AGENDA

Special Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: July 10, 2024
Time: 10:00 AM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	Agenda posted on 7-5-2024 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvalley.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Randy Johnson, Mayor Derek Timm, Vice Mayor Jack Dilles, Council Member Donna Lind, Council Member Allan Timms, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Stephanie Hill, Administrative Services Director Cathie Simonovich, City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

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, and via Zoom Webinar remote access.

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.gov 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.gov.

Public Participation:
The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: https://www.youtube.com/channel/UCLNTBScelB4wTfidYHrocWA
For those wishing to participate via Zoom you can join the following ways:
Zoom Webinar meeting link: https://us02web.zoom.us/j/83295730901
Or dial one of these numbers: (669) 900-9128 or (669) 444-9171

Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:
Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:
Use the webinar attendee option to "raise hand" when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to "raise your hand", and the Clerk will unmute you when it is your turn.

CALL TO ORDER 10:00 AM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make 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. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvalley.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve check register dated 6-7-2024 through 7-2-2024
2. Approve Settlement Agreement with employees regarding payroll items
3. Approve National Opioid Settlement participation

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. Introduction of Ordinance No. 73.3 amending Scotts Valley Municipal Code Section 2.24.020 regarding City Council Member benefits

ADJOURNMENT

ADA NOTICE

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) 440-5600 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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Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
		Cash Account: 999-10100-000-000-000000			
131867	06/13/24	ACC BUSINESS	1,218.93	O	Regular
131868	06/13/24	AFLAC-FLEX ONE	411.86	O	Regular
131869	06/13/24	AMAZON CAPITAL SERVICES	76.73	O	Regular
131870	06/13/24	ANDERSON PACIFIC ENG INC.	163,184.45	O	Regular
131871	06/13/24	ASSOCIATED SERVICES CO.	224.81	O	Regular
131872	06/13/24	AT&T	1,574.30	O	Regular
131873	06/13/24	BADAWI & ASSOCIATES	8,880.75	O	Regular
131874	06/13/24	BAKER TILLY US, LLP	10,850.00	O	Regular
131875	06/13/24	BAY TREE, LLC	3,620.38	O	Regular
131876	06/13/24	BOYS & GIRLS CLUBS SC COUNTY	14,000.00	O	Regular
131877	06/13/24	BURKE, WILLIAMS & SORENSEN,LLP	2,604.00	O	Regular
131878	06/13/24	BUSINESS WITH PLEASURE	65.85	O	Regular
131879	06/13/24	COMMUNITY BRIDGES	6,500.00	O	Regular
131880	06/13/24	CONFLICT RESOLUTION CENTER	3,000.00	O	Regular
131881	06/13/24	CONTI LLC	48,238.15	O	Regular
131882	06/13/24	DIENTES COMMUNITY DENTAL	5,000.00	O	Regular
131883	06/13/24	GARRETT KUBOTA DDS	572.00	O	Regular
131884	06/13/24	HOUSEKEYS, INC.	18,750.00	O	Regular
131885	06/13/24	KIMLEY-HORN & ASSOCIATES INC	18,093.78	O	Regular
131886	06/13/24	LINCOLN FINANCIAL GROUP	1,461.21	O	Regular
131887	06/13/24	LINDA KAEMPFER BAKER	95.00	O	Regular
131888	06/13/24	NBS GOVERNMENT FINANCE GROUP	14,841.25	O	Regular
131889	06/13/24	PACIFIC GAS & ELECTRIC CO	524.28	O	Regular
131890	06/13/24	PALACE BUSINESS SOLUTIONS	131.76	O	Regular
131891	06/13/24	PETTY CASH - LAUREN LAMBERT	141.26	O	Regular
131892	06/13/24	PHILLIP D NEUMAN	2,253.65	O	Regular
131893	06/13/24	PRESS BANNER	893.30	O	Regular
131894	06/13/24	PRODESSE PROPERTY GROUP	3,523.52	O	Regular
131895	06/13/24	RANDALL KRUSEE	196.65	O	Regular
131896	06/13/24	RANDY JOHNSON	137.80	O	Regular
131897	06/13/24	ROD MARKELL	1,974.00	O	Regular
131898	06/13/24	SCOTTS VALLEY FIRE DISTRICT	831.06	O	Regular
131899	06/13/24	STEVE WALPOLE	1,100.00	O	Regular
131900	06/13/24	TRISH MC GRATH	121.60	O	Regular
131901	06/13/24	TYLER HEBARD	173.00	O	Regular
131902	06/13/24	United Financial Casualty Co.	3,068.07	O	Regular
131903	06/13/24	VISION SERVICE PLAN	1,197.00	O	Regular
131904	06/21/24	A SIGN ASAP	837.80	O	Regular
131905	06/21/24	ACCENT CLEAN & SWEEP INC	2,739.00	O	Regular
131906	06/21/24	ACCO ENGINEERED SYSTEMS	3,386.00	O	Regular
131907	06/21/24	ACE PORTABLE SERVICES	1,500.48	O	Regular
131908	06/21/24	ALVAREZ IND INC CLEAN BLDG	370.00	O	Regular
131909	06/21/24	AMAZON CAPITAL SERVICES	1,669.08	O	Regular
131910	06/21/24	AT&T	8.86	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
131911	06/21/24	AT&T	2,719.17	O	Regular
131912	06/21/24	BRIGHTVIEW LANDSCAPE	4,166.50	O	Regular
131913	06/21/24	CALIFORNIA COAST UNIFORM CO	467.23	O	Regular
131914	06/21/24	CHAD PRICE	160.00	O	Regular
131915	06/21/24	CIRCLEUP EDUCATION	9,520.00	O	Regular
131916	06/21/24	COMPUTERSMITHS LLC	151.00	O	Regular
131917	06/21/24	CRIME SCENE CLEANERS,INC	130.00	O	Regular
131918	06/21/24	CRYSTAL SPRINGS WATER CO	5.00	O	Regular
131919	06/21/24	DEPARTMENT OF JUSTICE	32.00	O	Regular
131920	06/21/24	DYNAMIC PRESS	580.57	O	Regular
131921	06/21/24	ENTERPRISE FM TRUST	14,116.69	O	Regular
131922	06/21/24	ENVIRONMENTAL INNOVATIONS	15,365.61	O	Regular
131923	06/21/24	GODBE CORPORATION	28,850.00	O	Regular
131924	06/21/24	GOOD CITY COMPANY	4,130.00	O	Regular
131925	06/21/24	HANSON ASSOCIATES ASSET &	3,675.00	O	Regular
131926	06/21/24	Judy Pappas	325.00	O	Regular
131927	06/21/24	K & D LANDSCAPING, INC.	3,820.00	O	Regular
131928	06/21/24	LIEBERT CASSIDY WHITMORE	21,152.50	O	Regular
131929	06/21/24	LOGAN & POWELL, LLP	27,515.00	O	Regular
131930	06/21/24	MID VALLEY SUPPLY	886.04	O	Payment Manager
131931	06/21/24	MISSION UNIFORM SERVICE	131.26	O	Regular
131932	06/21/24	NATIONAL COMTEL NETWORK INC.	17.51	O	Regular
131933	06/21/24	O'DELL ENGINEERING	13,372.00	O	Regular
131934	06/21/24	O'NEILL SEA ODYSSEY	12,000.00	O	Regular
131935	06/21/24	PACIFIC GAS & ELECTRIC CO	65,446.37	O	Regular
131936	06/21/24	PHILLIP D NEUMAN	34,047.53	O	Regular
131937	06/21/24	PHOENIX GROUP	459.86	O	Regular
131938	06/21/24	ROBERT ORMONDE	569.10	O	Regular
131939	06/21/24	S.V. WATER DISTRICT - BULK	79.22	O	Regular
131940	06/21/24	SANTA CRUZ SENTINEL	217.60	O	Regular
131941	06/21/24	SCARBOROUGH LUMBER	490.02	O	Regular
131942	06/21/24	SCOTTS VALLEY SPRINKLER	65.83	O	Regular
131943	06/21/24	THE PIED PIPER INC.	155.50	O	Payment Manager
131944	06/21/24	THOMSON REUTERS-WEST	392.22	O	Payment Manager
131945	06/21/24	U.S. BANK CORPORATE	14,853.57	O	Regular
131946	06/21/24	URBAN FIELD STUDIO OAKLAND	7,655.00	O	Regular
131947	06/21/24	VISTA CENTER FOR THE BLIND	4,500.00	O	Regular
131948	06/21/24	WAGE WORKS	125.00	O	Regular
131949	06/21/24	WEX BANK	7,280.05	O	Regular
131950	06/28/24	A TOOL SHED, INC.	385.00	O	Regular
131951	06/28/24	ACCO ENGINEERED SYSTEMS	720.00	O	Regular
131952	06/28/24	AFLAC-FLEX ONE	411.86	O	Regular
131953	06/28/24	ALFA LAVAL INC.	33,310.75	O	Regular
131954	06/28/24	ALHAMBRA	406.87	O	Regular
131955	06/28/24	ALVAREZ IND INC CLEAN BLDG	256.00	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
131956	06/28/24	AMANDA LONG	48.60	O	Regular
131957	06/28/24	AMAZON CAPITAL SERVICES	209.84	O	Regular
131958	06/28/24	ANDERSON PACIFIC ENG INC.	14,903.66	O	Regular
131959	06/28/24	ART SOTO	169.32	O	Regular
131960	06/28/24	AT&T	150.62	O	Regular
131961	06/28/24	AT&T	286.21	O	Regular
131962	06/28/24	AT&T MOBILITY	1,464.44	O	Regular
131963	06/28/24	BAKER TILLY US, LLP	2,100.00	O	Regular
131964	06/28/24	BAY TREE, LLC	3,620.38	O	Regular
131965	06/28/24	BENJAMIN NOBLE	5,930.00	O	Regular
131966	06/28/24	BOWMAN & WILLIAMS	5,233.75	O	Payment Manager
131967	06/28/24	BRINK'S AWARDS & SIGNS	67.73	O	Regular
131968	06/28/24	BRYCE HR CONSULTING, INC.	570.00	O	Regular
131969	06/28/24	BUSINESS WITH PLEASURE	106.66	O	Regular
131970	06/28/24	CALED	500.00	O	Regular
131971	06/28/24	CALIFORNIA DEPARTMENT OF	34.84	O	Regular
131972	06/28/24	Chi-Cha Russo	27.99	O	Regular
131973	06/28/24	CHRISP COMPANY	1,521.75	O	Regular
131974	06/28/24	COMCAST	697.58	O	Regular
131975	06/28/24	CRYSTAL SPRINGS WATER CO	63.00	O	Regular
131976	06/28/24	CSG CONSULTANTS, INC	19,605.00	O	Regular
131977	06/28/24	DARSHANA CROSKREY	163.89	O	Regular
131978	06/28/24	DAWN BANKS	105.00	O	Regular
131979	06/28/24	DEPARTMENT OF JUSTICE	96.00	O	Regular
131980	06/28/24	DU-ALL SAFETY, LLC	3,225.00	O	Payment Manager
131981	06/28/24	DUNCAN AUTO TECH	155.47	O	Regular
131982	06/28/24	DYNAMIC PRESS	80.12	O	Regular
131983	06/28/24	ENERGY SOLUTIONS PLUS LLC	2,800.00	O	Regular
131984	06/28/24	FIRST ALARM	444.09	O	Regular
131985	06/28/24	FOREVER FIREWOOD, INC.	50.00	O	Regular
131986	06/28/24	Glenwood-Scotts Valley HOA	860.00	O	Regular
131987	06/28/24	HERWIT ENGINEERING	705.00	O	Regular
131988	06/28/24	INTERWEST CONSULTING GROUP	2,783.75	O	Regular
131989	06/28/24	Jeffrey D Smith DDS	194.00	O	Regular
131990	06/28/24	JOSE PEREZ	289.79	O	Regular
131991	06/28/24	K & D LANDSCAPING, INC.	1,274.32	O	Regular
131992	06/28/24	KIMLEY-HORN & ASSOCIATES INC	6,054.00	O	Regular
131993	06/28/24	LAFCO	7,659.59	O	Regular
131994	06/28/24	M-GROUP	15,487.50	O	Regular
131995	06/28/24	Margaret Schraft	40.00	O	Regular
131996	06/28/24	Marlene Flannery	470.01	O	Regular
131997	06/28/24	MARY LOUISE DEFALCO	50.00	O	Regular
131998	06/28/24	MEREDITH ROBERTS	906.00	O	Regular
131999	06/28/24	MID VALLEY SUPPLY	102.13	O	Payment Manager
132000	06/28/24	MISCOWATER	406.28	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
132001	06/28/24	MISSION COMMUNICATIONS, LLC	1,690.20	O	Regular
132002	06/28/24	MISSION UNIFORM SERVICE	486.12	O	Payment Manager
132003	06/28/24	MIWALL CORPORATION	323.98	O	Payment Manager
132004	06/28/24	MONTEREY BAY ANALYTICAL SVCS	146.00	O	Regular
132005	06/28/24	MONTEREY BAY SYSTEMS	347.54	O	Regular
132006	06/28/24	MONTEREY REGIONAL	4,282.32	O	Payment Manager
132007	06/28/24	Music Now	395.00	O	Regular
132008	06/28/24	MUNICIPAL MAINTENANCE EQUIP	5,067.87	O	Regular
132009	06/28/24	NBS GOVERNMENT FINANCE GROUP	12,267.51	O	Regular
132010	06/28/24	NOREEN YOSHIDA DDS	135.00	O	Regular
132011	06/28/24	PALACE BUSINESS SOLUTIONS	500.27	O	Regular
132012	06/28/24	PASCALE DROZEK	300.00	O	Regular
132013	06/28/24	PETERSON POWER SYSTEMS, INC.	3,174.70	O	Regular
132014	06/28/24	PHILLIP D NEUMAN	12,657.84	O	Regular
132015	06/28/24	PIONEER AMERICAS INC.	5,169.73	O	Regular
132016	06/28/24	PITNEY BOWES GLOBAL	527.84	O	Payment Manager
132017	06/28/24	Polly Caticci	400.00	O	Regular
132018	06/28/24	PRODESSE PROPERTY GROUP	3,523.52	O	Regular
132019	06/28/24	RANDALL KRUSEE	163.47	O	Regular
132020	06/28/24	REGIONAL GOVERNMENT SERVICES	5,956.92	O	Regular
132021	06/28/24	RIVERSIDE LIGHTING INC	37.95	O	Regular
132022	06/28/24	ROD MARKELL	1,974.00	O	Regular
132023	06/28/24	RODOLFO ONCHI	180.00	O	Regular
132024	06/28/24	ROSS RECREATION EQUIPMENT INC.	98.27	O	Regular
132025	06/28/24	S.G.S RECYCLING ENTERPRISES	4,000.00	O	Regular
132026	06/28/24	S.V. WATER DISTRICT	7,914.10	O	Regular
132027	06/28/24	SAN LORENZO VALLEY WATER DISTR	306.56	O	Regular
132028	06/28/24	SANTA CRUZ COUNTY CONFERENCE	54,330.85	O	Regular
132029	06/28/24	SANTA CRUZ FIRE EQUIPMENT	702.92	O	Regular
132030	06/28/24	SCARBOROUGH LUMBER	1,723.50	O	Regular
132031	06/28/24	SCOTTS VALLEY HOTEL LP	20,285.05	O	Payment Manager
132032	06/28/24	SCOTTS VALLEY SPRINKLER	243.59	O	Regular
132033	06/28/24	SOIL CONTROL LAB	816.00	O	Regular
132034	06/28/24	SOUTH BAY REGIONAL PUBLIC	300.00	O	Regular
132035	06/28/24	STEPHANIE HILL	536.50	O	Regular
132036	06/28/24	STERICYCLE INC	251.75	O	Regular
132037	06/28/24	SUPERIOR ALARM COMPANY	96.00	O	Regular
132038	06/28/24	SWEDBERG ELECTRIC INC.	520.00	O	Regular
132039	06/28/24	SYCAL ENGINEERING INC	3,750.00	O	Regular
132040	06/28/24	TAMARA CUCCHIARA-SITKA	25.00	O	Regular
132041	06/28/24	THE CARD SHARK INC	837.39	O	Payment Manager
132042	06/28/24	THE PIED PIPER INC.	237.00	O	Payment Manager
132043	06/28/24	TORO PETROLEUM CORP	5,247.89	O	Regular
132044	06/28/24	TYLER HEBARD	195.00	O	Regular
132045	06/28/24	U.S. BANCORP OFFICE	1,300.62	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
132046	06/28/24	USA BLUE BOOK	90.88	O	Payment Manager
132047	06/28/24	VERIZON WIRELESS	177.91	O	Regular
132048	06/28/24	WIZIX TECHNOLOGY GROUP, INC	877.10	O	Payment Manager
132049	06/28/24	YORK FRAMING	1,164.41	O	Regular

apadatecr2 City of Scotts Valley llambert 07/02/2024 09:54 Page 5
A/P Check Register
Checks from 06/07/2024 to 07/02/2024

168	Checks total:	914,664.11
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
15	Payment Manager total:	37,942.32
183	GRAND TOTALS	952,606.43

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 7/10/2024

TO: Honorable Mayor and City Council

FROM: Stephanie Hill, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Approve Settlement Agreement with employees regarding payroll items**

SUMMARY OF ISSUE

During the new payroll system implementation in 2023, the City discovered an overpayment and taxation issue with certain employees' system set-up. The City immediately rectified the issues within the new payroll system to prevent future occurrences. The City performed a detailed review of all payrolls, with additional assistance from a third-party, from 2020 through 2023. It was discovered that certain employees received an overpayment for special incentive pay. It was discovered that certain employee's pretax contributions were erroneously subject to taxation. Impacted employees have received amended wage and tax statements for the respective years and may have incurred costs associated with refiling of tax returns. The City desires to avoid the potential uncertainty, expense and delay of any potential litigation related to the overpayment and tax issue and seeks to settle potential claims, subject to approval by the City Council.

FISCAL IMPACT

Fiscal impact will vary based on individual expenses incurred. The settlement payouts are not expected to exceed $72,500. This will require a budget amendment at Mid-Year review by the General Fund.

STAFF RECOMMENDATION

Staff recommends the City Council authorize the City Manager to enter into settlement agreements with impacted employees, and to make any minor modifications to the agreements as needed subject to approval by the City Attorney, not to exceed the anticipated settlement payout cost of $72,500.

TABLE OF CONTENTS

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and General Release ("Agreement") is made and entered into by and between the City of Scotts Valley ("City") and ____________________ ("Employee") on this ____ day of July, 2024. City and Employee shall sometimes be individually referred to herein as a "Party" and collectively as "the Parties" with reference to the following facts:

RECITALS

WHEREAS, Employee is or was employed by the City; and

WHEREAS, as an employee, Employee is or was entitled to retirement benefits through the California Public Employees Retirement System ("CalPERS"); and

WHEREAS, in 2023, it was discovered that the City erroneously paid salary and/or special compensation to Employee in excess of its contractual obligations, which resulted in excess compensation being reported to CalPERS and therefore, excess pension contribution amounts paid to CalPERS (the "Overpayment"); and

WHEREAS, it was discovered that the Employee CalPERS contributions were not classified as pretax contributions, and erroneously subject to taxation (the "Tax-issue"); and

WHEREAS, the City notified Employee of the Overpayment and Tax-issue; and

WHEREAS, due to the error, Employee has received an amended tax return of years Employee was impacted as permitted by law and may have incurred costs associated thereto; and

WHEREAS, the City is entitled to seek repayment from Employee for the Overpayment; and

WHEREAS, the City is required to re-report the corrected allowable pensionable compensation payments to Employee to CalPERS; and

WHEREAS, the Parties desire to avoid the potential uncertainty, expense and delay of any potential litigation related to the Overpayment and Tax-issue and have therefore, based upon their negotiations, agreed to a settlement of the Parties' potential claims, subject to approval by the City Council; and

WHEREAS, the Parties agree and understand that this settlement is conditional and will become null and void unless and until it is approved by Employee and the City Council.

NOW THEREFORE, in consideration for the mutual promises and undertakings of the Parties as set forth below, the Parties hereby enter into this Agreement and agree as follows:

1. Recitals. The recitals set forth in this Agreement are true and correct and are hereby fully incorporated by reference into this Agreement. This Agreement affects potential claims and demands which are disputed, and by executing this Agreement, no Party admits or concedes any of the claims, defenses, or allegations which were raised or could be raised by any other Party or any third party. Each Party expressly denies liability for any and all claims or demands. The Parties acknowledge that this is a compromise settlement of a disputed claim or claims. Moreover, neither this Agreement, nor any part of this Agreement, shall be construed to be nor shall be admissible in any proceeding as evidence of or any admission by any Party of any violation of law or any wrongdoing whatsoever. This document may be introduced in a proceeding to enforce the terms of the Agreement.

2. Settlement Terms. In settlement of the "claims" the Parties may have against each other, the City has agreed to not seek repayment of the Overpayment paid to Employee and to pay Employee _______ ($200 PER OVERPAYMENT AND TAX-ISSUE YEARS AND up to $300 per year for ACTUAL EXPENSES TO REFILE) and Employee agrees to waive any claims he/she may have against the City and allow the City to retain any payments received from CalPERS due to the re-reporting. The City shall pay Employee $200 per tax-issue year upon execution of this Agreement. The reimbursement for actual expenses shall be paid within thirty (30) days of the City's receipt of proof that Employee refiled his/her taxes and the costs associated with such refiling. Any proof of expenses shall be filed no later than April 30, 2025.

3. Release of Claims. In consideration of the promises set forth herein, each of the Parties, on behalf of themselves and their officers, directors, agents, employees, affiliates, and assigns, hereby releases and discharges the other party, its past, present and future officers, agents, employees, administrators and assigns, from and relinquishes any and all past, present or future claims, demands, obligations, liabilities or causes of action of any nature whatsoever arising from or in any way related to the Overpayment or Tax-issue. Said release shall include, but shall not be limited to, claims, demands, obligations, liabilities or causes of action for compensatory damages, punitive damages, interest, diminution in value, costs, losses, expenses, compensation and attorneys' fees whether based on tort, MOU, contract, equity, statute, breach of fiduciary duty, or other theories of recovery which the Parties have or which may later accrue to or be acquired by the Parties. Each of the Parties hereto further covenants to the other that it shall not sue, nor by its acts or omissions cause to be sued, the other party with respect to the subject matter of this settlement, including without limitation the subject matter of the Overpayment and Tax-issue.

4. Release of Unknown Claims. In consideration for the payments described in Section 2 of this Agreement, Employee hereby waives any and all rights or benefits that it may have related to the Overpayment and Tax-issue under section 1542 of the Civil Code of the State of California, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER

WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee acknowledges that he/she understands the effect of this waiver pursuant to Civil Code section 1542.

5. Jurisdiction. This Agreement is executed and delivered in the State of California and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with the laws of the State of California.

6. Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter of this agreement and shall constitute the final understanding between the Parties hereto. All prior negotiations made or which have occurred prior to the date of this Agreement are merged into this Agreement.

7. No Additional Representations. Except for the terms of this Agreement, Employee and the City have not relied upon any statement or representation, written or oral, made by any party, or any of their respective agents, attorneys or any other person, regarding any matter including, but not limited to, the federal or state income tax consequences of the Agreement to any party. The Parties expressly acknowledge and agree that they have relied solely upon the advice of their own attorneys and/or accountants as to the tax and benefit consequences of the Agreement.

8. Warranty of Non-Assignment. The Parties warrant that they have not assigned any of the claims or portions of the claims that are the subject of this Agreement.

9. Binding Agreement. The Agreement and all documents referred to herein, shall bind and inure to the benefit of each of the Parties hereto and his or her spouse, domestic partner, children, heirs, estates, administrators, representatives, executors, attorneys' successors and assigns. Except as expressly provided herein, this Agreement is not for the benefit of any person not a party hereto or any person or entity not specifically identified as a beneficiary herein or specifically identified herein as a person or entity released hereby. The Agreement is not intended to constitute a third party beneficiary contract.

10. Authority to Execute. Each Party hereto warrants to the other Parties that he, she or it has the full power and authority to execute, deliver and perform under this Agreement and all documents referred to herein, and that any needed consent or approval from any other person has been obtained.

11. Duty to Act in Good Faith. The Parties shall act in good faith and use their reasonable good faith efforts after the execution of this Agreement to ensure that their respective obligations hereunder are fully and punctually performed. The Parties shall promptly perform any further acts and execute and deliver any other documents or instruments that may be reasonably necessary to carry out the provisions of this Agreement. Time is of the essence in this Agreement.

12. Interpretation and Construction. Any ambiguities or uncertainties herein shall be

equally and fairly interpreted and construed without reference to the identity of the Party or Parties preparing this document or the documents referred to herein, on the understanding that the Parties participated equally in the negotiation and preparation of the Agreement and the documents referred to herein, or have had equal opportunity to do so. The headings used herein are for reference only and shall not affect the construction of this Agreement.

13. Governing Law and Venue. The settlement, this Agreement, and the documents referred to herein, shall be interpreted in accordance with the laws of the State of California, and if necessary, federal law. To the extent that any Party brings an action to enforce the terms of this Agreement, such action shall be filed and prosecuted in the Santa Cruz Superior Court and/or the United States District Court for the Northern District of California, to the extent of that court's jurisdiction.

14. Mutual Waiver of Attorney Fees and Costs. Subject to the requirements of section 2(e) of this Agreement, the Parties will bear their own costs of suit, consultant fees, expert fees, attorney fees, and any other costs and expenses of every kind or character, arising out of or relating in any way to the Overpayment and Tax-issue or this Agreement, including but not limited claims released by this Agreement.

15. Breach, Waiver and Amendment. No breach of this Agreement or of any provision herein can be waived except by an express written waiver executed by the Party waiving such breach. Waiver of any one breach shall not be deemed a waiver of any other breach of the same or other provisions of this Agreement. The Agreement may be amended, altered, modified or otherwise changed in any respect or particular only by a writing duly executed by the Parties hereto and their authorized representatives.

16. Execution. All executed copies of this Agreement, and photocopies thereof (including fax and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

17. Agreement Does Not Establish Precedent. The Parties agree that the terms of this Agreement are binding and will not establish any precedent, nor will this Agreement be used as a basis by the Parties or anyone else to seek or justify similar terms in any subsequent or similar case.

18. Consultation with Counsel. The Parties affirm that, prior to execution of this Agreement, they have had the opportunity to consult with their respective legal counsel/representative concerning the terms and conditions set forth herein, and that they understand the advice provided to them.

19. Effective Date. This Agreement shall only become effective upon execution by all of the Parties. The effective date of the Agreement shall be the latest date appearing below after all Parties have executed the Agreement.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT AND RELEASE INCLUDES A RELEASE OF CLAIMS BY EMPLOYEE.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement and Release of Claims.

EMPLOYEE:	CITY:
______________________	City of Scotts Valley
______________________	______________________
	Mali LaGoe, City Manager

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and General Release ("Agreement") is made and entered into by and between the City of Scotts Valley ("City") and ____________________ ("Employee") on this ______ day of July, 2024. City and Employee shall sometimes be individually referred to herein as a "Party" and collectively as "the Parties" with reference to the following facts:

RECITALS

WHEREAS, Employee is or was employed by the City; and

WHEREAS, as an employee, Employee is or was entitled to retirement benefits through the California Public Employees Retirement System ("CalPERS"); and

WHEREAS, in 2023, it was discovered that the City erroneously paid salary and/or special compensation to Employee in excess of its contractual obligations, which resulted in excess compensation being reported to CalPERS and therefore, excess pension contribution amounts paid to CalPERS (the "Overpayment"); and

WHEREAS, the City notified Employee of the Overpayment; and

WHEREAS, the City is entitled to seek repayment from Employee for the Overpayment; and

WHEREAS, the City is required to re-report the corrected allowable pensionable compensation payments to Employee to CalPERS; and

WHEREAS, the Parties desire to avoid the potential uncertainty, expense and delay of any potential litigation related to the Overpayment and have therefore, based upon their negotiations, agreed to a settlement of the Parties' potential claims, subject to approval by the City Council; and

WHEREAS, the Parties agree and understand that this settlement is conditional and will become null and void unless and until it is approved by Employee and the City Council.

NOW, THEREFORE, in consideration for the mutual promises and undertakings of the Parties as set forth below, the Parties hereby enter into this Agreement and agree as follows:

1. Recitals. The recitals set forth in this Agreement are true and correct and are hereby fully incorporated by reference into this Agreement. This Agreement affects potential claims and demands which are disputed, and by executing this Agreement, no Party admits or concedes any of the claims, defenses, or allegations which were raised or could be raised by any other Party or any third party. Each Party expressly denies liability for any and all claims or demands. The Parties acknowledge that this is a compromise settlement of a disputed claim or claims. Moreover, neither this Agreement, nor any part of this Agreement, shall be construed to be nor shall be admissible in any proceeding as

evidence of or any admission by any Party of any violation of law or any wrongdoing whatsoever. This document may be introduced in a proceeding to enforce the terms of the Agreement.

2. Settlement Terms. In settlement of the "claims" the Parties may have against each other, the City has agreed to not seek repayment of the Overpayment paid to Employee and the Employee agrees to allow the City to retain any payments received from CalPERS due to the re-reporting and to waive any claims he/she may have against the City.

3. Release of Claims. In consideration of the promises set forth herein, each of the Parties, on behalf of themselves and their officers, directors, agents, employees, affiliates, and assigns, hereby releases and discharges the other party, its past, present and future officers, agents, employees, administrators and assigns, from and relinquishes any and all past, present or future claims, demands, obligations, liabilities or causes of action of any nature whatsoever arising from or in any way related to the Overpayment. Said release shall include, but shall not be limited to, claims, demands, obligations, liabilities or causes of action for compensatory damages, punitive damages, interest, diminution in value, costs, losses, expenses, compensation and attorneys' fees whether based on tort, MOU, contract, equity, statute, breach of fiduciary duty, or other theories of recovery which the Parties have or which may later accrue to or be acquired by the Parties. Each of the Parties hereto further covenants to the other that it shall not sue, nor by its acts or omissions cause to be sued, the other party with respect to the subject matter of this settlement, including without limitation the subject matter of the Overpayment.

4. Release of Unknown Claims. In consideration for the payments described in Section 2 of this Agreement, Employee hereby waives any and all rights or benefits that it may have related to the Overpayment under section 1542 of the Civil Code of the State of California, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee acknowledges that he/she understands the effect of this waiver pursuant to Civil Code section 1542.

5. Jurisdiction. This Agreement is executed and delivered in the State of California and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with the laws of the State of California.

6. Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter of this agreement and shall constitute the final understanding between the Parties hereto. All prior negotiations made or which have occurred prior to the date of this Agreement are merged into this Agreement.

7. No Additional Representations. Except for the terms of this Agreement, Employee

and the City have not relied upon any statement or representation, written or oral, made by any party, or any of their respective agents, attorneys or any other person, regarding any matter including, but not limited to, the federal or state income tax consequences of the Agreement to any party. The Parties expressly acknowledge and agree that they have relied solely upon the advice of their own attorneys and/or accountants as to the tax and benefit consequences of the Agreement.

8. Warranty of Non-Assignment. The Parties warrant that they have not assigned any of the claims or portions of the claims that are the subject of this Agreement.

9. Binding Agreement. The Agreement and all documents referred to herein, shall bind and inure to the benefit of each of the Parties hereto and his or her spouse, domestic partner, children, heirs, estates, administrators, representatives, executors, attorneys' successors and assigns. Except as expressly provided herein, this Agreement is not for the benefit of any person not a party hereto or any person or entity not specifically identified as a beneficiary herein or specifically identified herein as a person or entity released hereby. The Agreement is not intended to constitute a third party beneficiary contract.

10. Authority to Execute. Each Party hereto warrants to the other Parties that he, she or it has the full power and authority to execute, deliver and perform under this Agreement and all documents referred to herein, and that any needed consent or approval from any other person has been obtained.

11. Duty to Act in Good Faith. The Parties shall act in good faith and use their reasonable good faith efforts after the execution of this Agreement to ensure that their respective obligations hereunder are fully and punctually performed. The Parties shall promptly perform any further acts and execute and deliver any other documents or instruments that may be reasonably necessary to carry out the provisions of this Agreement. Time is of the essence in this Agreement.

12. Interpretation and Construction. Any ambiguities or uncertainties herein shall be equally and fairly interpreted and construed without reference to the identity of the Party or Parties preparing this document or the documents referred to herein, on the understanding that the Parties participated equally in the negotiation and preparation of the Agreement and the documents referred to herein, or have had equal opportunity to do so. The headings used herein are for reference only and shall not affect the construction of this Agreement.

13. Governing Law and Venue. The settlement, this Agreement, and the documents referred to herein, shall be interpreted in accordance with the laws of the State of California, and if necessary, federal law. To the extent that any Party brings an action to enforce the terms of this Agreement, such action shall be filed and prosecuted in the Santa Cruz Superior Court and/or the United States District Court for the Northern District of California, to the extent of that court's jurisdiction.

14. Mutual Waiver of Attorney Fees and Costs. Subject to the requirements of section

2(e) of this Agreement, the Parties will bear their own costs of suit, consultant fees, expert fees, attorney fees, and any other costs and expenses of every kind or character, arising out of or relating in any way to the Overpayment or this Agreement, including but not limited claims released by this Agreement.

15. Breach, Waiver and Amendment. No breach of this Agreement or of any provision herein can be waived except by an express written waiver executed by the Party waiving such breach. Waiver of any one breach shall not be deemed a waiver of any other breach of the same or other provisions of this Agreement. The Agreement may be amended, altered, modified or otherwise changed in any respect or particular only by a writing duly executed by the Parties hereto and their authorized representatives.

16. Execution. All executed copies of this Agreement, and photocopies thereof (including fax and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

17. Agreement Does Not Establish Precedent. The Parties agree that the terms of this Agreement are binding and will not establish any precedent, nor will this Agreement be used as a basis by the Parties or anyone else to seek or justify similar terms in any subsequent or similar case.

18. Consultation with Counsel. The Parties affirm that, prior to execution of this Agreement, they have had the opportunity to consult with their respective legal counsel/representative concerning the terms and conditions set forth herein, and that they understand the advice provided to them.

19. Effective Date. This Agreement shall only become effective upon execution by all of the Parties. The effective date of the Agreement shall be the latest date appearing below after all Parties have executed the Agreement.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT AND RELEASE INCLUDES A RELEASE OF CLAIMS BY EMPLOYEE.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement and Release of Claims.

EMPLOYEE:	CITY:
________________________	City of Scotts Valley
________________________	________________________
________________________	Mali LaGoe, City Manager

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and General Release ("Agreement") is made and entered into by and between the City of Scotts Valley ("City") and ____________________ ("Employee") on this _____ day of July, 2024. City and Employee shall sometimes be individually referred to herein as a "Party" and collectively as "the Parties" with reference to the following facts:

RECITALS

WHEREAS, Employee is or was employed by the City; and

WHEREAS, in 2023, it was discovered that the Employee CalPERS contributions were not classified as pretax contributions, and erroneously subject to taxation (the "Tax-issue"); and

WHEREAS, the City notified Employee of the Tax-issue; and

WHEREAS, due to the error, Employee has received amended tax return of years Employee was impacted as permitted by law and may have incurred costs associated thereto; and

WHEREAS, the Parties desire to avoid the potential uncertainty, expense and delay of any potential litigation related to the Tax-issue and have therefore, based upon their negotiations, agreed to a settlement of the Parties' potential claims, subject to approval by the City Council; and

WHEREAS, the Parties agree and understand that this settlement is conditional and will become null and void unless and until it is approved by Employee and the City Council.

NOW THEREFORE, in consideration for the mutual promises and undertakings of the Parties as set forth below, the Parties hereby enter into this Agreement and agree as follows:

1. Recitals. The recitals set forth in this Agreement are true and correct and are hereby fully incorporated by reference into this Agreement. This Agreement affects potential claims and demands which are disputed, and by executing this Agreement, no Party admits or concedes any of the claims, defenses, or allegations which were raised or could be raised by any other Party or any third party. Each Party expressly denies liability for any and all claims or demands. The Parties acknowledge that this is a compromise settlement of a disputed claim or claims. Moreover, neither this Agreement, nor any part of this Agreement, shall be construed to be nor shall be admissible in any proceeding as evidence of or any admission by any Party of any violation of law or any wrongdoing whatsoever. This document may be introduced in a proceeding to enforce the terms of the Agreement.

2. Settlement Terms. In settlement of the "claims" the Parties may have against each

other, the City has agreed to pay Employee _______ ($200 PER TAX-ISSUE YEARS AND up to $300 per year for ACTUAL EXPENSES TO REFILE) and the Employee agrees to waive any claims he/she may have against the City for the Tax-issue. The City shall pay Employee $200 per tax-issue year upon execution of this Agreement. The reimbursement for actual expenses shall be paid within thirty (30) days of the City's receipt of proof that Employee refiled his/her taxes and the costs associated with such refiling. Any proof of expenses shall be filed no later than April 30, 2025.

3. Release of Claims. In consideration of the promises set forth herein, each of the Parties, on behalf of themselves and their officers, directors, agents, employees, affiliates, and assigns, hereby releases and discharges the other party, its past, present and future officers, agents, employees, administrators and assigns, from and relinquishes any and all past, present or future claims, demands, obligations, liabilities or causes of action of any nature whatsoever arising from or in any way related to the Tax-issue. Said release shall include, but shall not be limited to, claims, demands, obligations, liabilities or causes of action for compensatory damages, punitive damages, interest, diminution in value, costs, losses, expenses, compensation and attorneys' fees whether based on tort, MOU, contract, equity, statute, breach of fiduciary duty, or other theories of recovery which the Parties have or which may later accrue to or be acquired by the Parties. Each of the Parties hereto further covenants to the other that it shall not sue, nor by its acts or omissions cause to be sued, the other party with respect to the subject matter of this settlement, including without limitation the subject matter of the Tax-issue.

4. Release of Unknown Claims. In consideration for the payments described in Section 2 of this Agreement, Employee hereby waives any and all rights or benefits that it may have related to the Tax-issue under section 1542 of the Civil Code of the State of California, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee acknowledges that he/she understands the effect of this waiver pursuant to Civil Code section 1542.

5. Jurisdiction. This Agreement is executed and delivered in the State of California and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with the laws of the State of California.

6. Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter of this agreement and shall constitute the final understanding between the Parties hereto. All prior negotiations made or which have occurred prior to the date of this Agreement are merged into this Agreement.

7. No Additional Representations. Except for the terms of this Agreement, Employee and the City have not relied upon any statement or representation, written or oral, made

by any party, or any of their respective agents, attorneys or any other person, regarding any matter including, but not limited to, the federal or state income tax consequences of the Agreement to any party. The Parties expressly acknowledge and agree that they have relied solely upon the advice of their own attorneys and/or accountants as to the tax and benefit consequences of the Agreement.

8. Warranty of Non-Assignment. The Parties warrant that they have not assigned any of the claims or portions of the claims that are the subject of this Agreement.

9. Binding Agreement. The Agreement and all documents referred to herein, shall bind and inure to the benefit of each of the Parties hereto and his or her spouse, domestic partner, children, heirs, estates, administrators, representatives, executors, attorneys' successors and assigns. Except as expressly provided herein, this Agreement is not for the benefit of any person not a party hereto or any person or entity not specifically identified as a beneficiary herein or specifically identified herein as a person or entity released hereby. The Agreement is not intended to constitute a third party beneficiary contract.

10. Authority to Execute. Each Party hereto warrants to the other Parties that he, she or it has the full power and authority to execute, deliver and perform under this Agreement and all documents referred to herein, and that any needed consent or approval from any other person has been obtained.

11. Duty to Act in Good Faith. The Parties shall act in good faith and use their reasonable good faith efforts after the execution of this Agreement to ensure that their respective obligations hereunder are fully and punctually performed. The Parties shall promptly perform any further acts and execute and deliver any other documents or instruments that may be reasonably necessary to carry out the provisions of this Agreement. Time is of the essence in this Agreement.

12. Interpretation and Construction. Any ambiguities or uncertainties herein shall be equally and fairly interpreted and construed without reference to the identity of the Party or Parties preparing this document or the documents referred to herein, on the understanding that the Parties participated equally in the negotiation and preparation of the Agreement and the documents referred to herein, or have had equal opportunity to do so. The headings used herein are for reference only and shall not affect the construction of this Agreement.

13. Governing Law and Venue. The settlement, this Agreement, and the documents referred to herein, shall be interpreted in accordance with the laws of the State of California, and if necessary, federal law. To the extent that any Party brings an action to enforce the terms of this Agreement, such action shall be filed and prosecuted in the Santa Cruz Superior Court and/or the United States District Court for the Northern District of California, to the extent of that court's jurisdiction.

14. Mutual Waiver of Attorney Fees and Costs. Subject to the requirements of section 2(e) of this Agreement, the Parties will bear their own costs of suit, consultant fees, expert

fees, attorney fees, and any other costs and expenses of every kind or character, arising out of or relating in any way to the Tax-issue or this Agreement, including but not limited claims released by this Agreement.

15. Breach, Waiver and Amendment. No breach of this Agreement or of any provision herein can be waived except by an express written waiver executed by the Party waiving such breach. Waiver of any one breach shall not be deemed a waiver of any other breach of the same or other provisions of this Agreement. The Agreement may be amended, altered, modified or otherwise changed in any respect or particular only by a writing duly executed by the Parties hereto and their authorized representatives.

16. Execution. All executed copies of this Agreement, and photocopies thereof (including fax and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

17. Agreement Does Not Establish Precedent. The Parties agree that the terms of this Agreement are binding and will not establish any precedent, nor will this Agreement be used as a basis by the Parties or anyone else to seek or justify similar terms in any subsequent or similar case.

18. Consultation with Counsel. The Parties affirm that, prior to execution of this Agreement, they have had the opportunity to consult with their respective legal counsel/representative concerning the terms and conditions set forth herein, and they they understand the advice provided to them.

19. Effective Date. This Agreement shall only become effective upon execution by all of the Parties. The effective date of the Agreement shall be the latest date appearing below after all Parties have executed the Agreement.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT AND RELEASE INCLUDES A RELEASE OF CLAIMS BY EMPLOYEE.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement and Release of Claims.

EMPLOYEE:	CITY:
________________________	City of Scotts Valley
________________________	________________________
________________________	Mali LaGoe, City Manager

AGENDA ITEM 3.
DATE: 7/10/2024

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE:	7/10/2024
TO:	Honorable Mayor and City Council
FROM:	Kirsten Powell, City Attorney
APPROVED:	Mali LaGoe, City Manager
SUBJECT:	**Approve National Opioid Settlement participation**

SUMMARY OF ISSUE

Background

On April 5, 2023, the City Council voted to participate in a settlement of National Opioid Settlements with CVS, Walgreens, Walmart, Teva and Allergen. Additionally, the City agreed to assign opioid settlement funds to the County of Santa Cruz as the more appropriate agency to provide programs to address the opioid crisis which programs were a requirement of the settlement. Recently, an additional retailer - Kroger - has agreed to pay approximately $1.2 billion dollars to states and local entities over the next eleven years. In order to receive a portion of these funds, local entities need to release all claims against Kroger and agree to use the funds on opioid remediation. Council authorization is requested for the County to release all claims against Kroger in order to participate in the settlement. Any funds received will be covered by the assignment agreement with the County of Santa Cruz.

Discussion

The national opioids crisis has been well-documented over the last decade as communities have struggled to address its devastating impacts. The crisis has spurned litigation against opioid manufacturers and distributors alleging that they falsely marketed and unlawfully promoted and dispensed opioids in ways that the industry knew to be dangerous, addictive, and prone to abuse. Recently, a new $1.2 billion settlement was announced with Kroger, one of the opioid retailers that was sued by many of the government plaintiffs. Under this settlement, the State of California will receive a maximum amount of roughly $122 million over the next eleven years. These funds will be split between the State and local subdivisions who participate in the settlement, based on the same metrics that were used to split the monies in the earlier settlement (15% to the State, 70% to the Abatement Fund, and 15% to Litigating Local Entities). The City is eligible to participate in the Kroger settlement and receive funds if it agrees to release all claims against Kroger and spend any funds it receives the same way it is spending other opioid settlement funds. Because the total amount of settlement funds depends on the amount of local subdivision participation and other metrics identified in the settlement documents, it is difficult to determine with precision how much money the City will see from this settlement. However, local jurisdictions are advocating for the State to use the same allocation percentages used in the previous settlements, and if this occurs the City is eligible to receive a maximum amount of roughly $10,825 from this settlement over the next eleven years. Staff recommends that the City Council authorize the City to join this settlement and release any opioid-related claims it could otherwise file against Kroger in exchange for these funds. In addition, the funds received will be transferred to the County in accordance with the previously executed assignment agreement. The County will join the funds with the other opioid remediation funds it is currently expending. Similar to the other national opioid settlements, the documents for the Kroger settlement constitute hundreds of pages and are extremely complicated. The documents are available for review at www.nationalopioidsettlement.com by drilling down from the Kroger button that appears at the top of the home page. For purposes of efficiency, and similar to the procedure used with regard to the previous settlements, staff requests that the City authorize City Attorney Kirsten Powell to sign all documents required to effectuate the City's release of claims and inclusion in the Kroger settlement.

FISCAL IMPACT

By joining the Kroger settlement, the City is eligible to receive a rough maximum amount of $10,825 over the next eleven years to be assigned to the County and devoted to opioid crisis remediation efforts.

STAFF RECOMMENDATION

1. Authorize the City to participate in the National Opioid Settlement with The Kroger Company ("Kroger") and release all claims against Kroger in exchange for a portion of the settlement funds that will flow to the City through the State of California to be used ; and
2. Authorize the City Attorney to sign all relevant documents related to joining the settlement and executing the release of claims.

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None

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE:	7/10/2024
TO:	Honorable Mayor and City Council
FROM:	Stephanie Hill, Administrative Services Director
APPROVED:	Mali LaGoe, City Manager
SUBJECT:	**Introduction of Ordinance No. 73.3 amending Scotts Valley Municipal Code Section 2.24.020 regarding City Council Member benefits**

SUMMARY OF ISSUE

At the City Council Workshop on February 28th - 29th, 2024, Council and staff discussed the cost of Council Members' benefits in regard to Scotts Valley Municipal Code Section 2.24.020. The City has provided Council Members with medical and health insurance coverage at the same rate as provided for City department heads. Depending on enrollment levels, this could be upwards of $200,000 per year. Council discussed the need for budget prudence and agreed to phase out Council member medical and health benefits. The proposed ordinance amendment will make it so that any City Council Member elected after November 1, 2024 will still have medical and health benefits available to them, but they will bear the full cost of the premiums.

FISCAL IMPACT

Fiscal impact could be annual budget savings of up to $200,000 depending on enrollment. These changes have already been encompassed in the current Fiscal Year 2024-25 Budget.

STAFF RECOMMENDATION

Introduce Ordinance No. 73.3 amending the Scotts Valley Municipal Code 2.24.020 for Council Members' medical and health insurance coverage.

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ORDINANCE NO. 73.3

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING TITLE 2, CHAPTER 2.24, SECTION 2.24.020 OF THE SCOTTS VALLEY MUNICIPAL CODE REGARDING CITY COUNCIL MEMBER BENEFITS

WHEREAS, the City of Scotts Valley recognizes the commitment of time and resources it takes to serve as a City Council Member; and

WHEREAS, the City has provided medical and health insurance coverage to City Council Members; and

WHEREAS, the City desires to still provide such coverage to City Council Members but with the costs of the coverage to be paid by the City Council Members.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SCOTTS VALLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 2.24.020 of Chapter 2.24 of Title 2 is hereby amended to read as follows:

"**2.24.020 - Salary.**

Pursuant to the provisions of Section 36516 of the California Government Code (as the same may now exist or hereafter be amended), each member of the City Council shall receive the maximum monthly salary of four hundred eighty-eight dollars and sixty-seven cents. The City shall also provide medical and health insurance coverage, and pay the cost thereof, for each Council Member and his or her dependents to the same extent, the same is now or hereafter provided and paid for by the City department heads. <u>For any City Council Member elected after November 1, 2024, the City shall make medical and health insurance coverage available for each Council Member and his or her dependents to the same extent with the full cost of the premium to be paid by participating Council Member. Payment for such medical and health insurance coverage shall be made in accordance with policies established by the City."</u>

<u>SECTION 2. SEVERABILITY</u>. 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.

<u>SECTION 3. REPEALS CONFLICTING ORDINANCES</u>. 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.

<u>SECTION 4. CEQA COMPLIANCE</u>. 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 5. EFFECTIVE DATE. The above and foregoing ordinance was introduced for a first reading on July 10, 2024, and passed and adopted on August 7, 2024, at a duly held meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

____
Randy Johnson, Mayor

ATTEST:

____
Cathie Simonovich, City Clerk

APPROVED
AS TO FORM:

____
Kirsten Powell, City Attorney