cost, not to exceed one and eight-tenths (1.8%) of annual salary per month.

10.06 Member Retiree Medical Coverage Program

It is the purpose of the Members Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this retirement benefit a Member:

1. Must have been employed with the City for ten years or longer.
2. Shall retire from the City of Scotts Valley. Public safety Members shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."
3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit will be provided directly to the retired Member at the following rates:

1. For Members who have served 10 to 15 years with the City: 100% of premiums to a maximum of 33% of the PERS-CARE plan premium level (benchmark plan); reduced to 16.5% at social security age.
2. For Members who have served 15-20 years with the City: 100% of the premiums to a maximum of 50% of the PERS-CARE plan; reduced to 25% at social security age.
3. For Members who have served over 20 years: 100% of premiums to a maximum of 67% of the PERS-CARE plan; reduced to 33.5% at social security age.

The medical benefit will be provided to the retired Member and the Member's spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

10.07 Life Insurance

The City shall pay the premium for a \$50,000 life insurance plan for all Members.

10.08 Joint Committee for Health Care Cost Containment

City and Association agree to participate in a "Joint Health Care Cost Containment Committee" for the purpose of controlling health care costs. The Committee shall make recommendations consistent with this goal. Recommendations shall be implemented if approved by the City and Association.

11.00 CALL-BACK PAY

Any Member who has departed from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a regularly scheduled work day for that Member shall be guaranteed a minimum of two (2) hours compensation at one and one-half (1.5) times the hourly rate in accordance with Section 6.02. Any Member who has departed from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a day for which the Member is not scheduled to work shall be guaranteed a minimum of four (4) hours compensation at one and one-half times (1.5) the hourly rate in accordance with Section 6.02. A regularly scheduled work day is defined as each day on which the majority of hours worked in each shift falls.

12.00 COURT APPEARANCE

Any Member who is required to testify in connection with a Member's usual official duties or in connection with a case in which the City or Police Department is a party shall be guaranteed a minimum of four (4) hours compensation at one and one-half (1.5) times the hourly rate.

13.00 STANDBY PAY

Members who are required to perform standby duty by the Chief of Police, or the Chief's designee or the court shall be compensated at the rate of five dollars (\$5.00) per hour, not to exceed forty dollars (\$40) per day for such duty. Standby duty is that period of time a Member is required to be available by phone for immediate call out.

13.01 On-Call Pay

On-call positions shall receive five dollars (\$5.00) per hour, not to exceed forty dollars (\$40.00) per day, or portion thereof, for on-call status. The detective sergeant will rotate the on-call duty with the detectives and juvenile officer.

14.00 ADDITIONAL COMPENSATION

14.01 Temporary Assignment to Higher Level

A Member assigned to a higher level under this section will revert to a 5/8 schedule if the Chief of Police deems that this is an appropriate work shift for the assignment.

If the temporary assignment lasts longer than six (6) months, then the Member will be able to use and accrue forty-eight (48) hours of CTO per fiscal year. Any other benefit that is particular to the 5/8 schedule will be included in this section if the assignment lasts more than six months.

A Member specifically assigned on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceeds a total of twenty (20) days in any twelve (12) month period. Payment shall be retroactive to the first day of such service.

14.02 Designation of Bilingual Position

Upon the recommendation of the Chief of Police or the Chief's designated representative and with the approval of the City Manager, a Member occupying a position designated as requiring fluency in a language other than English shall receive Two Hundred Dollars (\$200) per month.

14.03 Daylight Savings Time

All Members working at the time daylight savings time starts or ends shall be paid for actual time worked in accordance with Section 6.00 and its provisions.

~~14.04 POST Incentive Compensation~~

~~Regular Members as of January 1, 1986, shall continue to receive the dollar amount of POST incentive compensation that they were receiving prior to said date. Those Members not receiving POST incentive compensation as of January 1, 1986, and any new hires thereafter shall not be eligible for said compensation.~~

14.054 Mileage Allowance

When a Member is required to use the Member's personal vehicle on City business, the City shall pay the mileage allowance provided by the rules and regulations of the International Revenue Service.

| 14.065 Assignment Differential

A. A five percent (5%) additional salary differential over base pay shall be paid to all Members assigned to the following job assignments:

- (1) Motorcycle Officer
- (2) Field Training Officer (FTO). No more than two (2) FTOs will receive this benefit at any one time, unless more are authorized by the City Manager.
- (3) In addition, up to two (2) Dispatchers shall receive a five percent (5%) differential for at least one whole pay period during which a trainee is assigned to them for any part of the pay period. No more than two (2) Dispatchers will receive this benefit at any one time.

B. A twenty percent (20%) salary differential over base pay shall be paid to all Members assigned to detective position inclusive of juvenile officer. An assignment differential of twenty percent (20%) is for the purpose of taking on increased responsibilities. The Chief of Police and/or his designee will develop an on-call schedule for all individuals assigned to the investigations unit on a rotational basis. When a detective has been placed on-call, he is expected to be able to respond to the department within one hour and carry a pager during the on-call assignment period (maximum one detective on-call at a time).

All assignment differentials shall be approved in advance by the Chief of Police. The assignment as stated above shall be noted on the Member time card.

| 14.076 Canine Officer Differential

All Members assigned as Canine Officer will receive additional compensation at the rate of five percent (5%) of base pay for the care and maintenance of their dog, whether the actual time is more or less than that. The parties mutually agree that this is adequate for care and maintenance.

The California Police Officers Standards of Training currently require canine units to receive a minimum of 16 hours of training a month. These hours will be offset by allowing the Canine Officer to train on duty or during a scheduled training time and then adjust the start time of their work day by four hours.

15.00 LEAVE OF ABSENCE

15.01 Other Leave Without Pay

The appointing authority may grant a Member a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a Member a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the Member and must be approved by both the department head, the appointing authority and, when necessary, the Council.

Upon expiration of the approved leave, the Member shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the Member would otherwise not have been laid off.

Failure on the part of a Member to return to work on the date scheduled shall be cause for termination.

15.02 Outside Employment

A leave of absence without pay may not be granted to a Member for purposes of accepting either private or other public employment outside the service of the City, except as hereinafter provided in this Article 15.00.

A Member may not work outside employment on the days that he/she is actually assigned to work his/her regular shift. On a day off, no employee may work on outside employment within twelve (12) hours of the beginning of his/her work shift without the approval of the Chief of Police.

15.03 Military Leave

Every Member shall be entitled to military leaves of absence as specified in Chapter 7, Part 1, Division 2, of the California Military and Veterans Code. If such Member shall have been in the service of the City for at least one (1) year prior to the date such absence begins, he shall be entitled to receive pay for up to one (1) month of military leave during any fiscal year at the rate he would have received for service to the City. Time spent on military leave shall be included in determining eligibility to occupy a classification based upon length of service.

15.04 Leave for Jury Duty

Leave of absence with pay shall be granted to a Member while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer. Any Member who serves jury duty on any calendar day in which he would have commenced a regularly scheduled shift shall receive that shift off as leave of absence with pay.

15.05 Maternity Leave

Refer to City Personnel Rules and Regulations (Section 17.08 adopted 11/11/86).

15.06 Paternity Leave

All male Members whose spouse or significant other is pregnant may take up to a four (4) month leave of absence. Said leave shall be called a "Paternity Leave" and must be applied for, in writing, to the City. Included with said application shall be a doctor's certificate, certifying the pregnancy, and estimating the delivery date. Application will also state the beginning and ending dates of requested leave.

A longer leave may be granted where extenuating circumstances exist. All paternity leaves shall be without pay and without a loss in seniority. Members may use accumulated sick leave, vacation, or compensatory time during this period, immediately preceding this period, or immediately following this period; subject to the City approval of any leave totaling more than four months.

Vacation and sick leave benefits do not accrue during paternity leave. All other benefits accrue in accordance with the provisions of the City Personnel Rules and Regulations.

15.07 Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any Member of the Member's immediate family. The leave shall be for a period of twenty-four (24) hours or forty (40) hours if travel in excess of five hundred (500) miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, any person living in the immediate household of the Member, family member where Member maintains Power of Attorney or Executor of Estate, or any other special circumstance as approved the the City Manager.

16.00 VACATION

16.01 Vacation

Members covered by the provisions of this Agreement shall receive annual vacation leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Vacation Hours</u>
Less than 5 years	80 hours
5-10 years	120 hours
10 years	160 hours
15 or more years	168 hours

Vacation hours are those a Member would be normally scheduled to work. Holidays, hours off, sick leave hours and emergency or personal leave hours shall not be considered or charged as vacation hours.

16.02 Vacation Accrual

A Member may not carry forward from year to year more than two (2) times his annual vacation rate unless he has first received a written extension granted by the City Manager at the recommendation of the Chief of Police. Written extensions shall be granted in cases where, due to service requirements of the department, it was not reasonably possible for the employee to reduce his vacation accumulation below two (2) times. Members who have refused to take vacation during the calendar year are not guaranteed of receiving written extension.

16.03 Effect of Absence on Continuous Service

Absence or authorized leave with or without pay, time during which a Member is laid off because his services are not needed and time during which a Member is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is followed by re-employment within one (1) year. However, such absences shall not be counted in computing the Member's years of continuous service.

16.04 Vacation Scheduling

The Chief of Police or the Chief's designated representative shall determine when vacation leave may be taken. The Member shall be allowed to divide his vacation leave in any calendar year into two (2) segments. The Chief of Police, at his discretion, may grant a Member

additional segments of vacation. Seniority in department service among Members in a classification and working unit consistent with Department operating requirements shall be the basis on which vacation schedule conflicts shall be resolved in favor of the most senior Member who has not, by virtue of Member's senior position, previously had such a conflict resolved in his favor during the calendar year. In the event of vacation schedule conflicts among Members who have had such conflicts resolved in their favor before, the senior Member who has had the least number of successful conflict resolutions shall prevail. Vacation may be started on any day of the week.

16.05 Rate of Vacation Pay

Compensation during vacation shall be at the rate that the Member is entitled to receive, including premium pay, as if the Member was on active service during such vacation.

16.06 Vacation Request Notification

All vacation requests will be made no less than ninety (90) days prior to the requested time for leave. Supervisors will not be precluded from granting vacation requests upon shorter notice provided that the needs of the Department will allow for the requested time off.

16.07 Vacation Buy-back

The City will buy back up to one week (40 hours) of vacation annually, after 10 years of service with the City and an additional one week (40 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

17.00 SICK LEAVE

17.01 Definition of Sick Leave

As used in this section, "sick leave" means leave of absence of a Member because of any of the following: (1) illness or injury which renders him incapable of performing the Member's work or duties for the City; (2) the Member's exposure to contagious disease as evidenced by a doctor's certification that this exposure necessitates the Member being on sick leave; and (3) routine medical or dental appointments of the Member.

17.02 Exclusion of Self-Inflicted Injury

In no case shall an absence due to purposeful or intentional self-inflicted incapacity or injury be deemed a basis for granting either sick leave or sick leave with pay under the provision of this section.

17.03 Industrial Sick Leave

If a Member is incapacitated by sickness or injury received in the course of his employment with the City, he shall be entitled to pay as provided herein.

17.04 Amount and Duration of Payment

Such Member shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his normal salary and the amount of any Worker's Compensation temporary disability payments to which he is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

17.05 Denial of Payment

Notwithstanding the foregoing provisions of this section, such payment shall not be made pursuant to this subsection to a Member:

- (1) who does not apply for or receive temporary disability benefits under the Worker's Compensation Law;
- (2) whose injury or illness has become permanent;
- (3) whose injury or illness, although continuing to show improvement, is unlikely to improve sufficiently to permit the Member's return to work in his position;
- (4) who is retired on permanent disability or pension;
- (5) whose injury or illness is the result of intentional failure to observe City health or safety regulations or the commission of a criminal offense;
- (6) whose injury or illness has been aggravated or delayed in healing by reason of the Member's failure to receive medical treatment or follow medical advice, except where such treatment or advice has

not been sought or followed by reason of the Member's religious beliefs; and

- (7) whose injury or illness is a recurrence or re-injury of an earlier job-related injury or illness or is contributed to by a susceptibility or predisposition to such injury.

17.06 Members Excluded

The provisions of Article 17.00 do not apply to safety Members who are subject to the provisions of California Labor Code section 4850.

17.07 Cumulative Sick Leave Plan

Each employee will accumulate sick leave at the rate of eight (8) hours per each full calendar month on a paid status. The Chief of Police or the Chief's designated representative shall grant sick leave with pay, not to exceed a Member's accumulated unused sick leave, to a Member incapacitated by injuries or sickness.

17.08 Medical Report

As a condition of granting sick leave with pay, the Chief of Police may require medical evidence of sickness or injury acceptable to the Department, which may include a statement of diagnosis and treatment from a licensed physician or a medical clearance to return to work.

17.09 Emergency Leave: Sickness in Immediate Family

Leave of absence with pay because of sickness or injury in the immediate family of a Member shall be granted by the Chief of Police or the Chief's designated representative for up to forty-eight (48) hours per fiscal year but not to exceed the amount of time which the person has accrued for sick leave in Section 17.07. Time taken for leave of absence under the provisions of this subsection shall be deducted from the Member's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent, foster child or any person sharing the relationship of loco parentis; and, which living in the household of the Member, a brother, sister, brother-in-law, sister-in-law, mother-in-law, father-in-law or grandparent.

17.10 Sick Leave Compensation on Termination

City shall pay to each terminated, separated Member the value of his accrued and unused sick leave not to exceed a maximum of nine hundred

and sixty (960) hours, based on the following sliding scale, representing the percentage of salary to be applied to available accumulated hours of sick leave applicable at the time of separation from City service:

<u>Years of Service</u>	<u>% of Compensation</u>
5 years, 1 day - 10 years	20%
10 years, 1 day - 15 years	25%
15 years, 1 day - 20 years	30%
20 years, 1 day - 25 years	40%
25 years, 1 day - 30 years	50%
Over 30 years or at retirement	60%

This compensation will be paid with the final paycheck.

The City has implemented PERS option Section 20862.8 (Credit for Unused Sick Leave) for sworn personnel.

17.11 Personal Leave

City shall allow each Member not on the 3/12 work schedule to utilize up to sixteen (16) hours of accrued sick leave annually for personal reasons. City shall allow each Member on the 3/12 work schedule to utilize up to twenty-four (24) hours of accrued sick leave annually for personal reasons. Personal Leave shall be taken in minimum of four (4) hour periods, and shall be approved in advance by the Chief of Police or the Chief's designated representative if reasonably possible and with due consideration for the needs of the Member and the Department.

Personal Leave periods taken will not be charged against the stay well bonus described in Section ~~3029~~.00, unless the periods are used immediately before or immediately following vacation or holidays (for those employees who receive holidays off), except as otherwise authorized by the Chief of Police.

17.12 State Disability Insurance

Members receiving State Disability Insurance payments shall file the "notice of calculation" for disability insurance with the City immediately upon receipt from the Employment Development Department. Upon receipt of notice, the City shall adjust the Member's sick leave usage and wages for the effective period so that his net pay, including SDI, is equal to that which he would receive if working.

18.00 WAGES

18.01 Effective July 1, 201~~4~~⁵, all Members will receive a two ~~and a half~~ percent (2.~~5~~%) salary increase, as reflected on Exhibit A. Effective July 1, 2016,

all Members will receive a one percent (1%) salary increase, as reflected on Exhibit B. Effective July 1, 2017, all Members will receive a one percent (1%) salary increase, as reflected on Exhibit C.

18.02 All Members assigned to patrol shall be paid for eighty-four (84) hours at straight time on the first pay date for each 28-day pay period, not withstanding hours actually worked, and shall be paid for the balance of hours actually worked (which will normally also be 84 hours) on the second pay date for that pay period. The purpose of this section is to more equitably spread wage payments to Members over the 28-day pay period. However, this provision shall not apply if the combination of hours worked and hours of paid leave by patrol members in any 28-day pay period is less than 84 hours. For example, if any patrol Member only works fifty (50) hours and receives ten (10) hours of paid vacation during the 28 day pay period, the Member will only be paid for sixty (60) hours.

18.03 All Members will be eligible to receive a one percent (1%) longevity stipend upon completion of five consecutive years of service, an additional two percent (2%) longevity stipend upon completion of ten consecutive years of service and an additional ~~two~~three percent (23%) longevity stipend upon completion of fifteen consecutive years of service.

18.04 In addition to the salary above, each permanent Member shall receive two one-time bonuses if the following conditions are met. For the first bonus, should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-16, the difference between the budgeted sales tax revenues and the actual sales tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a total first bonus amount. This total first bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit B to be paid no later than the first full pay period in November 2016.

For the second bonus, should the City's actual sales tax revenues for Fiscal Year 2016-17 be greater than the actual sales tax revenues for Fiscal Year 2015-16, the difference shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a second total bonus amount. This second total bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit C to be paid no later than the first full pay period in November 2017.

19.00 GRIEVANCE PROCEDURES

Refer to Rule 15 of the Personnel Rules and Regulations.

19.01 Effect of Failure of Timely Action

Failure of the Member to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the City to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.

19.02 Limitation on Stale Grievances

A grievance shall be void unless presented within thirty (30) calendar days from the date upon which the City has allegedly failed to provide a condition of employment, or within thirty (30) calendar days from the time at which a Member might reasonably have been expected to have learned of such alleged failure to provide. In no event shall any grievance include a claim for money relief for more than the thirty (30) day period plus such reasonable discovery period.

19.03 Exclusion of Non-Recognized Organizations

For the purposes of this section, the provisions of Section 1.00 of this Agreement shall be construed to limit the Member's right of selection of a representative to the extent that agents or any other employee organization, which is not party to this Agreement, are specifically excluded from so acting. In those cases where a Member elects to represent himself or arranges for other representation, the Association shall have the right to participate in the resolution procedure for the purpose of protecting the interest of its Members in negotiated conditions of employment.

20.00 SAVINGS CLAUSE

If any provision of this Agreement shall be held invalid by operation of law, or by any court of competent jurisdiction, or if compliance with enforcement of any provision shall be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

21.00 ENACTMENT

It is agreed that the foregoing shall be jointly submitted to the City Council by the City Manager and Association for Council's consideration and approval.

22.00 PEACE OFFICERS BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Members by law, including, but without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code §3300 et seq.) and the Meyers-Milias-Brown Act (Gov. Code §3500 et seq.).

23.00 DEPARTMENT VEHICLES AND EQUIPMENT

23.01 Definition of Vehicles

Any motor vehicle as defined by Sections 165 and 414 of the California Vehicle Code.

23.02 Repairs

All necessary repairs and maintenance of vehicles (as defined in Section 23.01) shall be performed to insure the safety of the operator of the vehicle.

23.03 Unsafe Vehicles

Under no circumstances shall a supervisor of the City require a Member to operate an unsafe department vehicle.

23.04 Claims - Unsafe Vehicles

Claims of unsafe vehicles will be made by the representatives of the Association to the shift supervisor. The City shall have the sole authority to remove vehicles from service.

23.05 Vehicle Maintenance

Routine maintenance of departmental vehicles shall be no less than required by the manufacturer. Only high quality parts and tires will be used on the vehicles. Department vehicles with over 80,000 miles will be inspected annually by a certified mechanic to include frame, suspension and mechanical parts for wear and stress fractures. Any vehicle deemed unsafe will be repaired or pulled from service, as determined by the Chief of Police.

23.06 Vehicle Equipment

All equipment, lights, sirens and switches shall be uniform and provided the same on each patrol vehicle.

23.07 Mileage

All departmental vehicles used for patrol or emergency response shall be taken out of service upon exceeding 115,000 miles, or sooner, and a replacement vehicle shall be properly equipped in accordance with Section 23.06. The Association agrees to continue to meet and confer over the need to extend these mileage limits due to economic constraints of the City.

23.08 Vehicle Equipment Determination

Any equipment deemed necessary by the Chief of Police shall be provided for the departmental vehicles for the safety of any operator.

24.00 VOLUNTARY EDUCATIONAL INCENTIVE PROGRAM

24.01 Definition and Purpose

Scotts Valley Police Department's Educational Achievement Program is designed to upgrade and/or improve the law enforcement skills and knowledge of its personnel. The Department encourages additional educational achievement, which can lead to a higher level of performance.

24.02 Objectives

- (1) To upgrade the educational level of technical skills of the personnel of Scotts Valley Police Department to insure a high quality of law enforcement.
- (2) To provide an additional attraction for qualified individuals at the entry level who have an interest in law enforcement as a career.
- (3) To provide an additional inducement to personnel to improve themselves throughout their career.
- (4) To promote the most highly qualified officers to supervisory and administrative levels.

24.03 Procedures for Establishing Educational Incentive Pay

Courses used to obtain the educational incentive pay shall represent a logical progression of the Member's goals and/or those classes that shall be applied toward the achievement of a degree within an approved curriculum.

24.04 Eligibility

The Member shall submit the curriculum to the Education Committee for approval with the following exceptions:

Police Science Majors
Administration of Justice Majors
Criminology Majors
Public Administration Majors (with minor in any of the above)

24.05 Education Committee

The Committee shall be composed of the following:

- (1) Chief of Police or the Chief's designated representative; and
- (2) Association President or his designated representative.

The Committee shall determine the appropriateness of courses and/or curriculum outside of the above-named majors. In the event the members of the Committee are unable to agree on the appropriateness of the courses and curriculum, the City Manager shall be asked to participate in the decision making process and shall be entitled to vote therein.

24.06 Certification

The Education Committee shall certify to the Member's eligibility in accordance with Section 24.05. Such notification shall then be sent to the City Manager.

24.07 Effective Date

Educational incentive pay shall be effective the first day of the next pay period following receipt by the City Manager of certification in accordance with Section 24.06.

24.08 Educational Incentive Pay

All Members will be eligible for the following educational incentive program (amounts are not cumulative) based upon earning a degree in higher education as follows:

AA or AS degree	\$150 per month
BA or BS degree	\$250 per month
MA or MS degree	\$300 per month

~~Notwithstanding the preceding paragraph, Members who were employed by the Department on or before December 1, 1986, (the "Prior Member") shall continue to receive the following amount of educational incentive pay in accordance with the following formula:~~

~~The flat rates based on college units of completion established hereinafter shall be fixed as of July 1, 1992, for each Prior Member. The rates will effectively be Y-rated in each category until the flat rate amounts set out above increase as a result of subsequent agreements to the level that they match the rate established below, at which time, the Prior Member shall receive the flat rate which shall have been established for the degree attained by the Prior Member. Thereafter, the Prior Member shall be treated as any other Member subject to the flat rate. The Prior Member's rates are established by the number of college units obtained and the percentage is based upon the Prior Member's base pay excluding holiday pay established as of July 1, 1992, as follows:~~

30 units	\$150 per month
60 units	\$250 per month
90 units	\$300 per month

~~During the transition period where incentives are Y-rated, any Prior Member may move to a higher percentage as established above by attaining the requisite number of units.~~

~~(EXAMPLE: The Prior Member with only 30 units must obtain 90 units to qualify to receive the flat rate amount established for the AA or AS. However, if the Prior Member receives more units, up to 90, he may increase incentive pay based upon the unit calculation established above until the amount established for the AA or AS degree reaches the dollar level of the amount established for 90 units. When the \$150 rate for the AA or AS degree reaches the equivalent of \$300, thereafter the Prior Member will receive incentive pay as a flat rate. Individuals with 90 or more units who have obtained a BA, BS, MA or MS degree shall convert to the flat rate as soon as the flat rate amounts established for those degrees equals or exceeds the Y-rated amount of \$300.)~~

24.09 Course Reimbursement

The City agrees to reimburse Members for the costs associated with college courses and training sessions approved in advance, in writing, by the Chief of Police, up to a maximum of one thousand dollars (\$1,000) per Member per fiscal year. Reimbursable costs include only the following:

- (a) Tuition
- (b) Books

(c) Course-related fees

The City will not reimburse Members for supplies or mileage used traveling to and from such courses.

To ensure that the City budget has adequate funds to pay for a Member's course reimbursement request, the Member should submit a request for reimbursement no later than February 15 of each year preceding the July 1 through June 30 fiscal year.

25.00 RETIREMENT

City agrees to maintain retirement benefits in the Public Employees' Retirement System (PERS) for all Members. Those eligible as "Safety" Members shall be in the three (3%) percent at age fifty (50) plan. Those eligible as "Miscellaneous" Members shall be in the two and a half (2.5%) percent at 55 plan. City also agrees to pay the Member's contribution. For both "Safety" and "Miscellaneous" Members hired on or after January 1, 2013, the City agrees to maintain the retirement benefits in accordance with the provisions of the Public Employees' Pension Reform Act of 2013.

The City shall provide the Government Code 20042 single highest year benefit for all Miscellaneous Members at City expense.

The City shall also provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payments as employer contributions in lieu of employee contributions for all PERS Miscellaneous members in the unit.

26.00 LAYOFF POLICY

26.01 Layoffs

The following procedures will be followed in the event of layoffs and/or reductions of personnel.

26.02 Order

Layoffs and/or reductions shall occur in the following order:

- (1) Temporary employees
- (2) Probationary employees
- (3) Regular part-time employees
- (4) Regular employees on "Needs to Improve"
- (5) Regular employees

The Police Department's monthly evaluations shall not be considered as the appropriate evaluation. The Chief of Police shall evaluate the employee's last yearly evaluations concern #4 above.

26.03 Seniority

Within each classification of sworn or non-sworn personnel, layoffs and reductions shall be made on the basis of inverse order to seniority in City Service.

26.04 Special Skills

Where the Chief of Police or the Chief's appointing authority deems it in the best interest of the Department, he may waive the order of layoffs or reductions when loss of a Member's skills on a particular assignment or loss of his special skills would negatively affect the Department's work.

26.05 Association President

The President of the Association shall be exempt from layoffs during his/her term of office.

26.06 Notification

The City Manager and the Association agree that the City Manager shall notify the Association immediately (at least thirty (30) days prior) of any pending layoffs and/or reductions affecting Members covered by the Agreement. The Association shall have the right to meet and confer concerning such layoffs and/or reductions.

27.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of employees within the law; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/employee relationships. These rights shall not be limited except as specified in this agreement.

28.00 PEACEFUL PERFORMANCE

The Association agrees that during the term of this Agreement neither it nor the Members it represents will engage in, encourage, sanction, or support: (1) strikes; (2) slowdowns; (3) mass resignations; (4) mass absenteeism; (5) picketing which would involve suspension of or interference with normal work of the department or other City departments; or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.

29.00 STAY WELL PLAN

The City has implemented the following Stay Well Plan, which includes the following conditions:

- (1) Each stay well year will be from December 1 through November 30.
- (2) Eligible Members are those who have accumulated two hundred forty (240) hours of unused sick leave.
- (3) The stay well bonus will be paid each year in a separate check on the first pay date in December.
- (4) Eligible Members shall receive a bonus according to the following schedule, or a pro rata share of this bonus, should they achieve their two hundred forty (240) hours at some point during the stay well year.

<u>Sick Leave Used</u>	<u>Straight Time Bonus</u>	<u>Pro Rata Bonus</u>
0 sick hours	48 hours	50.0%
8 sick hours	40 hours	41.6%
12 sick hours	36 hours	37.5%
16 sick hours	32 hours	33.3%
24 sick hours	24 hours	25.0%
32 sick hours	16 hours	16.6%
36 sick hours	12 hours	12.5%
40 sick hours	8 hours	8.3%
48 - 96 sick hours	0 hours	0.0%

For example, if a Member has accumulated two hundred forty (240) hours by August of the stay well year and then accrues an additional twenty-four (24) hours from September 1 to November 30, the Member will have a total of two hundred sixty-four (264) hours. If the Member has taken sixteen (16) sick hours, the

Member will receive 33.3% of the twenty-four (24) hours in excess of the required two hundred forty (240) hour minimum.

- (5) Personal leave hours are considered sick leave hours for the purpose of the stay well bonus, only if they are used immediately before or immediately following vacation or holidays (for those Members who receive holidays off) except as otherwise authorized by the Chief of Police.
- (6) The stay well bonus is payable at straight time.
- (7) Members shall have the option of receiving the bonus on the first pay date in December or crediting their unused sick hours to their total accumulations. Such a decision must be received by the City Manager prior to December 1 of each year. The City Manager shall forward this notification to the Finance Department immediately.
- (8) Sick hours taken off by Members, regardless of the reason, shall be deducted from the potential stay well bonus.

The specific purpose of the Stay Well Plan is to encourage Members to stay physically fit and well and to miss as few work hours as possible due to illness or any other reason.

30.00 TERM OF AGREEMENT

The term of this Agreement shall be July 1, 201~~45~~, through June 30, 201~~58~~.

31.00 ENTIRE AGREEMENT

This Agreement rescinds and replaces any prior agreements between the parties except side letter agreements that are in effect by their terms.

“City”
CITY OF SCOTTS VALLEY

“Association”
SCOTTS VALLEY POLICE
BARGAINING UNIT

~~Jim Reed~~Dene Bustichi, Mayor

~~Chris Culwell~~Scott Mitchell, Police
Officer

| Stephen H. Ando, City Manager

~~Keith Tyndall~~Kami Raabe, EDC

David Cariaga, Operating Eng. Local 3

Approved as to form:

Kirsten Powell, City Attorney

EXHIBIT A

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2015 - 06/30/2016

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,281	3,445	3,617	3,798	3,988	4,187	4,396
Emergency Dispatcher/ Clerk II	3,637	3,819	4,010	4,211	4,422	4,643	4,875
Emergency Dispatcher/ Clerk III	3,711	3,897	4,092	4,297	4,512	4,738	4,975
Officer	4,777	5,016	5,267	5,530	5,807	6,097	6,402

EXHIBIT B

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2016 - 06/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,314	3,480	3,654	3,837	4,029	4,230	4,442
Emergency Dispatcher/ Clerk II	3,673	3,857	4,050	4,253	4,466	4,689	4,923
Emergency Dispatcher/ Clerk III	3,748	3,935	4,132	4,339	4,556	4,784	5,023
Officer	4,825	5,066	5,319	5,585	5,864	6,157	6,465

EXHIBIT C

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,347	3,514	3,690	3,875	4,069	4,272	4,486
Emergency Dispatcher/ Clerk II	3,710	3,896	4,091	4,296	4,511	4,737	4,974
Emergency Dispatcher/ Clerk III	3,785	3,974	4,173	4,382	4,601	4,831	5,073
Officer	4,873	5,117	5,373	5,642	5,924	6,220	6,531

MEMORANDUM OF UNDERSTANDING

between

CITY OF SCOTTS VALLEY

and

SCOTTS VALLEY POLICE SUPERVISORS ASSOCIATION

July 1, 20145 – June 30, 20158

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY POLICE SUPERVISORS ASSOCIATION

July 1, 201~~4~~5 – June 30, 201~~5~~8

This **Memorandum of Understanding**, (the "Agreement") is made and entered into this first day of July 201~~4~~5, by and between the Scotts Valley Police Supervisors Association, hereinafter referred to as "Association," affiliated with Operating Engineers Local #3, and the City of Scotts Valley, hereinafter referred to as "City," for and on behalf of its Members hereinafter identified.

In this Agreement, whenever the terms "he" or "his" is used they shall be interpreted to apply to both the masculine and feminine gender.

1.00 ASSOCIATION RECOGNITION

Rights and Security.

1.01 Recognition of Association

The City hereby recognizes the Association as the exclusive collective bargaining agent for classifications of Police Lieutenant, Police Sergeants and Police Services Supervisor (collectively referred to as "Members").

1.02 Notice of Recognized Association

The Police Department ("Department") shall give written notice to persons newly employed in the classifications set out in Section 1.01, which shall contain the name and address of the Member organization recognized by the City as the exclusive bargaining agent for the Association.

1.03 Payroll Deduction and Pay Over

The City shall deduct Association dues and premiums for approved insurance programs from Members' pay in conformance with State and local regulations. The City shall promptly pay over to the designated payee all sums so dedicated.

1.04 Hold Harmless

Association shall indemnify and hold City harmless from any and all claims, demands, suits or any other action arising from the modified

maintenance of membership and modified agency shop provisions herein, or from compliance with any demand for termination hereunder.

1.05 Bulletin Boards

Reasonable space shall be allowed on bulletin boards as specified by the Chief of Police for use by the Association to communicate with Departmental Members. Material shall be posted on the bulletin board space as designated, and not upon the walls, doors, file cabinets or any other place. Posted material shall not be obscene, defamatory or of a partisan political nature, nor shall it pertain to public issues which do not involve the City or its relations with City employees. The City will post employment solicitations for police positions, however, Association shall maintain notices while they remain on the bulletin board and shall be responsible for their removal in a timely fashion. All posted material shall bear the identity of the sponsor, be neatly displayed and be removed when no longer timely.

1.06 Use of Employer Facilities

City facilities may be made available upon timely application for use by Members. Application for such use shall be made to the management person under whose control the facility is placed.

1.07 Job Contacts

Any authorized representative of the Association shall have the right to contact individual Members working within the Association in City facilities during business hours on matters within the scope of representation, providing prior arrangements have been made for each contact with the Chief of Police or the Chief's designated representative who shall grant permission for such contact if, in his judgment, it will not disrupt the business of the work unit involved or the Department.

1.08 Bargaining Committee

Members of the Association's bargaining committee shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. No more than two (2) Members at a time may absent themselves from work for this purpose. Off-duty personnel participating in negotiations are not authorized compensation for this time. Members of Association's bargaining committee shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this Agreement for review of grievances and contract compliance questions. Adequate levels of police protection shall be maintained at all times.

1.09 Alternative Locations

When contact and bargaining on the work location is precluded by reason of confidentiality of records, work situations, health and safety of employees, the public, or disturbance to others, the Chief of Police or the Chief's representative shall have the right to make other arrangements for a contact location removed from the work area.

2.00 HIRING PROVISIONS

2.01 Non-Discrimination

No Member shall be discriminated against by the City or by the Association for reason of race, color, religion, disability, medical condition, national origin, ancestry, marital status, sex, sexual preference, age (over 40), veteran's status, or any other factor except where sex or physical capability is determined to be a bonafide occupational qualification after consideration of reasonable accommodation factors in relation to the essential duties of the position.

2.02 Employment

The City shall not discipline, discharge or otherwise discriminate against any Member for any Association activity which does not interfere with the proper performance of that Member's work.

3.00 CHECK-OFF

3.01 Association Dues, Initiation Fees and Credit Union Share Contribution

The City agrees to deduct initiation fees, and dues from the wages of Members and to transmit these deductions to the Association. In addition, the City agrees to deduct credit union share contributions and to transmit these deductions to the employee's applicable credit union at the employee's request. Such deduction(s) shall be authorized by signature on a proper assignment form.

3.02 Dues Deductions

At the request of the Members, City agrees to deduct and send deducted quarterly dues to the Peace Officers Research Association ("PORAC") headquarters for the general membership and to the PORAC Legal Defense Fund ("LDF"). Payments to PORAC and LDF are voluntary and deductions shall be made only for those Members who have executed a proper deduction authorization form and presented it to the Chief of

Police. Once the form is received, deductions will commence. Members should present forms to the Chief as soon as possible. Payments will be made concurrently with and only in the amount of authorized deductions.

4.00 PAYMENTS

4.01 Items Not Covered by Agreement

Existing wages, hours and other terms and conditions of employment including fringe benefits not changed, modified or specifically referenced in this Agreement and not inconsistent with the terms and conditions of this Agreement shall remain in full force and effect during the term of this Agreement.

4.02 New Job Classifications

If a Member covered by this Agreement is assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Association will negotiate the wage rate applicable to the new classification.

4.03 Lieutenant Position

The filling of the Lieutenant position will be at the sole discretion of the City. The position is exempt from all other forms of salary, including longevity, and holiday pay except as otherwise expressly provided in this Agreement. The position will receive City holidays off with pay, but will be exempt from all overtime compensation.

5.00 HOURS OF WORK, SHIFT, SCHEDULES AND REST PERIODS

5.01 Work Schedule and Departmental Shift Change

The Chief of Police has implemented a 3/12 work schedule for the patrol division.

The Chief of Police will designate the schedule that FTO's and their trainees will work. The Association agrees that if an SRO position is developed, the working schedule for that officer will be on the 5/8 plan with holidays off.

The Chief of Police or the Chief's designated representative shall prepare a schedule showing the hours each Member is to work. Except under unforeseeable circumstances, the Chief of Police shall make every reasonable effort to assure that no Member shall have more than one shift

change in any calendar month. Whenever shift changes are required, it shall not result in a reduction in salary where overtime is actually worked. The normal working hours for each detective sergeant shall be from 0800 to 1700 with one hour for lunch. In the event a detective sergeant is called to duty during his/her lunch hour, it shall be that Member's option to leave work one hour early unless the Member's supervisor determines that it is necessary for the operations of the department for the employee to continue to work in which event the Member's shall receive overtime pay for the lost lunch period. Staggered lunches will not be required.

The Lieutenant position shall be exempt from this provision.

5.02 Hours of Work

Hours of work for patrol sergeants will be twelve (12) hours per shift. For patrol personnel, the normal work period for the purpose of calculating overtime will be twenty-eight (28) days. For all other personnel, the normal work period for calculating overtime will be seven (7) days. The normal work week for employees other than patrol will be forty (40) hours.

For the detective sergeant, hours of work include paid holidays. The work week for all other personnel shall begin on Friday at 2400 hours and end on the following Friday at 2400 hours.

All hours worked shall be compensated at the straight hourly rate (Section 6.05) provided that i) hours of work in excess of one hundred sixty-eight (168) per each twenty-eight (28) day work period will be considered overtime for patrol personnel, and ii) hours of work in excess of forty (40) hours per each seven (7) day work period will be considered overtime for all other employees. All overtime hours will be compensated pursuant to the provisions of Section 6.04 of this Agreement.

The Services Supervisor works from 8 a.m. to 5 p.m. and has a one hour lunch break. The Services Supervisor is off for holidays.

The Lieutenant position shall be exempt from all overtime compensation.

5.03 ~~Pagers~~Voice Mail

~~All members will be provided a department issued pager which will be continuously activated while away from home or not readily available by telephone. It is not required that pagers be set to alert for voice mail notification but they must be set to alert for numeric or text page messages.~~ Members are required to check their voice mail at least once daily on scheduled work days. Members are not required to ~~wear their pager or~~ check voice mail during vacation leave. Members are required to

telephonically respond to ~~numeric or~~ text pages messages but will not be entitled to on-call pay.

5.04 Rest Periods

Each Member on the 3/12 plan will have three (3) fifteen (15) minute breaks that will be scheduled throughout the work day. Rest breaks will not be scheduled during the first or last hour of any period of work. Each Member will be granted a forty-five (45) minute lunch break close to the middle of the Member's shift. No wage deduction shall be made nor time off charged against Members taking authorized rest periods, nor shall any rights or overtime be accrued for rest periods voluntarily not taken. There is no obligation upon the City to provide facilities for refreshments during the rest periods, or for procurement thereof.

6.00 OVERTIME

6.01 Regular Work Schedule Requirement

The Department shall prepare a schedule designating the hours each Member shall work. Work for the City by a Member at time other than those so scheduled shall be approved in advance by the Chief of Police or the Chief's designated representative.

6.02 Authorization of Overtime

No Member (excluding Lieutenants) shall receive compensation for overtime in cash, in time off or a combination thereof, unless such overtime work has been approved by the Chief of Police or the Chief's designated representative as set forth above.

The Lieutenant position shall be exempt from all overtime compensation.

6.03 Definition of Overtime

For the purposes of the 3/12 work schedule, all overtime work for patrol will be defined as all work performed in excess of one hundred and sixty-eight (168) hours in an established twenty-eight (28) day work period. For employees other than patrol personnel, all overtime work will be defined as all work performed pursuant to Section 6.01 and 6.02 in excess of forty (40) hours for each seven (7) day work period.

For all Members on the 3/12 work schedule, all work performed does not include the eight (8) hours of holidays paid (whether they work on those holidays or not) and does not include the four (4) hours of additional

holiday hours paid to Members who work on holidays as provided elsewhere in this Agreement.

6.04 Payment of Overtime

For patrol personnel, the first eight (8) hours of overtime in the established twenty-eight (28) day work week period will be paid at straight time. All hours in excess of one hundred sixty-eight (168) hours in the twenty-eight (28) day work period will be paid at the rate of one and one-half (1.5) times the hourly rate. For all other employees, all overtime work will be compensated at the rate of one and one-half (1.5) times the hourly rate after forty (40) hours in any work week. All paid time off will be considered time worked in determining overtime, except that for Members on the 3/12 work schedule, both the eight (8) or ten (10) hours of holiday paid to Members (whether they work holidays or not) and the four (4) hours or pro-rated hours of additional holiday hours paid to Members who do work holidays other than the floating holiday will not be considered time worked in determining overtime.

6.05 Definition of Hourly Rate

For purposes of this section, hourly rate shall be defined as follows:

Base Monthly Pay times (12) months, divided by 2,080 hours (per year) equals hourly rate.

The Lieutenant position shall be exempt from this provision.

6.06 Fractions of Less than One-Fourth Hours

No overtime payment shall be allowed for any period of less than one-fourth (.25) hours, and fractions of less than one-fourth (.25) hour overtime worked shall not be considered overtime and may not be accumulated in order to total one-fourth (.25) hour or more.

6.07 Compensatory Time Off ("CTO")

At the sole option of a Member CTO may be accrued in lieu of monetary compensation for overtime and is earned at a rate of one and one-half (1.5) times the hourly rate up to the maximum CTO accruals established herein.

All Members may accrue CTO in lieu of monetary compensation for overtime to a maximum of forty (40) hours. Such CTO may be replenished during the year up to the forty hour maximum. The timing of taking the

CTO shall be determined by the Division Commander, considering the Member's preference.

CTO may be granted with a two (2) pay period notice at the discretion of the supervisor. Supervisors are not precluded from granting CTO with a shorter notice if the needs of the Department will allow this time off; ~~provided however, that overtime shall not be used to cover absences resulting from CTO use by employees.~~

The Lieutenant position shall be exempt from this provision.

6.08 Shift Adjustments

If the department intends to adjust a Member's shift due to overtime worked on a shift, the Member's supervisor must notify him of the intended shift adjustment on the day before the adjustment occurs. Such notice shall be given by the end of the Member's shift.

For patrol personnel, all shift adjustments shall be made within the twenty-eight (28) day work period. For all other employees, all shift adjustments shall be made within a forty (40) hour work week. All shift adjustments will be completed at the time that the change in the shift is made. Except for unforeseeable circumstances, the Chief of Police shall make every effort to assure that no Member shall have more than one shift adjustment occur during a pay period.

7.00 HEALTH AND SAFETY

7.01 Health and Safety - Equipment

City shall comply with all applicable State and Federal Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the Chief of Police to all Members. At the commencement of employment, each Member shall be provided safety equipment by the City as follows:

One (1) ~~leather~~ belt for slacks

One (1) leather duty belt with: holster, double magazine holder, double handcuff case, O.C. spray holder, baton ring, key ring, four (4) keepers, belt buckle, digital voice recorder holster

One (1) semiautomatic handgun with three magazines and duty ammunition sufficient for the capacity of a full loaded pistol and three magazines

One (1) O.C. spray canister

One (1) soft body armor ballistic vest, replaced every five years

~~One~~Two (2) pair of handcuffs with keys

- One (1) baton
- One (1) police flashlight
- One (1) digital voice recorder

7.02 Equipment

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

8.00 UNIFORMS

At the commencement of employment, each Member shall be provided uniforms by the City as follows:

Lieutenants and Sergeants:

- One (1) uniform hat and hat piece
- Three (3) uniform shirts, long or short sleeve
- Three (3) uniform slacks or skirts
- One (1) uniform duty jacket
- One (1) uniform dress jacket
- Patches as required for above uniforms
- One (1) name tag for uniform shirt
- One (1) name tag for uniform jacket
- One (1) complete set of rain gear and rain boots
- ~~One~~Two (2) B.D.~~EU~~. uniforms (Three (3) for SRT members)
- One (1) duty badge
- One (1) off-duty badge and badge wallet
- One (1) pair of tactical boots for SRT members

Services Supervisor:

The City agrees to maintain any required uniform for the Services Supervisor.

During the course of employment, the City shall replace uniforms, at no cost to the Member, at the discretion of the Chief of Police. The City further agrees to establish an account at a local dry cleaners to clean and maintain said uniforms at no cost to the Member. All above uniform costs shall be subject to the applicable public retirement rate as required by the Public Employees Retirement System (PERS) regulations.

For the detective sergeant only, City will pay to clean clothes soiled as a result of a work-related incident, with the approval of a supervisor. This cost will be paid through the City's local dry cleaners account.

9.00 HOLIDAYS

All Members on the 3/12 work schedule will receive eight (8) hours of straight time as compensation in lieu of paid holidays for each holiday other than the floating holiday and ten (10) hours of straight time as compensation in lieu of the paid floating holiday. One twelfth (1/12) of the annual aggregate in lieu compensation shall be paid for each calendar month of employment. This compensation shall be received in equal monthly increments. In addition, any Member on the 3/12 work schedule who works a twelve (12) hour shift on a City recognized holiday other than the floating holiday will receive an additional four (4) hours of pay at straight time in addition to regular pay for the day worked. Any Member on the 3/12 work schedule who works less than twelve (12) hours on a City recognized holiday other than the floating holiday will receive pro-rated straight time holiday pay.

Each Member of the bargaining unit who is assigned as a detective or juvenile officer shall be entitled to the following holidays and receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on the following Monday.

- A. First day of January
- B. Third Monday in January - Dr. Martin Luther King Jr. Day
- C. Third Monday in February - Presidents Day
- D. Last Monday in May - Memorial Day
- E. July 4th
- F. First Monday in September - Labor Day
- G. Second Monday in October - Columbus Day
- H. November 11 - Veterans Day
- I. Thanksgiving Day
- J. The day following Thanksgiving Day
- K. The day preceding Christmas
- L. Christmas Day
- M. The Day preceding New Years Day
- N. One floating holiday per fiscal year. Members must use the floating holiday for that fiscal year
- O. Every day appointed by the President of the United States, or the Governor of the State of California or the City Council for a public fast, thanksgiving or holiday

Detectives, sergeants, and lieutenants shall take Holidays and shall be paid for those days off.

10.00 HEALTH AND WELFARE BENEFITS

10.1 Health and Welfare Benefits

10.01 PERS Medical Plan

10.01.1 Cafeteria Plan

The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate ~~for 2005~~ during the term of this MOU shall be the PERS Choice rate, minus the Government Code section 22825 contribution. ~~The cafeteria plan contribution rate for 2006 shall be the PERS HMO rate minus the Government Code section 22825 contribution.~~ However, for employees choosing the PERS Choice or PORAC plans ~~in 2006~~, the City shall contribute the PERS Choice or PORAC rate plus 50% of the difference between the PERS Choice or PORAC rates and the PERS HMO rate to be used in the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

Employees may also elect the following optional benefits if the employee has surplus cafeteria plan funds remaining after electing medical insurance coverage:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

10.01.2 Rebate for Non-Enrolled Dependents

The City shall pay any full-time (40 hours per week) Member who chooses not to enroll in the PERS Health plan the Member's otherwise eligible dependents the following amount provided proof of alternative medical coverage is provided:

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = \$100.
2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = \$100.
3. Employee eligible to enroll employee plus two, but enrolls employee only = \$150.

10.01.3 Reopener in the Event of Provider Change

In the event that no PERS HMO and/or PERS Choice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree to re-open section 10.01 if members are covered by the affected plans.

10.02 Section 125 Plan

The City also agrees, to the extent allowable by law, to adopt the provisions of Section 125 of the Internal Revenue Code, thereby enabling Members to pay allowable medical costs with pre-tax dollars.

10.03 Dental and Vision

The City shall provide reimbursement for employee's and dependents' documented dental expenses, with the first \$200 in expenses – 100% reimbursed, the next \$500 in expenses – 80% reimbursed, and the next \$1,000 in expenses – 50% reimbursed up to a maximum of \$1,100 in City contribution each calendar year.

Vision coverage benefits shall remain the same as those benefits in effect ~~June 30, 2005~~, in the previous MOU in the Vision Service Plan.

10.04 Deductibles

Members shall be responsible for paying the deductible portion of their medical, dental and vision insurance plans, where applicable.

When two Members are married to each other, the City shall reimburse the married Members for the deductible portion of the medical premiums up to a maximum of Three Hundred Dollars (\$300.00) per calendar year per couple.

10.05 Long-Term Disability Insurance

City agrees to maintain a long-term disability plan at City's sole cost, not to exceed one and eight-tenths (1.8%) of annual salary per month.

10.06 Member Retiree Medical Coverage Program

It is the purpose of the Members Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this retirement benefit a Member:

1. Must have been employed with the City for ten years or longer.
2. Shall retire from the City of Scotts Valley. Public safety Members shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."
3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit will be provided directly to the retired Member at the following rates:

1. For Members who have served 10 to 15 years with the City: 100% of premiums to a maximum of 33% of the PERS-CARE plan premium level (benchmark plan); reduced to 16.5% at social security age.

2. For Members who have served 15-20 years with the City: 100% of the premiums to a maximum of 50% of the PERS-CARE plan; reduced to 25% at social security age.
3. For Members who have served over 20 years: 100% of premiums to a maximum of 67% of the PERS-CARE plan; reduced to 33.5% at social security age.

The medical benefit will be provided to the retired Member and the Member's spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

10.07 Life Insurance

The City shall pay the premium for a \$50,000 life insurance plan for all Members.

10.08 Joint Committee for Health Care Cost Containment

City and Association agree to participate in a "Joint Health Care Cost Containment Committee" for the purpose of controlling health care costs. The Committee shall make recommendations consistent with this goal. Recommendations shall be implemented if approved by the City and Association.

11.00 CALL-BACK PAY

Any Member who has **departed** from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative (on a regularly scheduled work day for that Member) shall be guaranteed a minimum of two (2) hours compensation at one and one-half (1.5) times the hourly rate in accordance with Section 6.02. Any Member who has **departed** from the Member's work location and is called back to work by the Chief of Police or the Chief's designated representative on a day for which the Member is not scheduled to work shall be guaranteed a minimum of four (4) hours compensation at one and one-half times (1.5) the hourly rate in accordance with Section 6.02. A regularly scheduled work day is defined as each day on which the majority of hours worked in each shift falls.

The Lieutenant position shall be exempt from this provision.

12.00 COURT APPEARANCE

Any Member who is required to testify in connection with a Member's usual official duties or in connection with a case in which the City or Police Department is a party shall be guaranteed a minimum of four (4) hours compensation at one and one-half (1.5) times the hourly rate.

The lieutenant position shall be exempt from this provision.

13.00 STANDBY PAY

Members who are required to perform standby duty by the Chief of Police, or the Chief's designee or the court shall be compensated at the rate of five dollars (\$5.00) per hour, not to exceed forty dollars (\$40) per day for such duty. Standby duty is that period of time a Member is required to be available by phone for immediate call out.

The Lieutenant position shall be exempt from this provision.

13.01 On-Call Pay

On-call positions shall receive five dollars (\$5.00) per hour, not to exceed forty dollars (\$40.00) per day, or portion thereof, for on-call status. The detective sergeant will rotate the on-call duty with the detectives and juvenile officer.

14.00 ADDITIONAL COMPENSATION

14.01 Temporary Assignment to Higher Level

A Member assigned to a higher level under this section will revert to a 5/8 schedule if the Chief of Police deems that this is an appropriate work shift for the assignment.

If the temporary assignment lasts longer than six (6) months, then the employee will be able to use and accrue forty-eight (48) hours of CTO per fiscal year, unless the position is the Lieutenant position. Any other benefit that is particular to the 5/8 schedule will be included in this section if the assignment lasts more than six months.

A Member specifically assigned on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceed a total of twenty (20) days in any twelve (12) month period. Payment shall be retroactive to the first day of such service.

14.02 Designation of Bilingual Position

Upon the recommendation of the Chief of Police or the Chief's designated representative and with the approval of the City Manager, a Member occupying a position designated as requiring fluency in a language other than English shall receive, Two Hundred Dollars(\$200).

14.03 Daylight Savings Time

All Members working at the time daylight savings time starts or ends shall be paid for actual time worked in accordance with Section 6.00 and its provisions.

14.04 POST Incentive Compensation

~~The Lieutenant position shall be paid a Seventy-five dollar (\$75.00) monthly incentive for attaining a POST Management Certificate. Regular Members as of January 1, 1986, shall continue to receive the dollar amount of POST incentive compensation that they were receiving prior to said date. Those Members not receiving POST incentive compensation as of January 1, 1986, and any new hires thereafter shall not be eligible for said compensation. The Lieutenant position shall be paid a Seventy-five Dollar (\$75.00) monthly incentive for attaining a POST Management Certificate.~~

14.05 Mileage Allowance

When a Member is required to use the Member's personal vehicle on City business, the City shall pay the mileage allowance provided by the rules and regulations of the International Revenue Service.

14.06 Assignment Differential

A five percent (5%) additional salary differential over base pay shall be paid to all Members assigned as a motorcycle officer.

A twenty percent (20%) salary differential over base pay shall be paid to all Members assigned to detective position. An assignment differential of twenty percent (20%) is for the purpose of taking on increased responsibilities. The Chief of Police and/or his designee will develop an on-call schedule for all individuals assigned to the investigations unit on a rotational basis. When a detective sergeant has been placed on-call, he is expected to be able to respond to the department within one hour and carry a pager during the on-call assignment period (maximum one detective on-call at a time).

All assignment differentials shall be approved in advance by the Chief of Police. The assignment as stated above shall be noted on the Member time card.

14.07 Canine Officer Differential

All Members assigned as Canine Officer will receive additional compensation at the rate of five percent (5%) of base pay for the care and maintenance of their dog, whether the actual time is more or less than that. The parties mutually agree that this is adequate for care and maintenance.

The California Police Officers Standards of Training currently require canine units to receive a minimum of 16 hours of training a month. These hours will be offset by allowing the Canine Officer to train on duty or during a scheduled training time and then adjust the start time of their work day by four hours.

15.00 LEAVE OF ABSENCE

15.01 Other Leave Without Pay

The appointing authority may grant a Member a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a Member a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the Member and must be approved by both the department head, the appointing authority and, when necessary, the Council.

Upon expiration of the approved leave, the Member shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the Member would otherwise not have been laid off.

Failure on the part of a Member to return to work on the date scheduled shall be cause for termination.

15.02 Outside Employment

A leave of absence without pay may not be granted to a Member for purposes of accepting either private or other public employment outside the service of the City, except as hereinafter provided in this Article 15.00.

A Member may not work outside employment on the days that he/she is actually assigned to work his/her regular shift. On a day off, no employee

may work on outside employment within twelve (12) hours of the beginning of his/her work shift without the approval of the Chief of Police.

15.03 Military Leave

Every Member shall be entitled to military leaves of absence as specified in Chapter 7, Part 1, Division 2, of the California Military and Veterans Code. If such Member shall have been in the service of the City for at least one (1) year prior to the date such absence begins, he shall be entitled to receive pay for up to one (1) month of military leave during any fiscal year at the rate he would have received for service to the City. Time spent on military leave shall be included in determining eligibility to occupy a classification based upon length of service.

15.04 Leave for Jury Duty

Leave of absence with pay shall be granted to a Member while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer. Any Member who serves jury duty on any calendar day in which he would have commenced a regularly scheduled shift shall receive that shift off as leave of absence with pay.

15.05 Maternity Leave

Refer to City Personnel Rules and Regulations (Section 17.08 adopted 11/11/86).

15.06 Paternity Leave

All male Members whose spouse or significant other is pregnant may take up to a four (4) month leave of absence. Said leave shall be called a "Paternity Leave" and must be applied for, in writing, to the City. Included with said application shall be a doctor's certificate, certifying the pregnancy, and estimating the delivery date. Application will also state the beginning and ending dates of requested leave.

A longer leave may be granted where extenuating circumstances exist. All paternity leaves shall be without pay and without a loss in seniority. Members may use accumulated sick leave, vacation, or compensatory time during this period, immediately preceding this period, or immediately following this period; subject to the City approval of any leave totaling more than four months.

Vacation and sick leave benefits do not accrue during paternity leave. All other benefits accrue in accordance with the provisions of the City Personnel Rules and Regulations.

15.07 Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any Member of the Member's immediate family. The leave shall be for a period of twenty-four (24) hours or forty (40) hours if travel in excess of five hundred (500) miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, or any person living in the immediate household of the Member.

15.08 Administrative Leave

The Lieutenant position shall be entitled to take eighty (80) hours of Administrative Leave per fiscal year. Administrative Leave shall not cumulate from year to year, and no compensation shall be made for any unused leave. Administrative Leave shall be prorated if employment is commenced during the fiscal year.

16.00 VACATION

16.01 Vacation

Members covered by the provisions of this Agreement shall receive annual vacation leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Vacation Hours</u>
Less than 5 years	80 hours
5-10 years	120 hours
10 years	160 hours
15 or more years	168 hours

The Lieutenant position shall accrue an additional forty (40) hours of vacation after fifteen (15) years of service.

Vacation hours are those a Member would be normally scheduled to work. Holidays, hours off, sick leave hours and emergency or personal leave hours shall not be considered or charged as vacation hours.

16.02 Vacation Accrual

A Member may not carry forward from year to year more than two (2) times his annual vacation rate unless he has first received a written extension granted by the City Manager at the recommendation of the Chief of Police. Written extensions shall be granted in cases where, due to service requirements of the department, it was not reasonably possible for the employee to reduce his vacation accumulation below two (2) times. Members who have refused to take vacation during the calendar year are not guaranteed of receiving written extension.

16.03 Effect of Absence on Continuous Service

Absence or authorized leave with or without pay, time during which a Member is laid off because his services are not needed and time during which a Member is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is followed by re-employment within one (1) year. However, such absences shall not be counted in computing the Member's years of continuous service.

16.04 Vacation Scheduling

The Chief of Police or the Chief's designated representative shall determine when vacation leave may be taken. The Member shall be allowed to divide his vacation leave in any calendar year into two (2) segments. The Chief of Police, at his discretion, may grant a Member additional segments of vacation. Seniority in department service among Members in a classification and working unit consistent with Department operating requirements shall be the basis on which vacation schedule conflicts shall be resolved in favor of the most senior Member who has not, by virtue of Member's senior position, previously had such a conflict resolved in his favor during the calendar year. In the event of vacation schedule conflicts among Members who have had such conflicts resolved in their favor before, the senior Member who has had the least number of successful conflict resolutions shall prevail. Vacation may be started on any day of the week.

16.05 Rate of Vacation Pay

Compensation during vacation shall be at the rate that the Member is entitled to receive, including premium pay, as if the Member was on active service during such vacation.

16.06 Vacation Request Notification

All vacation requests will be made no less than ninety (90) days prior to the requested time for leave. Supervisors will not be precluded from

granting vacation requests upon shorter notice provided that the needs of the Department will allow for the requested time off.

16.07 Vacation Buy-back

The City will buy back up to one week (40 hours) of vacation annually, after 10 years of service with the City and an additional one week (40 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

17.00 SICK LEAVE

17.01 Definition of Sick Leave

As used in this section, "sick leave" means leave of absence of a Member because of any of the following: (1) illness or injury which renders him incapable of performing the Member's work or duties for the City; (2) the Member's exposure to contagious disease as evidenced by a doctor's certification that this exposure necessitates the Member being on sick leave; and (3) routine medical or dental appointments of the Member.

17.02 Exclusion of Self-Inflicted Injury

In no case shall an absence due to purposeful or intentional self-inflicted incapacity or injury be deemed a basis for granting either sick leave or sick leave with pay under the provision of this section.

17.03 Industrial Sick Leave

If a Member is incapacitated by sickness or injury received in the course of his employment with the City, he shall be entitled to pay as provided herein.

17.04 Amount and Duration of Payment

Such Member shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his normal salary and the amount of any Worker's Compensation temporary disability payments to which he

is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

17.05 Denial of Payment

Notwithstanding the foregoing provisions of this section, such payment shall not be made pursuant to this subsection to a Member:

- (1) who does not apply for or receive temporary disability benefits under the Worker's Compensation Law;
- (2) whose injury or illness has become permanent;
- (3) whose injury or illness, although continuing to show improvement, is unlikely to improve sufficiently to permit the Member's return to work in his position;
- (4) who is retired on permanent disability or pension;
- (5) whose injury or illness is the result of intentional failure to observe City health or safety regulations or the commission of a criminal offence;
- (6) whose injury or illness has been aggravated or delayed in healing by reason of the Member's failure to receive medical treatment or follow medical advice, except where such treatment or advice has not been sought or followed by reason of the Member's religious beliefs; and
- (7) whose injury or illness is a recurrence or re-injury of an earlier job-related injury or illness or is contributed to by a susceptibility or predisposition to such injury.

17.06 Members Excluded

The provisions of Article 17.00 do not apply to safety Members who are subject to the provisions of California Labor Code section 4850.

17.07 Cumulative Sick Leave Plan

Each employee will accumulate sick leave at the rate of eight hours per each full calendar month on a paid status. The Chief of Police or the Chief's designated representative shall grant sick leave with pay, not to exceed a Member's accumulated unused sick leave, to a Member incapacitated by injuries or sickness.

17.08 Medical Report

As a condition of granting sick leave with pay, the Chief of Police may require medical evidence of sickness or injury acceptable to the Department, which may include a statement of diagnosis and treatment from a licensed physician or a medical clearance to return to work.

17.09 Emergency Leave: Sickness in Immediate Family

Leave of absence with pay because of sickness or injury in the immediate family of a Member shall be granted by the Chief of Police or the Chief's designated representative for up to forty-eight (48) hours per fiscal year, but not to exceed the amount of time which the person has accrued for sick leave in Section 17.07. Time taken for leave of absence under the provisions of this subsection shall be deducted from the Member's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent, foster child or any person sharing the relationship of loco parentis; and, when living in the household of the Member, a brother, sister, brother-in-law, sister-in-law, father-in-law or grandparent.

17.10 Sick Leave Compensation on Termination

City shall pay to each terminated, separated Member the value of his accrued and unused sick leave not to exceed a maximum of nine hundred and sixty (960) hours, based on the following sliding scale, representing the percentage of salary to be applied to available accumulated hours of sick leave applicable at the time of separation from City service:

<u>Years of Service</u>	<u>% of Compensation</u>
5 years, 1 day - 10 years	20%
10 years, 1 day - 15 years	25%
15 years, 1 day - 20 years	30%
20 years, 1 day - 25 years	40%
25 years, 1 day - 30 years	50%
Over 30 years or at retirement	60%

This compensation will be paid with the final paycheck.

The City has implemented PERS option Section 20862.8 (Credit for Unused Sick Leave) for sworn personnel.

17.11 Personal Leave

City shall allow each Member not on the 3/12 work schedule to utilize up to sixteen (16) hours of accrued sick leave annually for personal reasons. City shall allow each Member on the 3/12 work schedule to utilize up to twenty-four (24) hours of accrued sick leave annually for personal reasons. Personal Leave shall be taken in minimum of four (4) hour periods, and shall be approved in advance by the Chief of Police or the Chief's designated representative if reasonably possible and with due consideration for the needs of the Member and the Department.

Personal Leave periods taken will not be charged against the stay well bonus described in Section ~~3029~~.00, unless the periods are used immediately before or immediately following vacation or holidays (for those employees who receive holidays off), except as otherwise authorized by the Chief of Police.

17.12 State Disability Insurance

Members receiving State Disability Insurance payments shall file the "notice of calculation" for disability insurance with the City immediately upon receipt from the Employment Development Department. Upon receipt of notice, the City shall adjust the Member's sick leave usage and wages for the effective period so that his net pay, including SDI, is equal to that which he would receive if working.

18.00 WAGES

18.01 Effective July 1, 201~~4~~⁵, all Members will receive a two ~~and a half~~ percent (2.~~5~~%) salary increase, as reflected on Exhibit A. Effective July 1, 2016, all Member will receive a one percent (1%) salary increase, as reflected on Exhibit B. Effective July 1, 2017, all Members will receive a one percent (1%) salary increase, as reflected on Exhibit C.

18.02 All Members assigned to patrol shall be paid for eighty-four (84) hours at straight time on the first pay date for each 28 day pay period., not withstanding hours actually worked, and shall be paid for the balance of hours actually worked (which will normally also be 84 hours) on the second pay date for that pay period. The purpose of this section is to more equitably spread wage payments to Members over the 28 day pay period. However, this provision shall not apply if the combination of hours worked and hours of paid leave by patrol members in any 28 day pay period is less than 84 hours. For example, if any patrol Member only works fifty (50) hours and receives ten (10) hours of paid vacation during the 28 day pay period, the Member will only be paid for sixty (60) hours.

18.03 All Members will be eligible to receive a one percent (1%) longevity stipend upon completion of five consecutive years of City service, an additional two percent (2%) longevity stipend upon completion of ten consecutive years of City service and an additional ~~two~~three percent (~~23~~%) longevity stipend upon completion of fifteen consecutive years of service.

18.04 In addition to the salary above, each permanent Member shall receive two one-time bonuses if the following conditions are met. For the first bonus, should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-16, the difference between the budgeted sales tax revenues and the actual sales tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a total first bonus amount. This total first bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit B to be paid no later than the first full pay period in November 2016.

For the second bonus, should the City's actual sales tax revenues for Fiscal Year 2016-17 be greater than the actual sales tax revenues for Fiscal Year 2015-16, the difference shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the POA for a second total bonus amount. This second total bonus amount will be allocated to the Members based on their monthly salary amount in Exhibit C to be paid no later than the first full pay period in November 2017.

19.00 GRIEVANCE PROCEDURES

Refer to Rule 15 of the Personnel Rules and Regulations.

19.01 Effect of Failure of Timely Action

Failure of the Member to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the City to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.

19.02 Limitation on Stale Grievances

A grievance shall be void unless presented within thirty (30) calendar days from the date upon which the City has allegedly failed to provide a

condition of employment, or within thirty (30) calendar days from the time at which a Member might reasonably have been expected to have learned of such alleged failure to provide. In no event shall any grievance include a claim for money relief for more than the thirty (30) day period plus such reasonable discovery period.

19.03 Exclusion of Non-Recognized Organizations

For the purposes of this section, the provisions of Section 1.00 of this Agreement shall be construed to limit the Member's right of selection of a representative to the extent that agents or any other employee organization, which is not party to this Agreement, are specifically excluded from so acting. In those cases where a Member elects to represent himself or arranges for other representation, the Association shall have the right to participate in the resolution procedure for the purpose of protecting the interest of its Members in negotiated conditions of employment.

20.00 SAVINGS CLAUSE

If any provision of this Agreement shall be held invalid by operation of law, or by any court of competent jurisdiction, or if compliance with enforcement of any provision shall be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

21.00 ENACTMENT

It is agreed that the foregoing shall be jointly submitted to the City Council by the City Manager and Association for Council's consideration and approval.

22.00 PEACE OFFICERS BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Members by law, including, but without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code §3300 et seq.) and the Meyers-Milias-Brown Act (Gov. Code §3500 et seq.).

23.00 DEPARTMENT VEHICLES AND EQUIPMENT

23.01 Definition of Vehicles

Any motor vehicle as defined by Sections 165 and 414 of the California Vehicle Code.

23.02 Repairs

All necessary repairs and maintenance of vehicles (as defined in Section 23.01) shall be performed to insure the safety of the operator of the vehicle.

23.03 Unsafe Vehicles

Under no circumstances shall a supervisor of the City require a Member to operate an unsafe department vehicle.

23.04 Claims - Unsafe Vehicles

Claims of unsafe vehicles will be made by the representatives of the Association to the shift supervisor. The City shall have the sole authority to remove vehicles from service.

23.05 Vehicle Maintenance

Routine maintenance of departmental vehicles shall be no less than required by the manufacturer. Only high quality parts and tires will be used on the vehicles. Department vehicles with over 80,000 miles will be inspected annually by a certified mechanic to include frame, suspension and mechanical parts for wear and stress fractures. Any vehicle deemed unsafe will be repaired or pulled from service, as determined by the Chief of Police.

23.06 Vehicle Equipment

All equipment, lights, sirens and switches shall be uniform and provided the same on each patrol vehicle.

23.07 Mileage

All departmental vehicles used for patrol or emergency response shall be taken out of service upon exceeding 115,000 miles, or sooner, and a replacement vehicle shall be properly equipped in accordance with Section 23.06. The Association agrees to continue to meet and confer over the need to extend these mileage limits due to economic constraints of the City.

23.08 Vehicle Equipment Determination

Any equipment deemed necessary by the Chief of Police shall be provided for the departmental vehicles for the safety of any operator.

24.00 VOLUNTARY EDUCATIONAL INCENTIVE PROGRAM

24.01 Definition and Purpose

Scotts Valley Police Department's Educational Achievement Program is designed to upgrade and/or improve the law enforcement skills and knowledge of its personnel. The Department encourages additional educational achievement which can lead to a higher level of performance.

24.02 Objectives

- (1) To upgrade the educational level of technical skills of the personnel of Scotts Valley Police Department to insure a high quality of law enforcement.
- (2) To provide an additional attraction for qualified individuals at the entry level who have an interest in law enforcement as a career.
- (3) To provide an additional inducement to personnel to improve themselves throughout their career.
- (4) To promote the most highly qualified officers to supervisory and administrative levels.

24.03 Procedures for Establishing Educational Incentive Pay

Courses used to obtain the educational incentive pay shall represent a logical progression of the Member's goals and/or those classes which shall be applied toward the achievement of a degree within an approved curriculum.

24.04 Eligibility

The Member shall submit the curriculum to the Education Committee for approval with the following exceptions:

Police Science Majors
Administration of Justice Majors
Criminology Majors
Public Administration Majors (with minor in any of the above)

24.05 Education Committee

The Committee shall be composed of the following:

- (1) Chief of Police or the Chief's designated representative; and
- (2) Association President or his designated representative.

The Committee shall determine the appropriateness of courses and/or curriculum outside of the above-named majors. In the event the members

of the Committee are unable to agree on the appropriateness of the courses and curriculum, the City Manager shall be asked to participate in the decision making process and shall be entitled to vote therein.

24.06 Certification

The Education Committee shall certify to the Member's eligibility in accordance with Section 24.05. Such notification shall then be sent to the City Manager.

24.07 Effective Date

Educational incentive pay shall be effective the first day of the next pay period following receipt by the City Manager of certification in accordance with Section 24.06.

24.08 Educational Incentive Pay

Effective July 1, 1994, all Members, including the Lieutenant, shall be eligible for the following educational incentive program (amounts are not cumulative) based upon earning a degree in higher education as follows:

AA or AS degree	\$175 per month
BA or BS degree	\$250 per month
MA or MS degree	\$300 per month

~~Notwithstanding the preceding paragraph, Members who other than Lieutenant were employed by the Department on or before December 1, 1986, (the "Percentage Member") shall continue to receive the following amount of educational incentive pay in accordance with the following formula:~~

~~The percentage rates established hereinafter shall be fixed as of July 1, 1992, for each Percentage Member and shall not increase thereafter as a percentage of salary. The rates will effectively be Y-rated in each category at current top step sergeant until the flat rate amounts set out above increase as a result of subsequent agreements to the level that they match the rate established below, at which time, the Percentage Member shall receive the flat rate which shall have been established for the degree attained by the Percentage Member. Thereafter, the Percentage Member shall be treated as any other Member subject to the flat rate. The Percentage Member's rates are established by the number of college units obtained and the percentage is based upon the Percentage Member's base pay excluding holiday pay established as of July 1, 1992, as follows:~~

30 units	\$178 per month	(4% plus \$10)
60 units	\$262 per month	(6% plus \$10)
90 units	\$346 per month	(8% plus \$10)

~~During the transition period where incentives are Y-rated, any Percentage Member may move to a higher percentage as established above by attaining the requisite number of units.~~

~~(EXAMPLE: The Percentage Member with only 30 units must obtain 90 units to qualify to receive the flat rate amount established for the AA or AS. However, if the Percentage Member receives more units, up to 90, he may increase incentive pay based upon the unit calculation established above until the amount established for the AA or AS degree reaches the dollar level of the amount established for 90 units. When the \$175 rate for the AA or AS degree reaches the equivalent of \$346, thereafter the Percentage Member will receive incentive pay as a flat rate. Individuals with 90 or more units who have obtained a BA, BS, MA or MS degree shall convert to the flat rate as soon as the flat rate amounts established for those degrees equals or exceeds the Y-rated amount of \$346.)~~

24.09 Course Reimbursement

The City agrees to reimburse Members for the costs associated with college courses and training sessions approved in advance, in writing, by the Chief of Police, up to a maximum of One Thousand Dollars (\$1,000) per Member per fiscal year, beginning July 1, 1999. Reimbursable costs include only the following:

- (a) Tuition
- (b) Books
- (c) Course-related fees

The City will not reimburse Members for supplies or mileage used traveling to and from such courses.

To ensure that the City budget has adequate funds to pay for a Member's course reimbursement request, the Member should submit a request for reimbursement no later than February 15 of each year preceding the July 1 through June 30 fiscal year.

25.00 RETIREMENT

City agrees to maintain retirement benefits in the Public Employees' Retirement System (PERS) for all Members. Those eligible as "Safety" Members shall be in the three (3%) percent at age fifty (50) plan. Those eligible as "Miscellaneous" Members shall be in the two and a half percent

(2.5%) at age fifty-five (55) plan. City also agrees to pay the Member's contribution. For both "Safety" and "Miscellaneous" Members hired on or after January 1, 2013, the City agrees to maintain the retirement benefits in accordance with the provisions of the Public Employees' Pension Reform Act of 2013.

The City shall provide the Government Code 20042 single highest year benefit plan for all miscellaneous Members at City expense.

The City shall also provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payments as employer contributions in lieu of employee contributions, for all bargaining unit members.

26.00 LAYOFF POLICY

26.01 Layoffs

The following procedures will be followed in the event of layoffs and/or reductions of personnel.

26.02 Order

Layoffs and/or reductions shall occur in the following order:

- (1) Temporary employees
- (2) Probationary employees
- (3) Regular part-time employees
- (4) Regular employees on "Needs to Improve"
- (5) Regular employees

The Police Department's monthly evaluations shall not be considered as the appropriate evaluation. The Chief of Police shall evaluate the employee's last yearly evaluations concern #4 above.

26.03 Seniority

Within each classification of sworn or non-sworn personnel, layoffs and reductions shall be made on the basis of inverse order to seniority in City Service.

26.04 Special Skills

Where the Chief of Police or appointing authority deems it in the best interest of the Department, he may waive the order of layoffs or reductions when loss of a Member's skills on a particular assignment or loss of his special skills would negatively affect the Department's work.

26.05 Association President

The President of the Association shall be exempt from layoffs during his/her term of office.

26.06 Notification

The City Manager and the Association agree that the City Manager shall notify the Association immediately (at least thirty (30) days prior) of any pending layoffs and/or reductions affecting Members covered by the Agreement. The Association shall have the right to meet and confer concerning such layoffs and/or reductions.

27.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of employees within the law; direct its employees; take disciplinary action; relieve its employees of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/employee relationships. These rights shall not be limited except as specified in this agreement.

28.00 PEACEFUL PERFORMANCE

The Association agrees that during the term of this Agreement neither it nor the Members it represents will engage in, encourage, sanction, or support: (1) strikes; (2) slowdowns; (3) mass resignations; (4) mass absenteeism; (5) picketing which would involve suspension of or interference with normal work of the department or other City departments; or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.

29.00 STAY WELL PLAN

The City has implemented the following Stay Well Plan which includes the following conditions:

- (1) Each stay well year will be from December 1 through November 30.
- (2) Eligible Members are those who have accumulated two hundred forty (240) hours of unused sick leave.
- (3) The stay well bonus will be paid each year in a separate check on the first pay date in December.
- (4) Eligible Members shall receive a bonus according to the following schedule, or a pro rata share of this bonus, should they achieve their two hundred forty (240) hours at some point during the stay well year.

<u>Sick Leave Used</u>	<u>Straight Time Bonus</u>	<u>Pro Rata Bonus</u>
0 sick hours	48 hours	50.0%
8 sick hours	40 hours	41.6%
12 sick hours	36 hours	37.5%
16 sick hours	32 hours	33.3%
24 sick hours	24 hours	25.0%
32 sick hours	16 hours	16.6%
36 sick hours	12 hours	12.5%
40 sick hours	8 hours	8.3%
48 - 96 sick hours	0 hours	0.0%

For example, if a Member has accumulated two hundred forty (240) hours by August of the stay well year and then accrues an additional twenty-four (24) hours from September 1 to November 30, the Member will have a total of two hundred sixty-four (264) hours. If the Member has taken sixteen (16) sick hours, the Member will receive 33.3% of the twenty-four (24) hours in excess of the required two hundred forty (240) hour minimum.

- (5) Personal leave hours are considered sick leave hours for the purpose of the stay well bonus, only if they are used immediately before or immediately following vacation or holidays (for those Members who receive holidays off) except as otherwise authorized by the Chief of Police.
- (6) The stay well bonus is payable at straight time.
- (7) Members shall have the option of receiving the bonus on the first pay date in December or crediting their unused sick hours to their total accumulations. Such a decision must be received by the City Manager

prior to December 1 of each year. The City Manager shall forward this notification to the Finance Department immediately.

(8) Sick hours taken off by Members, regardless of the reason, shall be deducted from the potential stay well bonus.

The specific purpose of the Stay Well Plan is to encourage Members to stay physically fit and well and to miss as few work hours as possible due to illness or any other reason.

~~30.00 Reclassification Study~~

~~City will conduct a reclassification study for the Services Supervisor position. City will consult with the Services Supervisor and her supervisor during the study to understand the current duties of this position and for appropriate comparisons to other agencies. Any compensation increase due to this reclassification study will be effective July 1, 2014.~~

310.00 TERM OF AGREEMENT

The term of this Agreement shall be July 1, 201~~4~~5, through June 30, 201~~5~~8.

(This space intentionally left blank.)

| 321.00 ENTIRE AGREEMENT

This Agreement rescinds and replaces any prior agreements between the parties except side letter agreements that are in effect by their terms.

“City”
CITY OF SCOTTS VALLEY

“Association”
SCOTTS VALLEY POLICE
SUPERVISORS ASSOCIATION

| ~~Jim Reed~~Dene Bustichi, Mayor

~~Mike Dean~~Jayson Rutherford, Sergeant

Stephen H. Ando, City Manager

Dave Cariaga, Operating Eng. Local 3

Approved as to form:

Kirsten Powell, City Attorney

EXHIBIT A

**CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION**

**SVPSA SALARY SCHEDULE
07/01/2015 - 06/30/2016**

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	6,926	7,272	7,636	8,018	8,419	8,840	9,282
Sergeant	5,674	5,958	6,256	6,569	6,897	7,242	7,604
Services Supervisor	4,252	4,465	4,688	4,922	5,168	5,426	5,697
Services Supervisor/ Information Tech & Project Manager	4,889	5,133	5,390	5,660	5,943	6,240	6,552

EXHIBIT B

**CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION**

**SVPSA SALARY SCHEDULE
07/01/2016 - 06/30/2017**

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	6,995	7,345	7,712	8,098	8,503	8,928	9,374
Sergeant	5,731	6,018	6,319	6,635	6,967	7,315	7,681
Services Supervisor	4,295	4,510	4,736	4,973	5,222	5,483	5,757
Services Supervisor/ Information Tech & Project Manager	4,938	5,185	5,444	5,716	6,002	6,302	6,617

EXHIBIT C

**CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION**

**SVPSA SALARY SCHEDULE
07/01/2017 - 06/30/2018**

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
-----	-----	-----	-----	-----	-----	-----	-----
Lieutenant	7,065	7,418	7,789	8,178	8,587	9,016	9,467
Sergeant	5,788	6,077	6,381	6,700	7,035	7,387	7,756
Services Supervisor	4,338	4,555	4,783	5,022	5,273	5,537	5,814
Services Supervisor/ Information Tech & Project Manager	4,987	5,236	5,498	5,773	6,062	6,365	6,683

City of Scotts Valley INTEROFFICE MEMORANDUM

DATE: September 2, 2015

TO: Honorable Mayor and City Council

FROM: Steve Ando, City Manager

SUBJECT: **Oral Presentation on Designation of Cotoni-Coast Dairies as National Monument and Request for City Endorsement**

SUMMARY OF ISSUE

Council Member Aguilar requested a presentation on the designation of Cotoni-Coast Dairies as a national monument and asks the Council for their support. Stephen Reed, campaign manager for this designation, will be at the Council meeting to give a presentation.

The property is 5,800 acres on the Santa Cruz north coast and includes six watersheds, coastal prairies, redwood forests, riparian canyons and grazing lands. It is owned by the federal Bureau of Land Management. A sample of the endorsements for this designation include U.S. Congresswoman Anna Eshoo, Scotts Valley Chamber of Commerce, County of Santa Cruz, City of Capitola, and Santa Cruz County Office of Education. The campaign has also received over 400 signatures from Scotts Valley residents in support of this designation.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Provide direction to staff regarding support of Cotoni-Coast Dairies as a national monument.

City of Scotts Valley INTEROFFICE MEMORANDUM

DATE: September 2, 2015

TO: Honorable Mayor and City Council

FROM: Corrie D. Kates, Community Development Director/Dep. City Mgr.

SUBJECT: URGENCY ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF NEW COMMERCIAL OPERATIONS ENGAGED IN THE SALE OF FIREARMS, AMMUNITION, AND /OR EXPLOSIVE DEVICES WITHIN THE CITY OF SCOTTS VALLEY

SUMMARY OF ISSUE:

Mayor Bustichi has requested that the City Council considering adopting a temporary moratorium on firearms dealers while the City studies the appropriate regulations for those types of uses. Commercial operations engaged in the sale of firearms, ammunition and/or explosive devices needs a federal firearms license, a certificate of eligibility from the state Department of Justice, a seller's permit from the State Board of Equalization and a local business license. Currently, the Scotts Valley Municipal Code does not provide any further land use review, controls, development standards or procedures to consider this land use. A moratorium would temporarily prevent the opening of new commercial operations engaged in the sale of firearms, ammunition and/or explosive devices, while staff further studies appropriate land use regulations on such operations.

BACKGROUND:

On August 19, 2015, the Scotts Valley Police Department presented a draft ordinance which required firearms dealer licenses for any business in the City selling firearms or ammunition. The ordinance placed limitations on the location of firearms dealers, required significant safety measures and restricted transfers of the licenses.

At that meeting, testimony was received that there was a concern that the proposed ordinance was overly restrictive and needed more review by City staff. In addition, members of the public and City Councilmembers expressed concern over the location of new businesses and the proximity to children. In order to allow City staff time to research alternative regulations, staff is recommending that the City Council consider the adoption of an Urgency Ordinance to halt any new firearms dealerships from opening within the City until such time as the City has implemented appropriate regulations to protect the public health, safety and welfare of the community.

MORATORIUM

Government Code Section 65858 authorizes a jurisdiction to adopt, as an urgency measure, an interim zoning ordinance (also referred to as an " urgency ordinance ") prohibiting certain uses which may be in conflict with the general plan, specific plan or zoning ordinance which a jurisdiction is considering without following the procedures otherwise required for the adoption of a zoning ordinance. Before adopting or extending an urgency ordinance, Council must make a finding that there is a current and immediate threat to public health, safety or welfare, or that the approval of additional development applications would result in such a threat. Such an ordinance requires a four -fifths vote of the City Council for adoption and shall be effective immediately upon adoption for no more than 45 clays. Thereafter, the City Council may further extend the urgency ordinance for 10 months and 15 days after a noticed public hearing, and may subsequently extend the urgency ordinance for one additional year. Ten days prior to the expiration of the ordinance, the Clty Council shall issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance.

JUSTIFICATION FOR MORATORIUM

A temporary moratorium will prevent new commercial operations engaged in the sale of firearms, ammunition, and /or explosive devices from locating in the City until land use related procedures and regulations are considered and adopted. Without an immediate moratorium in place, a new firearms dealer could obtain a City business license and locate in any commercial zoning district which could be in close proximity to schools or other areas frequented by minors. Adoption of a temporary moratorium would allow City staff time to:

1. Consider community concerns regarding the sales, repair, and /or manufacturing of firearms, ammunition, and /or explosive devices;
2. Determine appropriate zoning for such firearms related businesses, including home occupation permits; and
3. Research and evaluate firearms regulations in California, including other cities and the Counties of Santa Clara and Santa Cruz.

Initial review of the law in this area concludes that the federal Constitution upholds an individual's right to possess handguns for lawful purposes. However, federal and state cases and statutory laws also indicate that local regulations may be applied that impose reasonable conditions and qualifications on the commercial sale of firearms and ammunition. Existing conforming commercial operations engaged in the sale of firearms and /or ammunition within City limits would not be affected by this moratorium. Currently, there are four (4) known conforming commercial operations engaged in the sale of explosive devices within the City limits.

REQUIRED FINDINGS

As noted above, before adopting or extending an urgency ordinance, Council must make a finding that there is a current and immediate threat to public health, safety or welfare, or that the approval of additional development applications would result in such a threat. The proposed interim urgency ordinance addresses the need for the immediate preservation of the public health, safety, and welfare. The facts constituting urgency and a current and immediate threat to the public health, safety and welfare are as follows:

While the City studies the issues raised at the August 19, 2015, City Council meeting, considerable uncertainty exists as to whether the operation of future commercial sales of firearms, ammunition, and /or explosive devices within the City of Scotts Valley will be subject to future land use regulations (zoning, conditional use permit, etc.) and ultimately be in conflict with the Scotts Valley Municipal Code. Without any current regulations in place, the City has no ability to withhold a business license for a business engaged in the sales of firearms and /or ammunition or prevent a commercial establishment selling firearms and /or ammunition from location near schools or in areas frequented by minors. Recent events throughout the nation and in nearby communities have generated additional fear of random usage of firearms to commit violence on unsuspecting residents, minors and adults alike.

FISCAL IMPACT:

Researching the issues and preparing amendments to the City's Municipal Code will require a commitment of staff time.

STAFF RECOMMENDATION:

Introduce and adopt Ordinance No. 189, An Urgency Ordinance Of The City Of Scotts Valley Imposing A Temporary Moratorium On The Establishment Of Commercial Operations Engaged In The Sale Of Firearms, Ammunition, And /Or Explosive Devices Within The City Of Scotts Valley And Declaring The Urgency Thereof.

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ORDINANCE NO. 189

AN URGENCY ORDINANCE OF THE CITY OF SCOTTS VALLEY IMPOSING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF COMMERCIAL OPERATIONS ENGAGED IN THE SALE OF FIREARMS, AMMUNITION, AND/OR EXPLOSIVE DEVICES WITHIN THE CITY OF SCOTTS VALLEY AND DECLARING THE URGENCY THEREOF

WHEREAS, Government at all levels has a substantial interest in protecting the people from those who acquire guns lawfully or illegally and then use them to commit crimes resulting in injury or death of their victims or who use them in the commission of other coercive crimes such as robbery and sexual assault; and

WHEREAS, the sales of firearms and ammunition are not currently regulated under the Scotts Valley Municipal Code; and

WHEREAS, the sale of firearms, ammunition and /or explosive devices has raised the following public health, safety and welfare concerns: school safety; parks, school routes, and residences in close proximity to such sales; and potential negative influences of such sales on children; and

WHEREAS, at the City Council meeting on August 19, 2015, the City Council received extensive public comments for approximately two hours on the issue of whether the City of Scotts Valley should consider adopting regulations concerning the business operations and sales of firearms and ammunition. At the conclusion of that meeting, the City Council directed staff to study the issues involved and meeting with existing firearms dealers; and

WHEREAS, while the City studies the issues requested by the City Council on August 19, 2015, concerning potential land use regulations of the sale of firearms, ammunition and explosive devices, considerable uncertainty exists as to whether future sales of firearms, ammunition, and /or explosive devices within the City of Scotts Valley will be subject to new land use regulations (zoning, conditional use permit, etc.) and ultimately be in conflict with the existing Scotts Valley Municipal Code. Without an immediate moratorium, a new retail establishment selling firearms could obtain a business license in the City of Scotts Valley within a matter of a few business days; and

WHEREAS, other California cities have adopted zoning ordinances and business regulations that govern the sales of firearms and ammunition. The County of Santa Cruz adopted a moratorium on an urgency basis in January 2013 prohibiting new commercial sales of firearms and ammunition; and

WHEREAS, recent events throughout the County of Santa Cruz and nearby communities have generated additional fear of random usage of guns to commit violence on unsuspecting residents, minors and adults alike; and

WHEREAS, the toll taken on society, both locally and nationally, by firearm violence is enormous and is most graphically and tragically illustrated by the recent epidemic of random mass terrorist -style executions across the country in: Aurora, Colorado; Columbine, Colorado; Atlanta, Georgia; Fort Worth, Texas; Washington DC; Chicago, Illinois; Birchwood, Wisconsin; Brookfield, Wisconsin; Nickel Mines, Pennsylvania; Delaware State University; Omaha, Nebraska; Carnation, Washington; suburban Chicago; Northern Illinois University; Virginia Tech University; Alger, Washington; Covina, California; Alabama; North Carolina; Santa Clara, California; Binghamton, New York; Texas Southern University; Fort Hood, Texas; University of Alabama at Huntsville; Tucson, Arizona; Oakland, California; Oak Creek, Wisconsin; New York City; Minneapolis, Minnesota; Milwaukee, Wisconsin; Tustin, California; and, in December 2012, New City, Connecticut. All of these tragedies occurred within the last 15 years, and killed 774 people, including at least 161 young children.

NOW THEREFORE, BASED UPON THE FOREGOING AND ALL EVIDENCE SUBMITTED TO IT, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. PURPOSE AND FINDINGS

A. The above recitals are incorporated herein and each relied upon independently by the City Council as findings for its adoption of this urgency interim ordinance.

B. The City of Scotts Valley Zoning Ordinance does not currently include regulation concerning the sale of firearms, ammunition or explosive devices.

C. The City Council recently conducted approximately two hours of community discussions during a City Council meetings on August 19, 2015, and received concerned comments, written and oral, urging the City Council to regulate the sale of firearms, ammunition, and /or explosive devices.

D. Additional time is necessary for the City to study the issues raised by the community and the City Council concerning the sales of firearms, ammunition, and explosive devices,

E. Adoption of the urgency interim ordinance imposing a temporary moratorium on the establishment of commercial operations engaged in the sale of firearms, ammunition, and /or explosive devices is necessary to avoid the previously identified current and immediate threat to the public health, safety, and welfare.

SECTION 2. INTERIM MORATORIUM IMPOSED

For a period of forty -five (45) days, commencing on the date of the adoption of this urgency interim ordinance, or until such time as this urgency interim ordinance may expire subject to any extension of this urgency interim ordinance that the City Council may adopt and approve pursuant to Government Code Section 65858, no zoning

ordinance interpretation or amendment, or amendment to the General Plan, use permit, building permit, business license, or any other permit or entitlement for use shall be approved or issued for the approval, commencement, establishment or operation of, and no new person or entity shall operate, manage or conduct the sale of firearms, ammunition, and /or explosive devices upon any property in any zoning district within the City of Scotts Valley during the period this urgency interim ordinance is in effect. For the purpose of this period of the urgency interim ordinance, any existing person or entity currently issued and holding a valid Federal Firearms License and State Certificate of Eligibility for the sale of firearms and /or ammunition shall not be prohibited from continuing their current existing business operations.

SECTION 3. URGENCY ORDINANCE

Based on the findings set forth in the recitals and Section 1 herein, the recent community concerns, an immediate threat to the public health, safety, or welfare exists. This ordinance is necessary to alleviate and address that threat until permanent land use regulations can be established.

SECTION 4: URGENCY PERIOD.

This ordinance is declared to be an urgency ordinance for preserving the public health, safety and welfare and to take effect and be enforced immediately upon adoption. Ten (10) days prior to the expiration of this interim ordinance or any extension thereof, the City Council shall issue a written report describing the measures that have been taken to study the relevant issues for establishment of new firearms dealerships uses within the City.

SECTION 5: AMENDMENTS TO ORDINANCE.

The City Council by ordinance after notice of public hearing, by the affirmative vote of at least four-fifths (4/5) of the City Council Members, may modify, amend, delete or add to this ordinance upon a finding that such action will implement and enforce the goals, policies and purpose of this ordinance.

SECTION 6: SEVERABILITY.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 7: REPEALS CONFLICTING ORDINANCES.

All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 8: CEQA COMPLIANCE.

The City Council finds and determines that the enactment of this Ordinance is not a “project” as that term is used in the California Environmental Quality Act (“CEQA;” Cal. Pub. Resources Code Section 21000 et seq.) or the State CEQA Guidelines (Cal. Code of Regs. Title 14, Section 15000 et seq.). Therefore, no environmental assessment is required or necessary.

SECTION 9: EFFECTIVE DATE.

In accordance with California Government Code Section 65858, this ordinance was introduced and adopted at a regular meeting of the City Council of the City of Scotts Valley and shall be in full force and effect for a period of forty-five (45) days from the date of adoption. This period may be extended by the City Council in accordance with the provisions of California Government Code Section 65858.

This ordinance was introduced and was passed and adopted by the City Council of the City of Scotts Valley on the 2nd day of September, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Dene Bustichi, Mayor

ATTEST:

Tracy A. Ferrara, City Clerk

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

**SCOTTS VALLEY POLICE DEPARTMENT
MEMORANDUM**

DATE: September 2, 2015

TO: The Honorable Mayor and City Council

FROM: John P. Weiss, Chief of Police

**SUBJECT: ADDING CHAPTER 5.38 TO TITLE 5 OF THE SCOTTS VALLEY
MUNICIPAL CODE REQUIRING FIREARMS DEALERS TO MEET
CERTAIN REQUIREMENTS AND TO OBTAIN A FIREARMS DEALER
LICENSE**

SUMMARY OF ISSUES

On August 19, 2015, the Police Department recommended that the City Council adopt an ordinance that regulated firearms dealers. After receiving public testimony, the City Council directed staff to conduct more research and modify the presented ordinance, which we have done.

We recognize that firearms dealers are regulated by Federal and State laws, but that these regulations stop short of two crucial areas of premises security. Firearm dealers are not required by Federal or State laws to have burglary alarm systems and video surveillance systems. Additionally, Federal and State agencies that monitor and audit firearms dealers often do not have the time to sufficiently monitor whether requirements are being met.

We recommend that an ordinance be established that would require a ONE-TIME firearms dealer city license be obtained by all operators of business which sell firearms or ammunition. In order to obtain the license and continue operating in Scotts Valley, the operators are required to install burglary alarm systems and video surveillance systems. In addition, all licensees will be required to comply with all Federal and State laws. Violations could result in the license being suspended or revoked.

This ordinance would affect existing as well as new firearms dealers. The Police Chief has spoken with the owners of the existing firearms businesses. Each existing business already has adequate security systems. Existing firearms dealers would have 12 months to comply with the requirements and obtain a city firearms dealer license. Any location change of an established firearms dealer would require a new firearms dealer license.

FISCAL IMPACT

There are no direct costs associated with this ordinance or required by the City. Any administrative or operational expenses related to licensing are incorporated into the one-time license fee.

RECOMMENDATION

That Council approve first reading and introduction of the Ordinance No. 190, adding Chapter 5.38 to Title 5 of the Scotts Valley Municipal Code requiring firearms dealers to meet certain requirements and to obtain a firearms dealers license, and approve Resolution No. 1908 establishing a one-time firearms dealer license fee of \$100, to locally regulate and enforce the sales of firearms.

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ORDINANCE NO. 190

**AN ORDINANCE OF THE CITY OF SCOTTS VALLEY ADDING CHAPTER 5.38 TO
TITLE 5 OF THE SCOTTS VALLEY MUNICIPAL CODE REQUIRING FIREARMS
DEALERS TO MEET CERTAIN REQUIREMENTS AND TO OBTAIN A
FIREARMS DEALER LICENSE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS
FOLLOWS:**

SECTION 1. Title 5 of the Scotts Valley Municipal Code is hereby amended by adding a new Chapter 5.38 entitled “Firearms Dealers” to read as follows:

“Chapter 5.38

Firearms Dealers

- 5.38.010 Purpose.
- 5.38.020 Definitions.
- 5.38.030 City license.
- 5.38.040 Application for City license.
- 5.38.050 Approval by Licensing Officer.
- 5.38.060 Denial of application.
- 5.38.070 Appeal from denial.
- 5.38.080 Requirements.
- 5.38.090 Suspension and revocation.
- 5.38.100 Notification of suspension or revocation.
- 5.38.110 Hearing on revocation or suspension.
- 5.38.120 Violations.
- 5.38.130 Penalties.

5.38.010 Purpose.

This chapter is enacted pursuant to State law, as set forth in Article 1, Chapter 2, Division 6, Title 4, Part 6 of the California Penal Code beginning with Section 26700 et seq.

5.38.020 Definitions.

As used in this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

(A) “Firearm” means a device as defined by California Penal Code Section [16520](#).

(B) “City license” means a license issued by the local licensing authority pursuant to this chapter authorizing a person to engage in the sale, lease, transfer, delivery, advertisement or offer for sale, lease, or transfer of firearms.

(D) “Local Licensing Authority” or “Licensing Officer” means the City Manager of the City of Scotts Valley, or his or her designee.

5.38.030 City license.

On and after the effective date of this ordinance, no person required to obtain a Federal Firearms License and a State Department of Justice License to sell firearms shall establish a business that engages in the sale, lease, transfer, delivery, advertisement or offer for sale, lease, or transfer any firearm without first also obtaining and keeping a one-time City license issued pursuant to this chapter by the Local Licensing Authority. Existing firearms dealers at the effective date of this ordinance have 12 months to comply with the conditions and obtain a city license.

5.38.040 Application for City license.

(A) Each person applying for a City license under this chapter shall submit an application to the Local Licensing Authority.

(B) In order to obtain a City license, the applicant must first provide the following to the Licensing Officer:

- (1) A valid Federal firearms license;
- (2) A valid seller's permit issued by the State Board of Equalization;
- (3) A valid certificate of eligibility issued by the Department of Justice;
- (4) Documentation that the seller is recorded in the centralized list maintained by the Department of Justice pursuant to California Penal Code Section [26715](#);
- (5) Payment of a nonrefundable administrative fee, in an amount to be established by resolution of the City Council.

(C) Where the applicant is a corporation, each of the requirements contained in this chapter must be completed and/or adhered to by a legally recognized corporate officer of said corporation. Where the applicant is a partnership, each of the requirements contained in this chapter must be completed and/or adhered to by a legally recognized general partner of said partnership. Both the individual and the corporation or partnership shall be liable for any violation of the provisions of this chapter.

(D) Each application shall specify only one location at which the sale or transfer of firearms shall take place. If any firearms dealer licensed under either Federal, State or local law changes his or her place of business, an application for the new location shall be submitted, accompanied by a nonrefundable fee (in the form of a check or cash) as set forth in the schedule of fees. That application shall be considered an initial application and not an application for renewal.

5.38.050 Approval by Licensing Officer.

The Licensing Officer shall have the authority to approve or disapprove the issuance of the City license. For the purpose of considering requests for a City license, the Licensing Officer shall apply the minimum standards set forth in this chapter. Factors to be considered by the Licensing Officer in approval or denial of the application for a City license include, but are not limited to:

- (A) Evidence of the applicant's compliance with all applicable City, State and Federal laws;
- (B) Whether applicant has violated any provisions of this chapter;
- (C) Whether the applicant has made any false statements as to any material fact in applying for the City license;
- (D) Whether the applicant has done or caused or permitted to be done any act which if done by an authorized firearms dealer would be grounds for suspension or revocation of the City license;

5.38.060 Denial of application.

If the applicant does not meet all of the written standards, hereinabove set forth, the Licensing Officer shall not issue a City license to such applicant.

It shall be the duty of the Licensing Officer to notify an applicant that his or her application has been denied by serving such person, either personally or by first class United States mail, with a letter setting forth the reason(s) for such denial. The notice, if served by mail, shall be deemed to have been served on the date of its deposit in the United States mail, postage prepaid, to the applicant's address of record. The notice shall also inform the applicant of his or her right to a hearing before the City Council at which time the applicant may appear, with a representative if so desired, and be heard on the matter. The applicant shall also be given notice that any request for a hearing before the City Council must be made in writing to the City Clerk within 10 calendar days after the date on which such notice is served on the applicant.

5.38.070 Appeal from denial.

An applicant whose application has been denied by the Licensing Officer shall have the right to appeal such decision to the City Council. The City Council shall hold a hearing thereon pursuant to the procedures set forth in Section 5.38.110.

5.38.080 Requirements.

(A) The permitted business location shall be secured by a third party monitored alarm system. The alarm system shall be of sufficient quality to thwart the bypassing of the alarm (E.G., wireless, hardened security of the wire system, etc.).

(B) The permitted business location shall be monitored by a video surveillance system.

(C) Any person licensed under this chapter shall obey all applicable City, State and Federal laws; and in addition, comply with the following requirements:

(1) The business shall be carried on only in the building designated in the City license;

(2) The City license or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can easily be seen.

5.38.090 Suspension and revocation.

Every City license issued under this chapter shall be subject to summary suspension and revocation by the Licensing Officer if he or she determines that:

(A) The City license holder has failed to meet any of the requirements specified under this chapter;

(B) The City license holder and/or any employee(s) has violated any of the conditions or provisions of this chapter;

(C) The City license holder and/or any employee(s) has violated any provision of Federal or State firearms sales laws;

(D) The City license holder's Federal firearms sales license has been revoked; or

(E) The City license holder has committed any act which could have resulted in the denial of issuance of a firearms license.

5.38.100 Notification of suspension or revocation.

It shall be the duty of the Licensing Officer or his or her designee to notify any City license holder charged with any violation or misconduct, as described above, by serving such person, either personally or by first class United States mail, with a letter setting forth the particular written standard or condition which has been violated. The letter shall inform such City license holder of the right to a hearing before the City Council, at which time the City license holder may appear with a representative if so desired and be heard in defense of the charges. The City license holder shall also be given notice that any request for a hearing before the City Council must be made in writing to the City Clerk

within 10 calendar days after the date on which notice is served on the City license holder. The suspension or revocation shall be effective on the date the notice is served on the City license holder. Such notice, if served by United States mail, shall be deemed to have been served on the date of its deposit in the United States mail, postage prepaid, to the City license holder's address of record.

5.38.110 Hearing on revocation or suspension.

(A) Any applicant or licensee who is aggrieved by any action taken in regard to a City license may request an appeal hearing before the City Council. Request for such hearing shall be in writing and filed with the City Clerk, and a copy filed with the Licensing Officer on or before 10 calendar days after the action appealed from was taken, and shall state the grounds upon which the aggrieved party claims there was improper denial, suspension or revocation of his or her license.

(B) Upon receipt of such request for hearing, the City Council shall set the matter for hearing not later than 20 calendar days thereafter unless the Council is not in session in which case the Council shall set the matter for hearing at the next available regular meeting date. The Council may also determine whether to stay the denial, suspension or revocation pending decision on the appeal. Written notice of the time and place of hearing on the matter shall be given by the City Clerk to the aggrieved party and to the Licensing Officer, and upon receipt of the notice of hearing the Licensing Officer shall forward to the City Council and provide to the appellant a report on this action with respect to the matter, attaching all relevant notices and any other materials relied upon by the Licensing Officer in making the decision.

(C) Upon hearing of the matter, the City Council may take such action or make such orders as the Council deems just and proper in the disposition of the matter.

5.38.120 Violations.

It shall be unlawful and a violation of this chapter for any person, corporation, partnership or other entity to operate a firearms business within the City of Scotts Valley without a valid City license issued pursuant to this chapter.

5.38.130 Penalties.

Any person or entity, whether as principal, agent, employee, or otherwise, violating or causing or permitting the violation of any of the provisions of this chapter, shall be guilty of an infraction for the first offense, or of a misdemeanor for any subsequent offense(s) occurring within the one year after the first offense. Upon conviction, the person convicted shall be punished in accordance with Chapter 4.04 of the Scotts Valley Municipal Code.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 3. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 4. CEQA. The City Council finds and determines that the enactment of this Ordinance is statutorily exempt from environmental review pursuant to the State CEQA Guideline Section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect thirty (30) days after the date of its adoption. Prior to the expiration of fifteen (15) days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This Ordinance was introduced on the 2nd day of September, 2015, and passed and adopted by the City Council of the City of Scotts Valley on the _____ day of _____, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Dene Bustichi, Mayor

ATTEST:

Tracy A. Ferrara, City Clerk

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

RESOLUTION NO. 1908
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SCOTTS VALLEY
ESTABLISHING A FIREARMS DEALER LICENSE FEE

WHEREAS, the safety of the community and its citizens is paramount; and

WHEREAS, the need to better regulate the establishments of firearm dealers so that proper security and safety measures are in place; and

WHEREAS, the ability of the City to deny a Firearms Dealer License due to inadequate safety and security precautions is in place.

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

A one-time Firearms Dealer License Fee in the amount of \$100.00 is hereby established to recover City costs, including administration and enforcement activities.

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 2nd day of September 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Dene Bustichi, Mayor

ATTEST: _____
Tracy A. Ferrara, City Clerk

What the Federal and State Regulate

- Require licenses for dealers (FFL, Seller's Permit, local licenses)
- Require dealer have a Certificate of Eligibility (COE)
- Conduct business at a building designated on license (Exceptions)
- Transfer (Sell) of firearms
 - o 10 day wait period
 - o Clear evidence of buyer's identity and age
 - o DOJ background clearance
 - o Proof of approved firearms safety device
 - o Offer pamphlet on CA firearms laws
 - o Firearm Safety Certificate or Handgun Safety Certificate
 - o Perform safe handling demo
 - o Documented CA resident
 - o Delivered unloaded/securely wrapped, or unloaded/locked container
 - o Warning label with gun
- Posted warnings (Child access, lead exposure, pick up gun within 30 days, only one gun a month)
- 48 hours to report lost or stolen gun
- Storage of firearms (secure facility, or secure guns with cable, or locked safe)
- Display of guns/ads visible from premises
- Report on acquisition of firearms to DOJ
- Record keeping requirements

CITY OF SCOTTS VALLEY
STAFF REPORT

DATE: September 2, 2015
TO: Honorable Mayor and City Council
FROM: Scott Hamby, Public Works Director
SUBJECT: SILTANEN PARK IMPROVEMENTS - CIP FUNDING

SUMMARY OF ISSUE

At the City's annual budget hearing on May 20 of this year, Council discussed the adequacy of the \$75,000 budgeted in the CIP to address needed improvements at Siltanen Park. Council Member Johnson asked staff to return at a later date with an update on how much money would be needed to make improvements to the barbeque area in addition to the replacement of a wood retaining wall.

Staff worked with an architect to determine what improvements could be made to the park and at the same time, making the barbeque area, including restrooms, ADA accessible. The retaining wall estimate is based on staff doing the work as it would be substantially higher (at least \$50,000) if done by an outside contractor. Based on the architect's recommendations, the following improvements can be made for the associated costs. These costs also include new flooring, fixtures, and privacy panels for the restrooms; and new countertops for the entire barbeque area:

Restrooms:	\$ 57,475
Barbeque area:	\$ 8,360
Building modifications (option 1):	\$ 84,555
Building modifications (option 2):	\$ 22,356 (archways & trellis)
Retaining wall (by City staff):	<u>\$ 12,000</u>
Total (using option 1)	\$162,390
Total (using option 2)	\$100,191

The following are costs if we are able to have the work done in house by City maintenance crews. The material for the retaining wall material is the stacking cinder block style that is tan in color:

Restrooms:	\$ 21,000
Barbeque area:	\$ 8,360
Building modifications (option 1):	\$ 84,555 (work by contractor)
Building modifications (option 2):	\$ 17,600 (archways and trellis)
Retaining wall:	<u>\$ 12,000</u>
Total (using option 1)	\$125,915
Total (using option 2)	\$ 58,960

Although there will be significant cost savings if the work is performed by City staff, it will take longer to complete the work and it could impact other projects and services typically performed by City staff. Some work may be subbed out, but this would no doubt create a drain on maintenance staff time.

FISCAL IMPACT

The fiscal impact is dependent on what improvements are done and what source of funds are used for the work.

STAFF RECOMMENDATION

Discuss the projects detailed above and provide direction to staff on the scope of improvements and how to fund them.

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Parks & Recreation Impact Fees

Current Cash Balance \$ 446,000

Budgeted Items 2015-16:

Siltanen Park	\$ 75,000	
MacDorsa Park Play Structure	50,000	
Playground Equipment	5,000	
Playground Surfacing	20,000	
Bocce Sidewalks / Drainage	<u>18,000</u>	<u>168,000</u>

Funds Remaining 278,000

Potential Other Projects:

Lights at Siltanen Park	90,813	
Reflective shields for field lights	7,300	
Siltanen Park Improvements by Contractor (net of \$75,000 above)	25,191	
Tennis Court Bathroom / Storage	106,000	
Tennis Court Additional Parking	6,210	
Transition Plan	<u>19,132</u>	<u>254,646</u>

Funds Remaining After Other Projects 23,354

If Siltanen projects done in-house, add back 41,231

Funds Remaining Using In-house Staff \$ 64,585

LENNAR FUNDS

Original Funding Amount	\$	1,000,000
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Actual Costs:

Hillside Erosion under Pool	\$	18,255	
Chairs/Tables at Community Center		14,528	
Pool Cover		7,452	
Recreation Van		<u>18,636</u>	58,871

Amounts Designated:

MacDorsa Park Retaining Wall		2,500	
Softball Infield Fines		10,000	
Siltanen Field Backstops		15,000	
Theater		25,000	
Octagon Building		12,500	
High School Turf		<u>10,000</u>	<u>75,000</u>

Funds Remaining		866,129
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Potential Other Projects:

Brook Noll Modular (2015-16)		233,585	
Resurface Tennis Court (2015-16)		25,000	
Overlay existing Tennis Parking Area (2015-16)		11,785	
Vine Hill Modular (2017-18)		<u>350,000</u>	<u>620,370</u>

Funds Remaining After Other Projects	\$	<u><u>245,759</u></u>
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Siltanen Park Accessibility Improvements

Scope of Work:

1. To verify level of accessibility of the bathrooms and provide accessibility suggestions in areas of deficiency.
2. To provide accessibility suggestions to the BBQ area, including sink and countertops
3. To provide design suggestions for weather protection over snack bar service counters
4. To provide general design suggestions for improving architectural appearance at community areas.

Overview:

The Rec. Building and BBQ area are located on the edge of the park, slightly raised above the playing fields and adjacent to the swimming pool and children's play structure. There are a number of mature shade trees at the outside picnic area, and around the two-story Rec Building.

The Bathrooms are situated on the first floor of the Rec building, adjacent to the Snack Shack, and are accessed from an open BBQ / Eating area, which is bordered by a "south western style" arched stucco wall, with wood arbor, over the eating area and the double BBQ cooking / prep / serving area.

First Impressions:

The BBQ area is heavily shaded, the angular arches are low (7'-0" high), and the walls are monumental (2'-0" thick). The first impression is that the walls define the area too strongly, creating separation from the rest of the park, rather than inclusion. Though the area is well shaded, which is to be welcomed on a sunny day, like the day we visited, it is perhaps over shaded and the cooking area is too "dark" even on a sunny day, with the assumption the whole area would be darker on an overcast day.

The bathrooms:

The entrance doors are painted the same color as the walls of the Rec Building, and are not initially very visible. The bathrooms themselves are well-used, and finishes are in fair condition.

There are a number of issues within the bathrooms which do not meet accessibility codes (outlined below).

There is not an accessible path of travel to the Rec Building, the BBQ Area or the existing bathrooms.

Requirements:

1. We did not address bathroom requirements (# of fixtures) for the park, and assumed that the existing fixture count (Male: 2WC; 1 urinal; 2lavs, Female: 2WC; 3lavs) were adequate.
2. The Rec. Building and BBQ Area are not accessible. The path of travel from the existing parking appears to continue to the play structure and swimming pool, but does not connect to the Rec. Building or BBQ Area. In our opinion, this deficiency should be addressed in conjunction with the accessibility improvements in these areas.

Accessibility Analysis:

Men's Bathroom:

The following items are Code Deficient – see attached floor plan for locations.
Solutions are indicated in red.

1. Width of accessible toilet is 4'-10 ½". Code Requirement is min. 5'-0"
Solution: Rebuild framed party wall with studs on side to reduce width of wall, sheath with ¾" plywood and refinish.
2. Toilet is centered 16 ½" from adjacent wall. Code Requirement is 17-18"
Solution: Reduced wall width will satisfy 18" requirement.
3. The wall adjacent to the toilet is 50 ¼". Code Requirement for installing a grab bar is min. 54"
Solution: rebuilt wall will meet requirement.
4. The door strike distance on the exterior of the stall is 13". Code requirement is 18"
Solution: Install (n) partition door to accessible stall, with hinge tight to wall, and install (n) partition at second toilet, to achieve required strike distance
5. The urinal is 20" above floor. Code Requirement is max. 17"
Solution: Re-install (e) urinal at correct height. Repair finishes as necessary.
6. Accessible lavatory is 34 ½" above floor. Code Requirement is 34" max.
Solution: Re-install (e) lavatory at correct height. Repair finishes as necessary.
7. The hand dryer protrudes 8 ½" into the path of travel. Code Requirement min. 4"
Solution: Re-install (e) hand-dryer in location shown on plan. Repair finishes as necessary.
8. The hand dryer operating height is 45 ½". Code Requirement max. 40"
Solution: Re-install (e) hand-dryer at correct height.
9. There is a soffit at the entrance door at 6'- 10 ½". Code Requirement min. 7'-0"
Solution: Raise (e) soffit to achieve minimum height of 7'-0"
10. The light switch for the room is 50" above floor. Code Requirement max. 48"
Solution: Move light switch to correct height. Repair finishes as necessary.
11. Accessible signage is required on the entrance door and on the strike side of the door.

Accessibility Analysis:

Women's Bathroom:

The following items are Code Deficient – see attached floor plan for locations.

Solutions are indicated in **red**.

12. Width of accessible toilet is 4'-10 ¾". *Code Requirement is min. 5'-0"*
Solution: Rebuild framed party wall with studs on side to reduce width of wall, sheath with ¾" plywood and refinish.
13. The door strike distance on the exterior of the stall is 13". *Code requirement is 18"*
Solution: Reduced wall width will satisfy 18" requirement.
14. Accessible lavatory is 35 1/8" above floor. *Code Requirement is 34" max.*
Solution: Re-install (e) lavatory at correct height. Repair finishes as necessary.
15. The hand dryer protrudes 8 ½" into the path of travel. *Code Requirement min. 4"*
Solution: Re-install (e) hand-dryer in location shown on plan. Repair finishes as necessary.
16. The hand dryer operating height is 45". *Code Requirement max. 40"*
Solution: Re-install (e) hand-dryer at correct height.
17. The entrance door strike is less than 1". *Code Requirement is min. 18"*
Solution: Install (n) hollow metal door, with hinge on opposite side, to achieve required strike distance.
18. There is a soffit at the entrance door at 6'- 10 ½". *Code Requirement min. 7'-0"*
Solution: Raise (e) soffit to achieve minimum height of 7'-0"
19. The light switch for the room is 56" above floor. *Code Requirement max. 48"*
Solution: Move light switch to correct height. Repair finishes as necessary.
20. Accessible signage is required on the entrance door and on the strike side of the door.

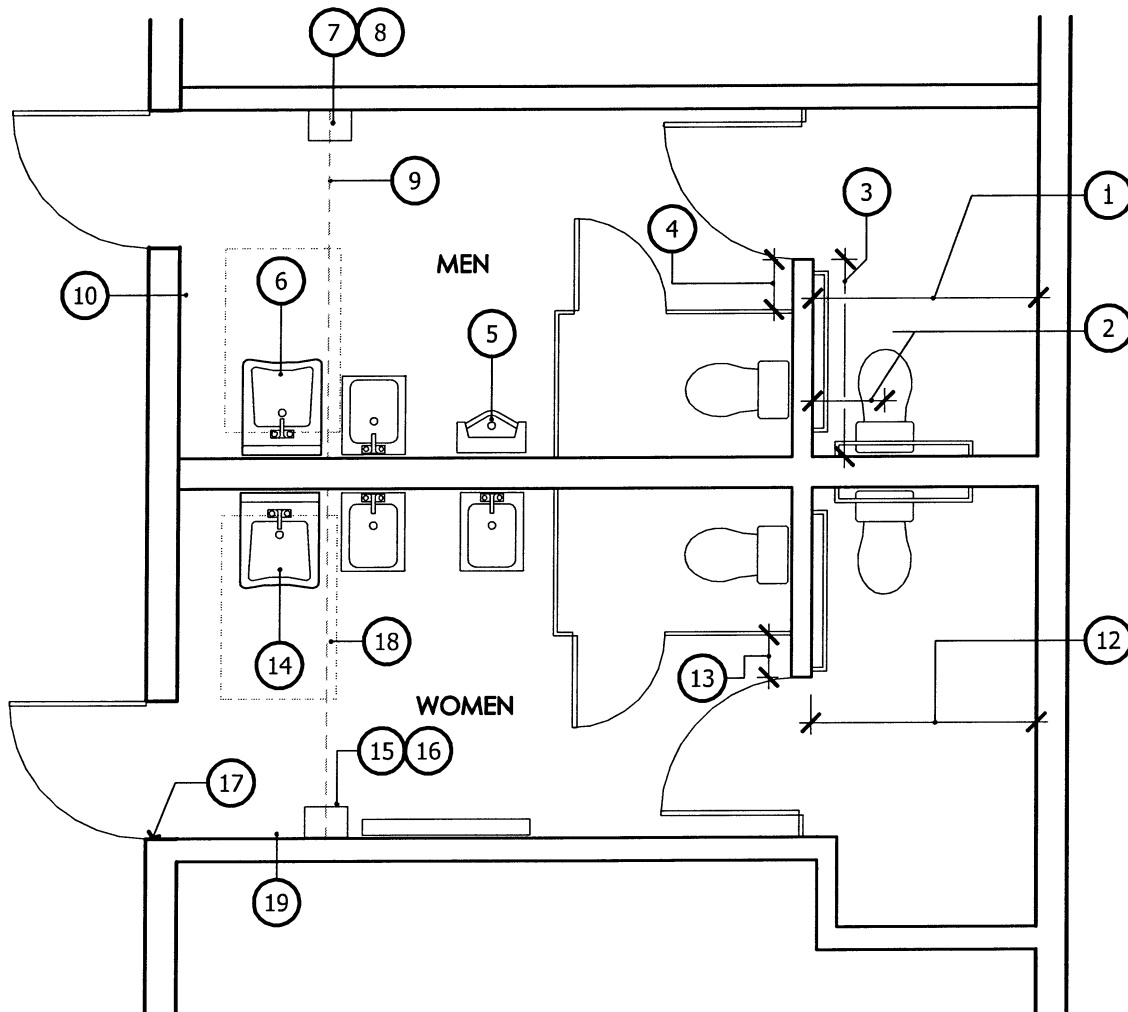
Accessibility Analysis:

Drinking Fountain:

1. There is a single height drinking fountain with the bubbler at 36" which meets the code requirement.
Since the drinking fountain is not in an alcove and is in the pedestrian way, barriers are required, projecting 18" from wall, with 32" clear between the barriers.
Solution: install barrier on both sides of drinking fountain
Note: Hi-Lo drinking fountain is provided nearby but not on an accessible path of travel to/from the BBQ Area.

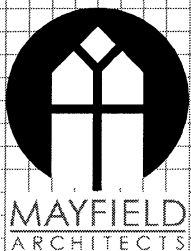
BBQ Area:

1. The BBQ pits are at 33 ½". Code Requirement is max. 34", but they do not have accessible wheelchair clearance below. Depending on the construction of the pit, accessibility may not be possible.
2. The countertops at the exterior of the BBQ are 38 ½". Code requires an accessible counter at max. 34", min width 36".
Solution: remove counter where located on plan, and install new counter at accessible height
3. Aisles between the BBQ pits and counters vary between 33 ½" and 51 ½" wide. Code Requirement is min. 44" wide.
Solution: rebuild BBQ island, resized to achieve required clearances. Relocate BBQ pits within new island as required.
4. The sink is not accessible. Code requires clear space for front approach; under counter clearance; and turning clearances. Also the faucet is not lever type.
Solution: remove (e) stainless steel sink, and reinstall in accessible location in re-built BBQ island. Install alternate, accessible faucet.
5. The entrance to the BBQ pits through the countertops is 31 ¼". Code Requirement min. 32" clear.
Solution: remove counter where located on plan, and install new counter to achieve required clearances.



BATHROOM PLAN - Existing

1/4" = 1'-0"



ACCESSIBILITY IMPROVEMENTS

at

SILTANEN PARK

for

CITY OF SCOTTS VALLEY, CA

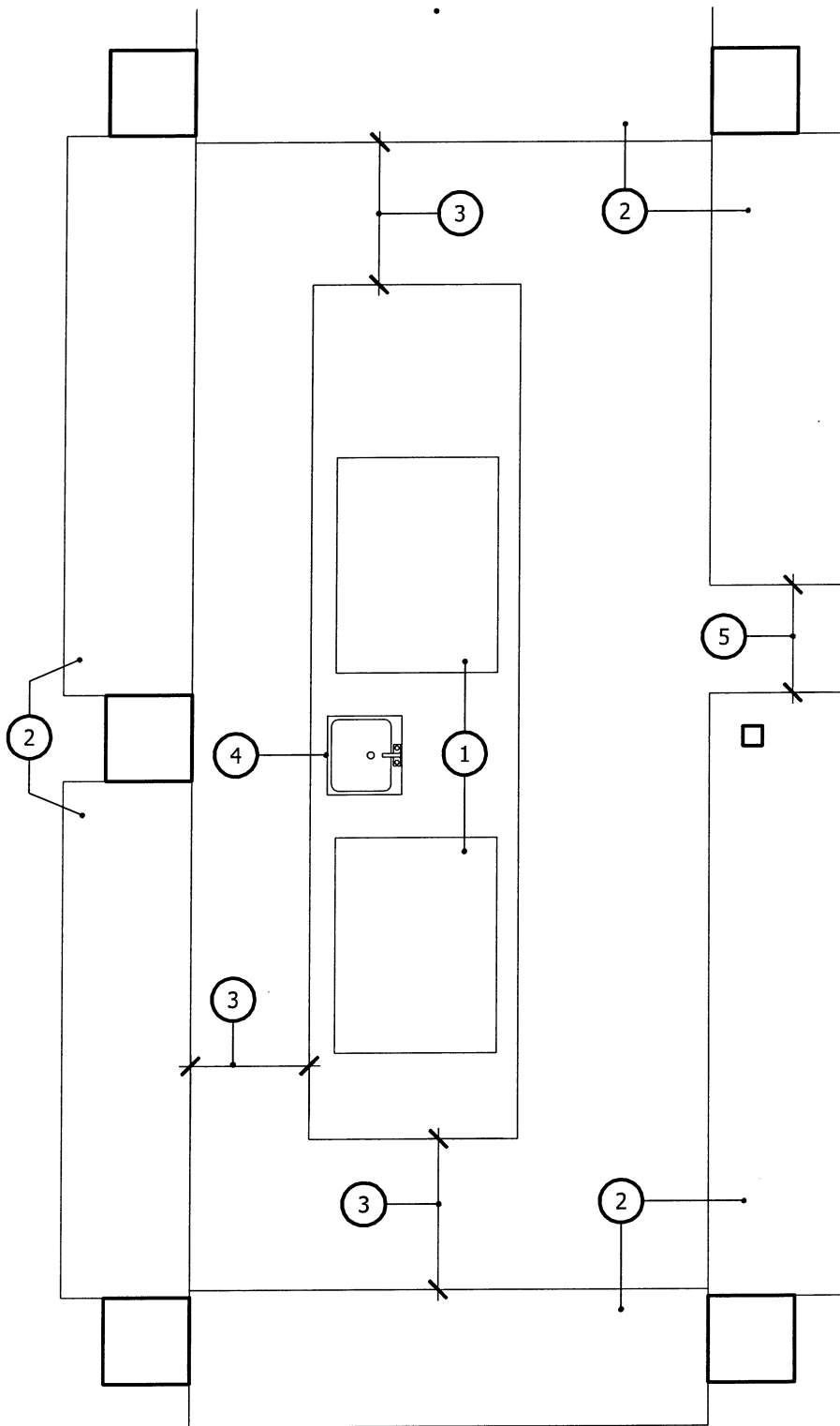
PROJECT # 212-15

SHEET# 1

DATE 07/28/15

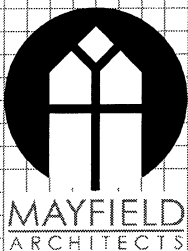
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BBQ AREA PLAN - Existing

1/4" = 1'-0"

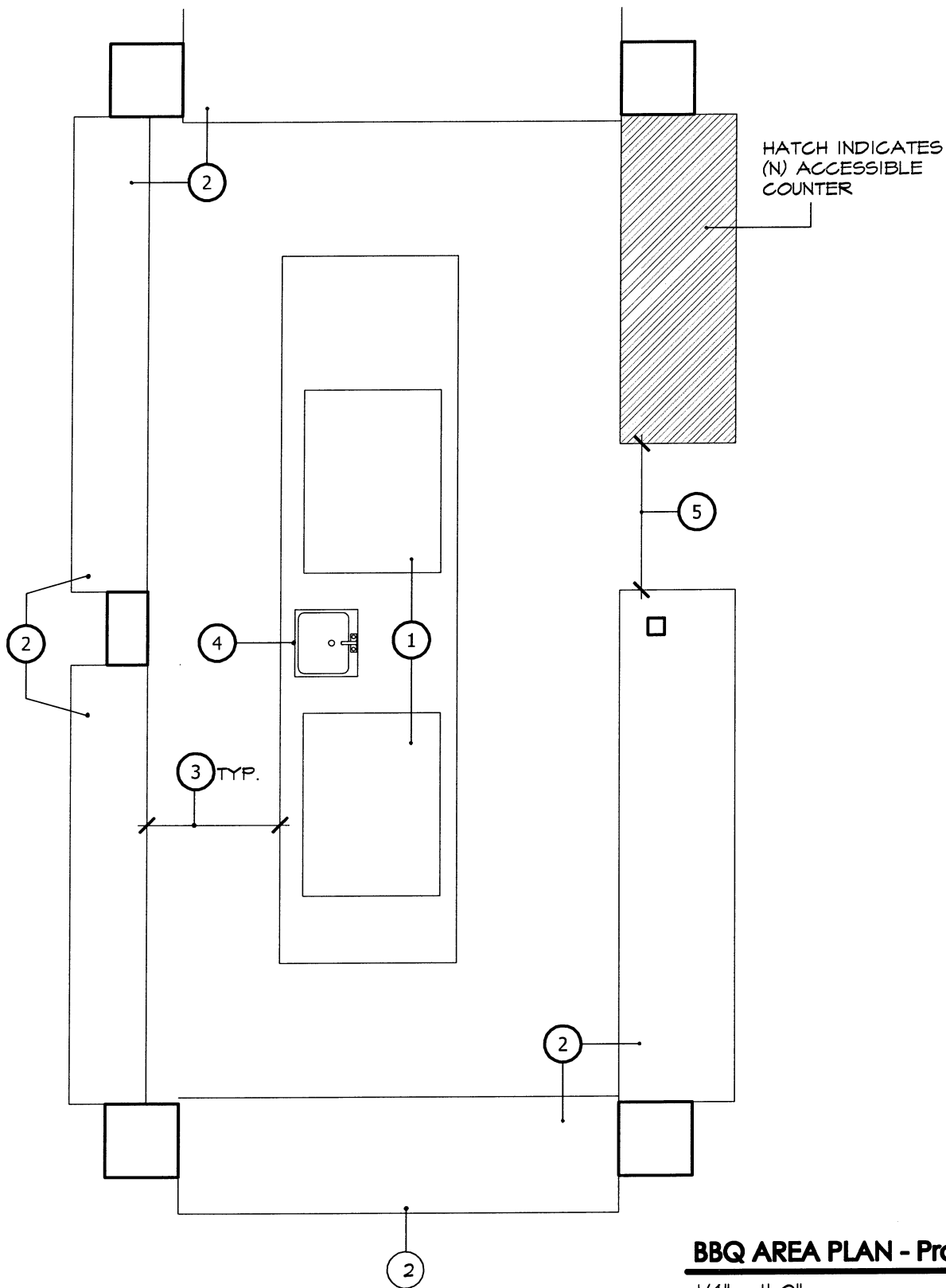


ACCESSIBILITY IMPROVEMENTS AT SILTANEN PARK

FOR THE CITY OF SCOTTS VALLEY, CA

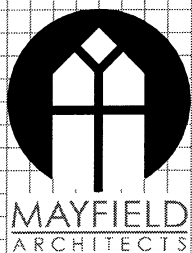
PROJECT # 212-15
SHEET# 3

DATE 07/28/15
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BBQ AREA PLAN - Proposed

1/4" = 1'-0"



ACCESSIBILITY IMPROVEMENTS AT SILTANEN PARK

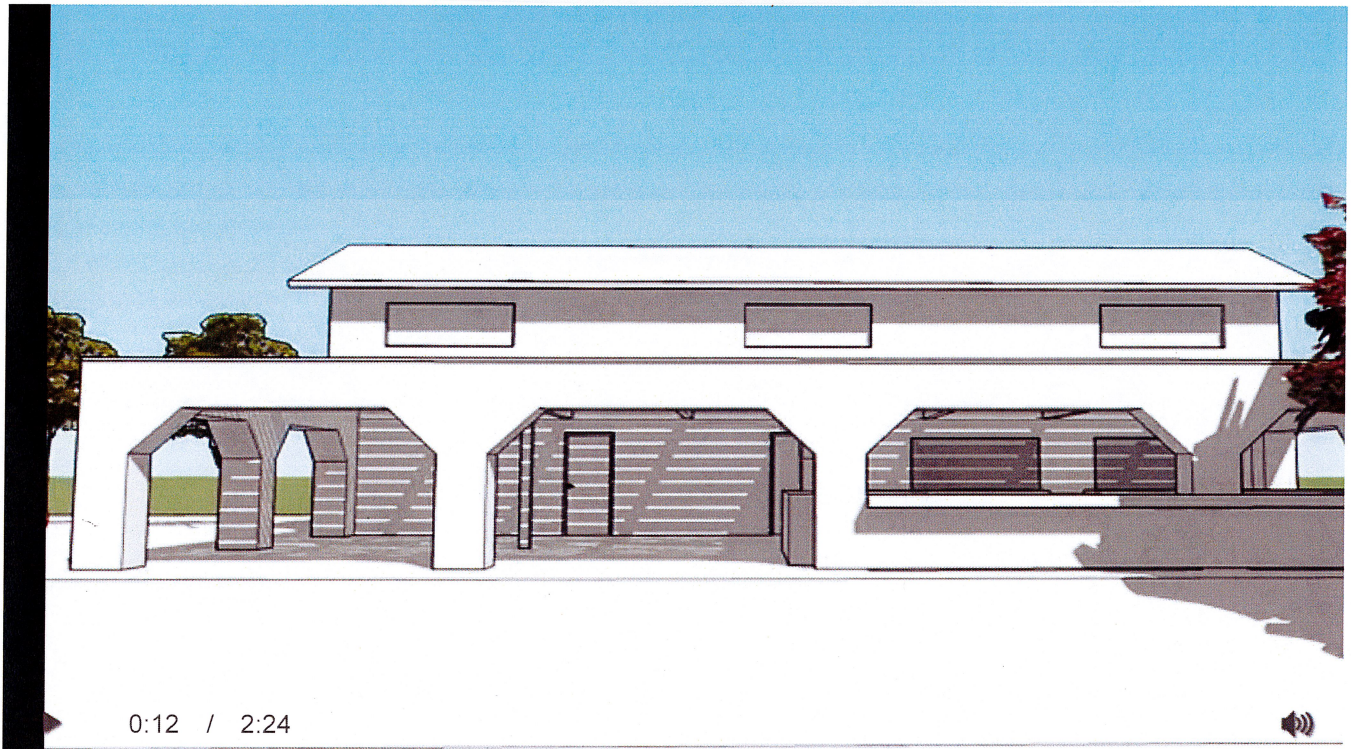
FOR THE CITY OF SCOTTS VALLEY, CA

PROJECT # 212-15

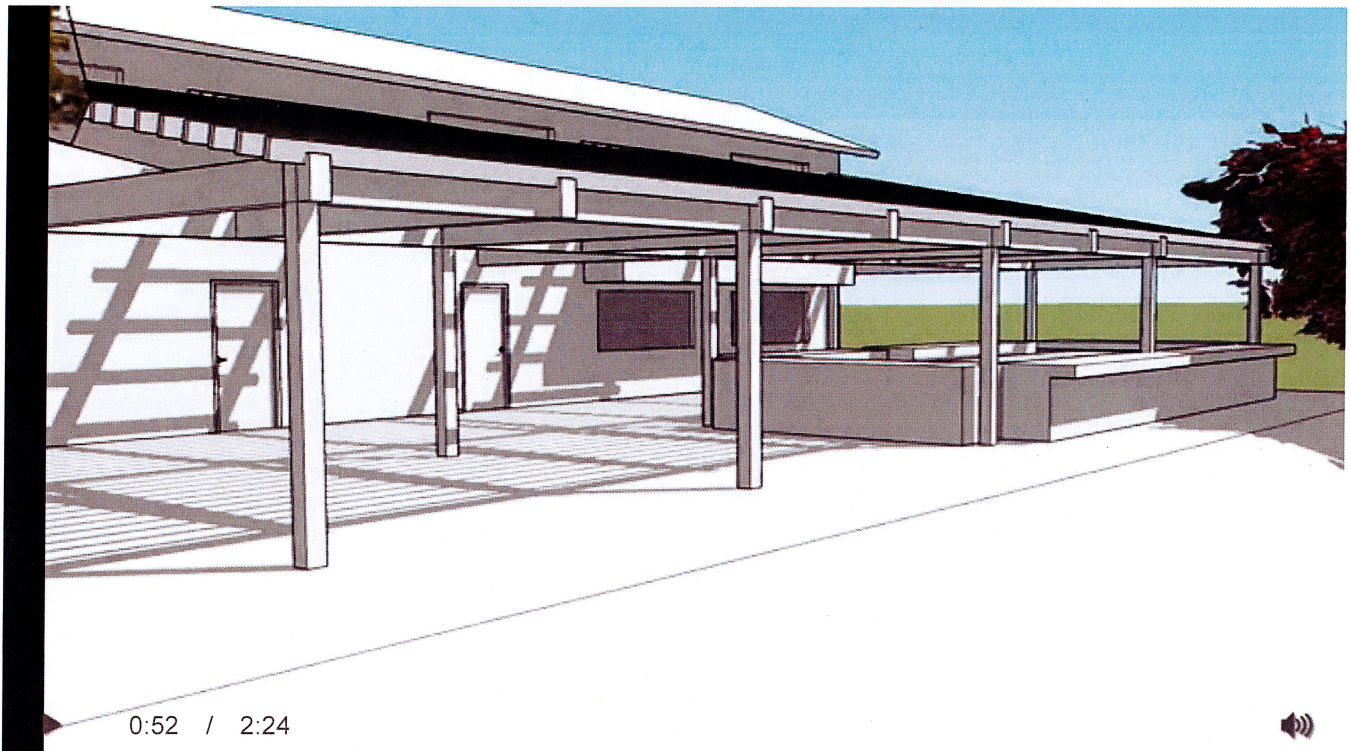
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EXISTING DESIGN



DESIGN OPTION 1



DESIGN OPTION 2

