AGENDA

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: May 7, 2025
Time: 6:00 PM

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 5-2-2025 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvalley.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Derek Timm, Mayor Allan Timms, Vice Mayor Steve Clark, Council Member Krista Jett, Council Member Donna Lind, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Stephanie Hill, Administrative Services Director Steve Walpole, Police Chief Jason Rutherford, Police Captain Scott Garner, Police Captain 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/@cityofscottsvalley
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 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER

1. Mayor's Proclamation - Peace Officers Memorial Day

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.

CITY MANAGER REPORT

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 City Council minutes of 04-16-2025
2. Approve check register dated 04-12-2025 through 05-02-2025
3. Investment Report for the Quarter Ended March 31, 2025
4. Selection and direction to enter into a professional services agreement for auditing services

PUBLIC HEARINGS

1. Public Hearing on Vacancies to Comply with Assembly Bill 2561

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. Consider request to display the Pride flag to commemorate Pride Month from June 1st to June 30th, 2025
2. Scotts Valley Police Annual Activity Report
3. AB 481 Military Equipment Use Annual Report and Ordinance Renewing the Military Use Policy

4. Introduction of Ordinance 7.8 amending Title 8 of the Scotts Valley Municipal Code by repealing Chapter 8.04 in its entirety and by adding a new Chapter 8.05, Graffiti Abatement - Public Nuisance

5. Future Council Agenda Items

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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City of Scotts Valley
Mayor's Proclamation

Designating May 15, 2025 as Peace Officers' Memorial Day

WHEREAS, the Congress and President of the United States have designated May 15 as Peace Officers' Memorial Day and the week in which it falls as Police Week; and

WHEREAS, the International Association of Chiefs of Police (IACP) has declared law enforcement officer safety and wellness a top priority, and the IACP's Center for Officer Safety and Wellness promotes the importance of individual, agency, family and community safety and wellness awareness; and

WHEREAS, the members of the Scotts Valley Police Department play an essential role in safeguarding the rights and freedoms of the citizens of Scotts Valley; and

WHEREAS, it is important that all citizens know and understand the problems, duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder; and by protecting the innocent against deception and the weak against oppression or intimidation; and

WHEREAS, the police department of the City of Scotts Valley has grown to be a modern and professional law enforcement agency which unceasingly provides a vital public service.

NOW, THEREFORE, I, Derek Timm, as Mayor of the City of Scotts Valley, on behalf of the entire City Council, do hereby call upon all citizens of the City of Scotts Valley and upon all organizations to observe the week of May 11 to May 17, 2025 as National Police Week with the appropriate ceremonies in which all of our people may join in commemorating police officers, past and present, who by faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

I FURTHER call upon all citizens of Scotts Valley to observe May 15, 2025 as Peace Officers Memorial Day to honor those peace officers who, through their courageous deeds, have lost their lives or have become disabled in the performance of duty.

CITY OF SCOTTS VALLEY CALIFORNIA 1966

Derek Timm, Mayor

Signed and sealed this 7th day of May 2025

MINUTES

Meeting of the
Scotts Valley City Council
Date: April 16, 2025
Time: 6:00 PM

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	The agenda was posted on 04-11-2025 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.gov.

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:00 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Derek Timm, Mayor Allan Timms, Vice Mayor Steve Clark, Council Member Krista Jett, Council Member Donna Lind, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Steve Walpole, Police Chief Stephanie Hill, Administrative Services Director Taylor Bateman, Community Development Director Cathie Simonovich, City Clerk

COMMITTEE REPORTS

CM Clark attended a Senior Council meeting where they updated the Area Plan on Aging.

CM Clark attended a Regional Transportation Commission (RTC) meeting and announced that the auxiliary lanes on Highway 1, including the bus-on-shoulder lanes, are open ahead of schedule. This work will continue on Highway 1 towards State Park Drive.

VM Timms attended the Economic Development Committee meeting where they discussed the implementation of the business license tax, potentially having Administration Services oversee the Arts Commission in the future, ideas for improving the arts throughout the City, and possible approaches to build awareness for the Autism Certification program.

VM Timms attended a Budget Subcommittee meeting, which is one of two meetings scheduled to review the proposed 2025-26 budget. They reviewed the Police Department, Community Development Department, and Administrative Services Department at this meeting. The remainder of the departments will be reviewed at the next meeting.

CM Lind attended a Santa Cruz Metropolitan Transit District (METRO) meeting where they are working on the strategic plan and the annual review of the Chief Executive Officer (CEO).

CM Lind continues to assist with planning for the Scotts Valley Chamber of Commerce Awards Gala event, which will be on May 9th. She noted that the early bird discounted ticket price ends on April 25th.

CM Lind attended the Candlelight Vigil for victims and survivors of crime during National Crime Victims' Rights Week.

CM Lind attended a multi-Chamber event for West Coast Community Bank (WCCB), formally Santa Cruz County Bank.

Mayor Timm attended a City Selection Committee meeting where they confirmed the nomination of Justin Cummings to the California Coastal Commission.

Mayor Timm noted that during the Budget Subcommittee meeting they discussed changes at the state and federal level that will likely affect cities, and they also discussed potential challenges if consumer spending slows down.

Mayor Timm announced that the April meeting of the Association of Monterey Bay Area Governments (AMBAG) was cancelled.

Mayor Timm attended the Insurance Town Hall where Insurance Commissioner Ricardo Lara gave updated information. A key point that could benefit Scotts Valley residents is regarding recent legislation that will require insurance companies to write policies within impacted areas. Commissioner Lara also encouraged residents to build Firewise communities.

CITY MANAGER REPORT

National Public Safety Communication Appreciation Week: City Manager LaGoe announced that this week we are celebrating our dispatchers for all that they do to answer emergency and non- emergency calls, greet the public, maintain the police records, and much more.

Concrete Grinding for Safety: This current project aligns with the City's risk management safety program to eliminate trip hazards around town. City Manager LaGoe noted that you can see the work in front of City Hall that was completed this week.

Skypark Soccer Fields Vandalized: The fields were damaged by a car being driven on them. Repairs to the field are in process and physical barriers will likely be installed to discourage this behavior.

Town Center Property Purchase: Escrow is open for the purchase of the Town Center parcels from the City of Santa Cruz. Escrow will close around the end of the fiscal year.

Town Center Meetings: The meetings are ramping up as we move through the Specific Plan and the Environmental Impact Report (EIR) process. Director Bateman, City Attorney Powell, and City Manager LaGoe have been meeting regularly with the Town Center consultants to ensure that the project stays on track.

Monterey Bay Area Self Insurance Authority (MBASIA): City Manager LaGoe is on the MBASIA Board as Treasurer. MBASIA is the risk management pool consisting of 10 small cities all located in the Monterey Bay Area. At the recent meeting they discussed the budget, and she noted that Scotts Valley's property insurance costs are predicted to be flat, and workers' compensation costs are predicted to decrease slightly. They also discussed a new earthquake protection insurance policy. The MBASIA budget will be finalized in June and the City will use this information in the annual budget.

Central Coast Community Energy (3CE) Operations Board: At this meeting they discussed the electrification incentive program, including options to streamline the program.

Continuum of Care (CoC) Board Meeting: This is a countywide organization created to address homelessness and affordable housing. The discussion at this meeting was heavily focused on the changing landscape of federal and state funding. They also discussed Affordable Housing Month which is coming up in May. There are several events around the county to celebrate affordable housing month. Please go to housingsantacruzcounty.com for more information.

Measure X Implementation: Communication is being prepared to inform businesses about the implementation of Measure X, which changes the business license tax structure.

Advocacy Letters: Two letters of support that align with Scotts Valley's Legislative Platform were sent out this week. The first was requested by the League of California Cities (CalCities) and is a letter of support for AB 650 which will help cities comply with the Regional Housing Needs Assessment (RHNA) process in a number of ways. The second letter went to Senator Laird and Assemblymember Pellerin and was regarding e-bike safety for youth.

Reminders:

- Sign up for the City's newsletter
- Follow the City on social media

PUBLIC COMMENT TIME

CM Lind announced that April is Sexual Assault Awareness Month and Child Abuse Prevention Month. She shared information from Monarch Services regarding the events taking place in the month of April and all the information can be found at https://www.monarchscc.org. Mayor Timm added that Monarch has done great work for our community, and they are also the recipient of a grant from the City through the Community Grant Program. He noted that Monarch accepts private donations as well.

Paul Murphy, a resident of Scotts Valley, inquired about the status of the Bocce court roof. Although the public comment period does not allow for a question-and-answer process, Mayor Timm indicated the City Manager has relevant information on this topic. City Manager LaGoe reported that the City is researching shade options around the bocce area that will provide more immediate relief, as well as looking long-term by implementing a Skypark Master Plan as an overarching plan to address the entire Skypark facility.

ALTERATIONS TO CONSENT AGENDA

M/S: Lind/Timms
To approve the Consent Agenda with no alterations.
Carried 5/0 (AYES: Timm, Timms, Clark, Jett, Lind)

CONSENT AGENDA

1. Approve City Council Special Meeting and Regular Meeting minutes of 04-02-2025

2. Approve check register dated 03-29-2025 through 04-11-2025

3. Ratify appointment of Parks and Recreation Commissioner

4. Aeration Basin System Upgrades Project - Cushman Contracting Agreement Amendment

5. Wastewater Recycling Facility Membrane Bioreactor Preliminary Design Agreement Amendment

6. Amendment to Employment Contract between the City of Scotts Valley and Mali LaGoe

7. Consider Resolution Designating No Parking on El Pueblo, Carbonero Way, Victor Square Extension and Technology Drive on Tuesdays from 5:00am to 7:00am

ALTERATIONS TO REGULAR AGENDA

M/S: Clark/Timms
To approve the Regular Agenda with no alterations.
Carried 5/0 (AYES: Timm, Timms, Clark, Jett, Lind)

REGULAR AGENDA

1. Future Council Agenda Items

Mayor Timm requested staff to place the consideration of displaying the Pride flag during the month of June 2025, commonly known as Pride Month, on an upcoming City Council agenda. A majority of the Council Members supported this request.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 6:21 PM to discuss the following item:

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding existing litigation
   Legal Authority: Government Code Section 54956.9
   Name of Case: Justin Nordgreen vs. City of Scotts Valley, et al. United States District Court for the Northern District of California, Case 5:25-cv-02574-NW
   Staff Present: City Manager, City Attorney, Police Chief

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 6:45 PM.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Timm announced that there was nothing to report from the Closed Session meeting.

ADJOURNMENT

The meeting adjourned at 6:45 PM.

Approved: ___________________________
Derek Timm, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

Cash Account: 999-10100-000-000-000000

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
133772	04/18/25	ACE PORTABLE SERVICES	750.24	O	Payment Manager
133773	04/18/25	ALHAMBRA	368.91	O	Regular
133774	04/18/25	ALVAREZ IND INC CLEAN BLDG	451.00	O	Regular
133776	04/18/25	BADAWI & ASSOCIATES	1,973.50	O	Regular
133777	04/18/25	BRIGHTVIEW LANDSCAPE	4,166.50	O	Regular
133778	04/18/25	CARMEL AREA WASTEWATER DIST	6,311.00	O	Regular
133779	04/18/25	CHRISTOPHER DUMONCEAUX	21.99	O	Regular
133780	04/18/25	CITY OF SANTA CRUZ	775.00	O	Regular
133781	04/18/25	COMCAST	323.11	O	Payment Manager
133782	04/18/25	COMMUNITY TREE SERVICE, INC.	7,842.47	O	Payment Manager
133783	04/18/25	CRYSTAL SPRINGS WATER CO	88.75	O	Regular
133784	04/18/25	CUSHMAN CONTRACTING CORPORATIO	9,521.51	O	Regular
133785	04/18/25	DAWN BANKS	144.00	O	Regular
133786	04/18/25	DEPT OF JUSTICE	64.00	O	Regular
133787	04/18/25	DEPT OF TRANSPORTATION	3,298.94	O	Regular
133788	04/18/25	ERNIE'S AUTO CENTER	97.68	O	Regular
133789	04/18/25	FERGUSON ENTERPRISES, LLC #795	34.56	O	Regular
133790	04/18/25	FIRST ALARM	316.47	O	Regular
133791	04/18/25	FORD HALL COMPANY,INC	690.88	O	Regular
133792	04/18/25	GOOD CITY COMPANY	18,677.25	O	Regular
133793	04/18/25	HERWIT ENGINEERING	8,003.50	O	Regular
133794	04/18/25	HINDERLITER, DE LLAMAS & ASSOC	22,000.00	O	Regular
133795	04/18/25	HOSE SHOP	597.74	O	Regular
133796	04/18/25	K & D LANDSCAPING, INC.	2,514.00	O	Regular
133797	04/18/25	KOSMONT COMPANIES, INC	8,491.00	O	Regular
133798	04/18/25	L & M FIRE PROTECTION	1,440.00	O	Regular
133799	04/18/25	LINDA KAEMPFER BAKER	150.00	O	Regular
133800	04/18/25	LLOYD'S TIRE SERVICE INC.	1,615.56	O	Regular
133801	04/18/25	LOGAN & POWELL, LLP	27,940.09	O	Regular
133802	04/18/25	MARY LOUISE DEFALCO	46.80	O	Regular
133803	04/18/25	MID VALLEY SUPPLY	278.20	O	Payment Manager
133804	04/18/25	MISSION UNIFORM SERVICE	575.83	O	Payment Manager
133805	04/18/25	MONTEREY BAY ANALYTICAL SVCS	1,759.60	O	Regular
133806	04/18/25	NATIONAL COMTEL NETWORK INC.	17.54	O	Regular
133807	04/18/25	O'REILLY AUTOMOTIVE,INC	359.96	O	Regular
133808	04/18/25	OLIN CORPORATION AS SOLE	5,143.37	O	Regular
133809	04/18/25	OPENGOV, INC.	2,390.00	O	Regular
133810	04/18/25	PALACE BUSINESS SOLUTIONS	78.34	O	Regular
133811	04/18/25	PETTY CASH - LAUREN LAMBERT	95.61	O	Regular
133812	04/18/25	PHILLIP D NEUMAN	32,244.57	O	Regular
133813	04/18/25	PURETEC INDUSTRIAL WATER	59.66	O	Regular
133814	04/18/25	ROSS RECREATION EQUIPMENT INC.	2,312.90	O	Regular
133815	04/18/25	S.V. WATER DISTRICT - BULK	102.92	O	Regular
133816	04/18/25	SCARBOROUGH LUMBER	590.59	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
133817	04/18/25	SCOTTS VALLEY CAR WASH	76.96	O	Regular
133818	04/18/25	SCOTTS VALLEY SPRINKLER	260.00	O	Regular
133819	04/18/25	SHARRON BARTH	42.00	O	Regular
133820	04/18/25	SONSRAY MACHINERY	4,189.80	O	Regular
133821	04/18/25	STRATEGIC CULTURE CORP	17,243.57	O	Regular
133822	04/18/25	SYCAL ENGINEERING INC	897.47	O	Regular
133823	04/18/25	TESTING ENGINEERS, INC	1,625.00	O	Regular
133824	04/18/25	THE PIED PIPER INC.	68.50	O	Payment Manager
133825	04/18/25	THOMSON REUTERS-WEST	396.48	O	Payment Manager
133826	04/18/25	U.S. BANCORP OFFICE	1,300.62	O	Regular
133827	04/18/25	U.S. BANK CORPORATE	19,556.33	O	Regular
133828	04/18/25	URBAN FIELD STUDIO OAKLAND	8,730.00	O	Regular
133829	04/18/25	VERIZON WIRELESS	178.70	O	Regular
133830	04/18/25	WIZIX TECHNOLOGY GROUP, INC	14.50	O	Payment Manager
133831	04/28/25	3SI SECURITY SYSTEMS, INC	360.00	O	Regular
133832	04/28/25	ACC BUSINESS	1,830.64	O	Payment Manager
133833	04/28/25	ACE PORTABLE SERVICES	337.19	O	Payment Manager
133834	04/28/25	AFLAC-FLEX ONE	738.29	O	Regular
133835	04/28/25	ALVAREZ IND INC CLEAN BLDG	410.00	O	Regular
133836	04/28/25	ANDERSON PACIFIC ENG INC.	10,217.43	O	Regular
133837	04/28/25	AT&T	2,060.77	O	Regular
133838	04/28/25	AT&T	2,748.49	O	Regular
133839	04/28/25	AT&T MOBILITY	1,555.82	O	Regular
133840	04/28/25	AUTO CARE LIFESAVER TOWING	90.00	O	Regular
133841	04/28/25	BATTERIES + BULBS #314	15.35	O	Regular
133842	04/28/25	BAY TREE, LLC	4,412.86	O	Regular
133843	04/28/25	BOWMAN & WILLIAMS	4,460.00	O	Regular
133844	04/28/25	BRINK'S AWARDS & SIGNS	68.59	O	Regular
133845	04/28/25	CAL-WEST LIGHTING & SIGNAL INC	2,585.80	O	Regular
133846	04/28/25	CALIFORNIA BUILDING	216.00	O	Regular
133847	04/28/25	CHLOE GRAHAM	75.60	O	Regular
133848	04/28/25	COMCAST	1,177.63	O	Payment Manager
133849	04/28/25	COMCAST	1,050.55	O	Regular
133850	04/28/25	COUNTY OF SANTA CRUZ	104.00	O	Regular
133851	04/28/25	CUMMING MANGEMENT GROUP, INC	112.50	O	Regular
133852	04/28/25	DAVID ARTHUR FRANKLIN	1,500.00	O	Regular
133853	04/28/25	DEPT OF CONSERVATION	787.77	O	Regular
133854	04/28/25	DEPT OF JUSTICE	32.00	O	Regular
133855	04/28/25	DIXON & SON TIRE	1,701.18	O	Regular
133856	04/28/25	DUNCAN AUTO TECH	688.01	O	Payment Manager
133857	04/28/25	GARRISON PLUMBING,INC	28,720.84	O	Regular
133858	04/28/25	HACH COMPANY	1,150.18	O	Regular
133859	04/28/25	HF&H CONSULTANTS LLC	32,500.00	O	Regular
133860	04/28/25	JESSE PIDCOCK	52.50	O	Regular
133861	04/28/25	MISSION UNIFORM SERVICE	266.50	O	Payment Manager

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
133862	04/28/25	MONTEREY BAY ANALYTICAL SVCS	1,190.25	O	Regular
133863	04/28/25	PALACE BUSINESS SOLUTIONS	382.04	O	Regular
133864	04/28/25	PERFECTMIND INC	15,500.00	O	Regular
133865	04/28/25	PHILLIP D NEUMAN	685.46	O	Regular
133866	04/28/25	PHOENIX GROUP	289.30	O	Regular
133867	04/28/25	PRIORITY 1 PUBLIC SAFETY	15,661.31	O	Regular
133868	04/28/25	PRODESSE PROPERTY GROUP	3,523.52	O	Regular
133869	04/28/25	RANDALL KRUSEE	20.87	O	Regular
133870	04/28/25	ROD MARKELL	1,974.00	O	Regular
133871	04/28/25	ROSS RECREATION EQUIPMENT INC.	1,460.54	O	Regular
133872	04/28/25	S.V. WATER DISTRICT	7,614.71	O	Regular
133873	04/28/25	SANTA CRUZ COUNTY CONFERENCE	17,869.30	O	Regular
133874	04/28/25	SANTA CRUZ LIVE SCAN, INC.	30.00	O	Regular
133875	04/28/25	SCARBOROUGH LUMBER	853.30	O	Regular
133876	04/28/25	SCOTTS VALLEY CAR WASH	619.48	O	Regular
133877	04/28/25	SCOTTS VALLEY FIRE DISTRICT	13,105.00	O	Regular
133878	04/28/25	SCOTTS VALLEY SPRINKLER	381.44	O	Regular
133879	04/28/25	SHAPE INC.	9,316.25	O	Regular
133880	04/28/25	SJON TOL	34.98	O	Regular
133881	04/28/25	STERICYCLE INC	248.02	O	Regular
133882	04/28/25	SYCAL ENGINEERING INC	301.50	O	Regular
133883	04/28/25	TELECOMMUNICATIONS	6,666.24	O	Regular
133884	04/28/25	THE PIED PIPER INC.	155.50	O	Payment Manager
133885	04/28/25	THE PROFESSIONAL TOUCH	130.00	O	Regular
133886	04/28/25	U.S. POSTMASTER	350.00	O	Regular
133887	04/28/25	USA BLUE BOOK	883.82	O	Payment Manager
133888	04/28/25	WIZIX TECHNOLOGY GROUP, INC	807.62	O	Payment Manager
133889	05/02/25	AT&T	1,994.16	O	Regular
133890	05/02/25	AT&T	166.75	O	Regular
133891	05/02/25	AT&T	57.82	O	Regular
133892	05/02/25	BATTERIES + BULBS #314	165.10	O	Regular
133893	05/02/25	BENJAMIN NOBLE	7,218.75	O	Regular
133894	05/02/25	BRIAN OGLE-YOUMANS	94.12	O	Regular
133895	05/02/25	BRIGHTVIEW LANDSCAPE	4,166.50	O	Regular
133896	05/02/25	BUSINESS WITH PLEASURE	177.19	O	Regular
133897	05/02/25	CODY WENTWORTH	41.62	O	Regular
133898	05/02/25	CSG CONSULTANTS, INC	30,062.80	O	Regular
133899	05/02/25	CYPRESS COAST FENCE	18,881.00	O	Regular
133900	05/02/25	DAT Q. NGUYEN	127.53	O	Regular
133901	05/02/25	DAVID J. POWERS & ASSOC	21,240.00	O	Regular
133902	05/02/25	DEPT OF TRANSPORTATION	3,707.84	O	Regular
133903	05/02/25	DUNCAN AUTO TECH	1,077.84	O	Payment Manager
133904	05/02/25	ECOLOGICAL CONCERNS	2,565.00	O	Regular
133905	05/02/25	GARRISON PLUMBING,INC	13,273.74	O	Regular
133906	05/02/25	INTERWEST CONSULTING GROUP	5,940.00	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
133907	05/02/25	JENNIFER DUNBAR	20.90	O	Regular
133908	05/02/25	K & D LANDSCAPING, INC.	1,396.00	O	Regular
133909	05/02/25	KARRIYMA PEKARY	250.00	O	Regular
133910	05/02/25	LLOYD'S TIRE SERVICE INC.	72.79	O	Regular
133911	05/02/25	M-GROUP	5,940.00	O	Regular
133912	05/02/25	MATTHEW SPENCER-COOKE	126.65	O	Regular
133913	05/02/25	METROPOLITAN TRANSPORTATION	2,000.00	O	Regular
133914	05/02/25	MID VALLEY SUPPLY	389.05	O	Payment Manager
133915	05/02/25	MISSION UNIFORM SERVICE	297.84	O	Payment Manager
133916	05/02/25	MP EXPRESS, INC.	395.92	O	Regular
133917	05/02/25	NELSON ALFARO	19.50	O	Regular
133918	05/02/25	NORTH BAY FORD-LINCOLN-	896.41	O	Regular
133919	05/02/25	PALACE BUSINESS SOLUTIONS	105.34	O	Regular
133920	05/02/25	PASCALE DROZEK	78.00	O	Regular
133921	05/02/25	PETTY CASH - LAUREN LAMBERT	103.00	O	Regular
133922	05/02/25	PHENOVA	1,113.14	O	Regular
133923	05/02/25	PRINICPAL LIFE INSURANCE CO	7,807.99	O	Regular
133924	05/02/25	PRODESSE PROPERTY GROUP	3,523.52	O	Regular
133925	05/02/25	ROBERT ORMONDE	439.82	O	Regular
133926	05/02/25	ROD MARKELL	1,974.00	O	Regular
133927	05/02/25	SANTA CRUZ COUNTY	13,967.90	O	Regular
133928	05/02/25	SCARBOROUGH LUMBER	1,055.34	O	Regular
133929	05/02/25	SCOTTS VALLEY SPRINKLER	73.51	O	Regular
133930	05/02/25	STERLING WATER TECHNOLOGIES	1,930.06	O	Regular
133931	05/02/25	TESTING ENGINEERS, INC	350.00	O	Regular
133932	05/02/25	THE BANK OF NEW YORK MELLON	1,700.00	O	Regular
133933	05/02/25	TORO PETROLEUM CORP	13,912.03	O	Regular
133934	05/02/25	VITANI HARRISON	69.00	O	Regular
133935	05/02/25	WENDY O'MEARA	82.40	O	Regular
133936	05/02/25	WEX BANK	9,108.16	O	Regular
133937	05/02/25	ZELLER APPRAISAL SERVICES INC	4,050.00	O	Regular

146	Checks total:	597,431.47
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
19	Payment Manager total:	18,160.97
165	GRAND TOTALS	615,592.44

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Kendra Reed, Finance Manager

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Investment Report for the Quarter Ended March 31, 2025**

SUMMARY OF ISSUE

Attached is the portfolio performance status report for the City and Supplemental Law Enforcement Fund ("SLESF") investment report for the quarter ended March 31, 2025. This information is for review only. No action is required by the Council.

The City's investment report submitted herein complies with the City's investment policy and evidence that there is adequate cash flow to meet the City's needs for the next six months. The City traditionally invests excess operating portfolio funds in Local Agency Investment Fund ("LAIF") and to the California Asset Management Program ("CAMP"). CAMP is a California Joint Powers Authority ("JPA") established in 1989. Investments offered through the Cash Reserve Portfolio (the "Pool" or the "CAMP Pool") and CAMP Term are permitted for all local agencies under California Government Code Section 53601(p). CAMP is directed by a board of trustees, which is made up of experienced local government finance directors and treasurers.

The revised Investment Policy, which was reviewed and adopted by the City Council June 12, 2024, allows the City to invest an unlimited amount of funds in Joint Powers Authority Pool (JPAP), which operates similarly to LAIF. The updated policy removed the previous 30% limit on investments in JPAP, allowing for an unlimited amount of funds to be invested. This flexibility provides the City with a strategic advantage in responding to changes in interest rates between these two investment options.

The SLESF investment report reflects the latest information available concerning how these monies provided by the State of California for front line police services were invested as of March 31, 2025.

Additional information on the Pooled Money Investment Account (PMIA) and Local Agency Investment Fund (LAIF) are provided from the State Treasurer's site.

FISCAL IMPACT

There is no fiscal impact of receiving and filing the report.

STAFF RECOMMENDATION

Receive and file an Investment Report for the Quarter Ended March 31, 2025.

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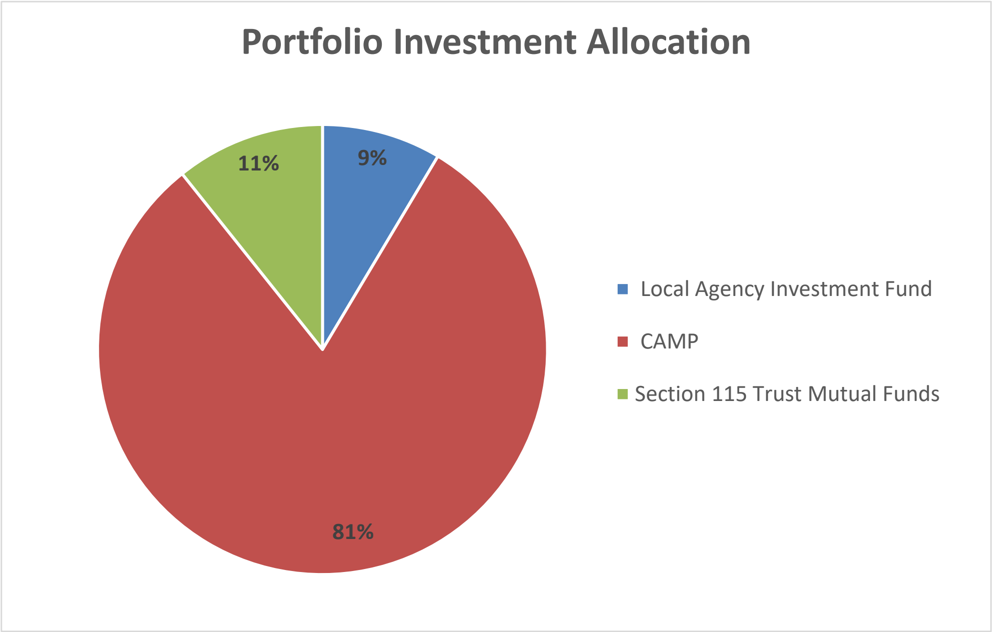
City of Scotts Valley
Quarterly Investment Report
March 31, 2025

TRUSTEE	TYPE OF INVESTMENT	ISSUER	MATURITY DATE	FACE VALUE	COST	MARKET VALUE	VALUATION	YIELD
	General Pooled Investments							
State of California	Local Agency Investment Fund (LAIF)	State of California	Demand - 1 day	$ 1,755,671	$ 1,755,671	$ 1,757,162 [1]	LAIF	4.480%
Board of Trustees	California Asset Management Program (CAMP)	CAMP	Demand - 1 day	$ 16,543,465	$ 16,543,465	$ 16,543,465	CAMP	4.470%
					Weighted Average Rate for General Pooled Investments			**4.471%**
	Section 115 Trust							
Charles Schwab Trust Bank	Mutual Fund	Schwab	Demand - 1 day	2,137,851	2,137,851	$ 2,201,223	Schwab	2.540%
	Investments of Bond Proceeds							
Bank of New York Mellon	US Treasury Notes	Bank of New York Mellon	Demand - 1 day	$ 395	$ 395	$ 395	Bank of New York	3.770%
Bank of New York Mellon	US Treasury Notes	Bank of New York Mellon	Demand - 1 day	$ 364,430	$ 364,430	$ 364,430	Bank of New York	4.193% [2]
Bank of New York Mellon	US Treasury Notes	Bank of New York Mellon	Demand - 1 day	$ 114,209	$ 114,209	$ 114,209	Bank of New York	0.000%

[1] Interest is paid at maturity. Market Value based on latest factor of 1.000849191 provided by LAIF on 03/31/2025, which has been applied to face value.
[2] Weighted average for all accounts.



Supplemental Law Enforcement Fund (SLESF)
Quarterly Investment Report
March 31, 2025

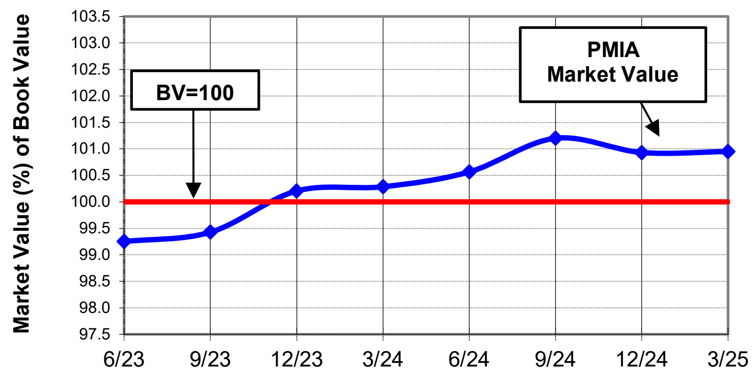
FACE VALUE	MARKET VALUE		TRUSTEE/INVESTMENT TYPE	YIELD
$ 101,237	$ 101,323	*	California Local Agency Investment Fund (LAIF)	4.480%
$ 101,237	$ 101,323			

* Interest is paid at maturity. Market Value includes accrued interest.

MONTHLY PERFORMANCE
Pooled Money Investment Account
March 2025

	3/31/2025	2/28/2025	12 Months HIGH	12 Months LOW
Average Life (days)	244	237	257	217
Certificates of Deposit & Bank Notes	9.25%	9.22%	9.40%	8.17%
Commercial Paper	6.76%	6.46%	7.06%	5.79%
Treasuries	52.98%	53.01%	59.17%	53.01%

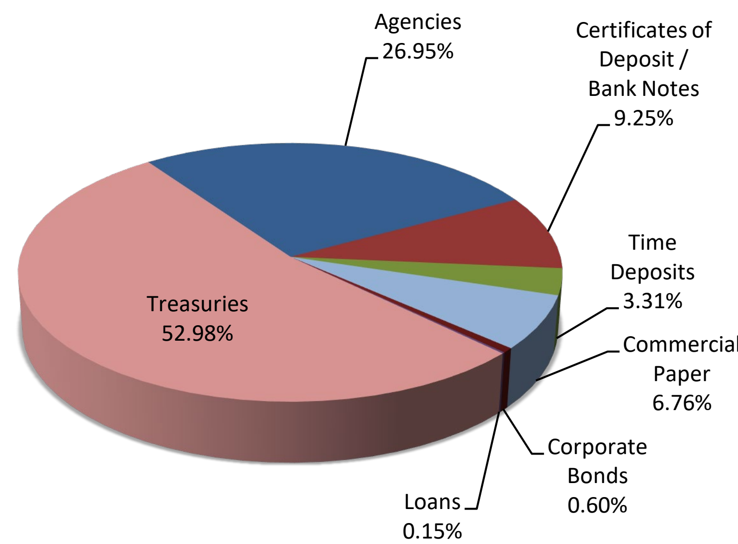
PMIA MARKET VALUATION



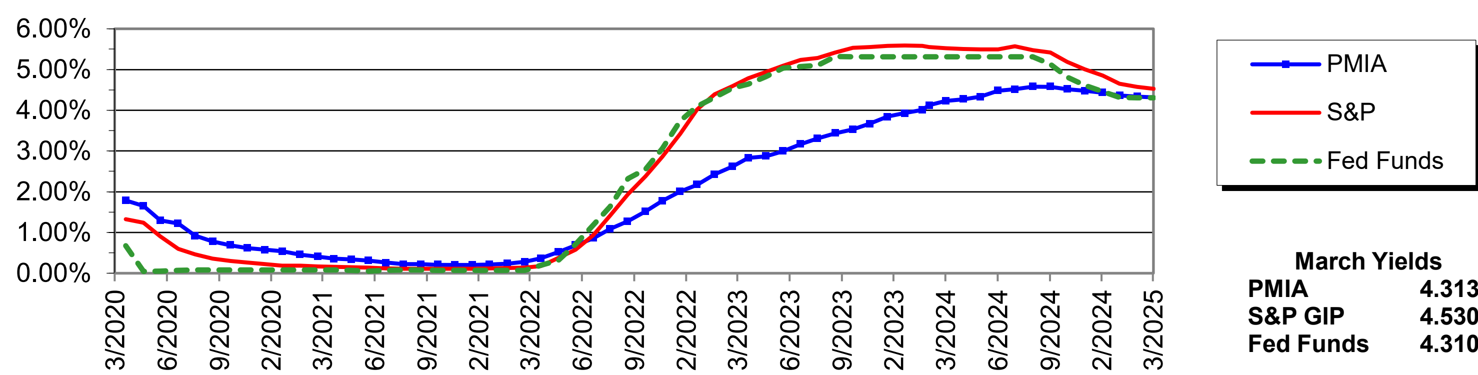
MARKET VALUE (%) of BOOK VALUE

Jun-2023	99.2503	Jun-2024	100.5652
Sep-2023	99.4272	Sep-2024	101.2007
Dec-2023	100.2054	Dec-2024	100.9316
Mar-2024	100.2851	Mar-2025	100.9501

PMIA Portfolio Composition
3/31/2025
$156.8 billion



Average Monthly Yield Comparison - 03/2020 through 03/2025



March Yields

PMIA	**4.313%**
S&P GIP	**4.530%**
Fed Funds	**4.310%**

Percentages may not total 100%, due to rounding.

PMIA/LAIF Performance Report
as of 04/16/25

Quarterly Performance
Quarter Ended 3/31/25

LAIF Apportionment Rate[2]:	4.48
LAIF Earnings Ratio[2]:	0.00012266258268207
LAIF Administrative Cost[1]*:	TBD
LAIF Fair Value Factor[1]:	1.000849191
PMIA Daily[1]:	4.30
PMIA Quarter to Date[1]:	4.34
PMIA Average Life[1]:	244

PMIA Average Monthly Effective Yields[1]

March	**4.313**
February	4.333
January	4.366
December	4.434
November	4.477
October	4.518

Pooled Money Investment Account
Monthly Portfolio Composition [1]
3/31/25
$156.8 billion

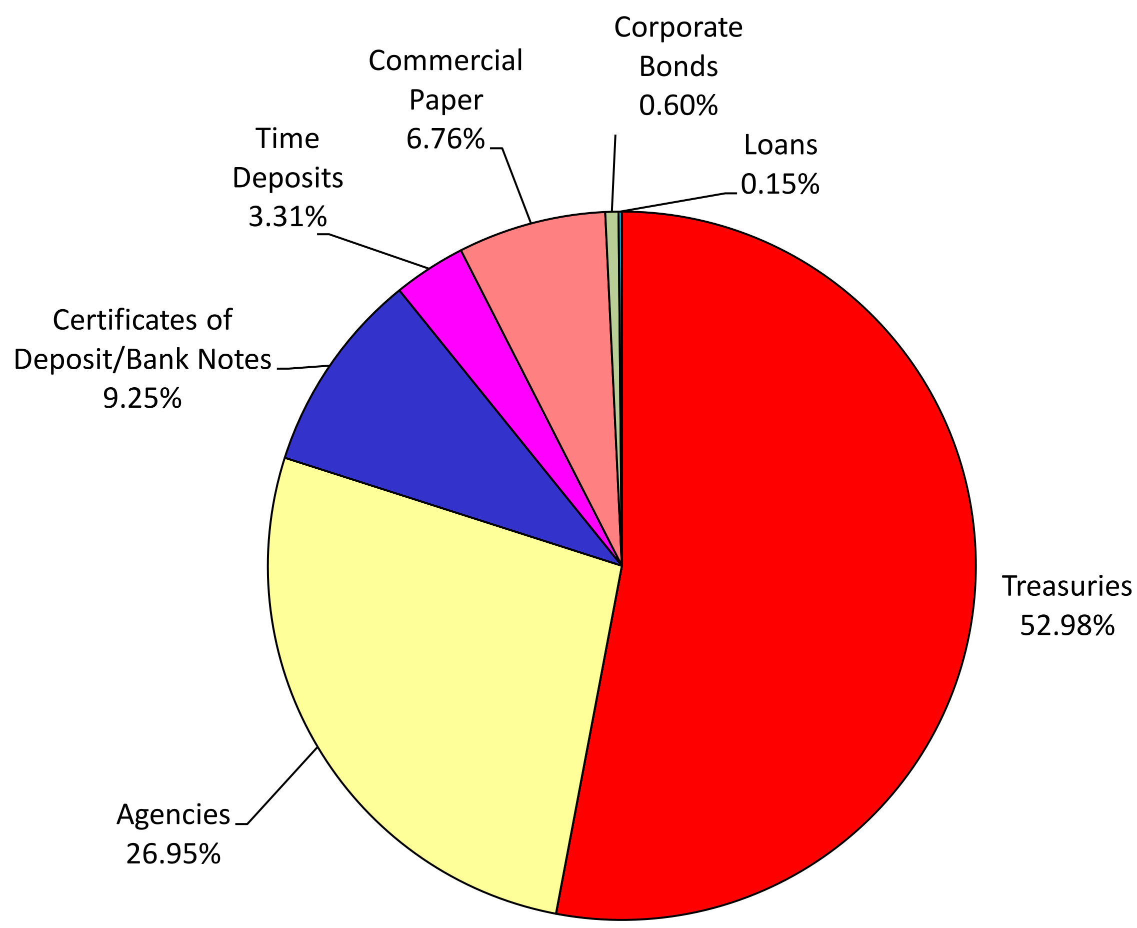


Chart does not include $1,138,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. View PMIA Daily Rates

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
[1] State of California, Office of the Treasurer
[2] State of California, Office of the Controller

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Stephanie Hill, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Selection and direction to enter into a professional services agreement for auditing services**

SUMMARY OF ISSUE

With the completion of the Fiscal Year 2023/24 audit, the contract with Badawi & Associates is completed. Local agencies are required to have audit services provided by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy. In addition, agencies cannot have a public accounting firm provide audit services to a local agency if the lead audit partner has performed audit services for that local agency for six consecutive fiscal years. If the firm has multiple partners able to rotate, the same firm may be used with a different partner assigned to the engagement.

In February 2025, the City issued an RFP requesting interested firms submit proposals to demonstrate their qualifications, competence, and capacity. The RFP was to be for audit services covering three fiscal years commencing with June 30, 2025–2027, with the option to extend services for two additional fiscal years. The City received two responsive proposals from Badawi & Associates and SingerLewak. Based on the evaluation criteria, Staff found Badawi & Associates to be the most qualified and cost-effective. Badawi & Associates proposal meets the requirement of being able to rotate a different partner be assigned to the engagement.

In addition, the proposal allows for additional professional out-of-scope services to be rendered at stated hourly rates. The City is in the process of reviewing different accounting structures and may utilize certain services during this period.

FISCAL IMPACT

Estimated cost per fiscal year of professional auditing services is less than $50,000 per year, with the three-year period estimated to be $132,545 and the full five years, if extended, to be $227,676.

STAFF RECOMMENDATION

It is recommended that the City Council approve selecting Badawi & Associates proposal as the City's professional auditing firm for the next three fiscal year periods commencing with

June 30, 2025, with the option to extend the additional two fiscal years, and direct the City Manager to enter into a Professional Services Agreement based on the proposed fee schedule, with an additional 5% for out-of-scope services, approved as to form by the City Attorney.

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City of Scotts Valley

TECHNICAL PROPOSAL

For Professional Auditing Services for the City of Scotts Valley
For fiscal years ending June 30, 2025 through 2027, with the option of extending the contract for each of the two (2) subsequent fiscal years.

March 3, 2025

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com

BADAWI & ASSOCIATES
Certified Public Accountants

City of Scotts Valley

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BADAWI & ASSOCIATES
Certified Public Accountants

March 3, 2025

Ms. Stephanie Hill
Administrative Services Director
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

Dear Ms. Hill:

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the City of Scotts Valley (the "City") for the fiscal years ending June 30, 2025 through 2027, with the option of extending the contract for each of the two (2) subsequent fiscal years. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the City in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the Government Accountability Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984, as amended in 1996, and the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations, Uniform Administrative Requirements, as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following as part of our engagement:

- Single Audit
- Gann Limit Agreed-upon Procedures
- State Controller's Report
- Annual Street Report
- Measure D Audit

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the City.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the City on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous cities throughout California. We will be responsive to the needs of the City, we understand the City's operational environment, and pledge to you our complete commitment to providing a quality product that meets the City's requirements.

The approach to the audit has been designed to meet the audit requirements of the City with the least disruption to the City's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the City. Our past experience provides us with a thorough understanding of the needs and requirements of the City, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,

Ahmed Badawi
Partner
Badawi & Associates
Certified Public Accountants

Firm Qualifications and Experience

Independence

The Firm is independent of the City of Scotts Valley as defined by the GAO's Standards for Audit of Governmental Organizations, Programs, Activities and Functions, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

Insurance

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as the City's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to the City which shows the minimum requirements identified by City have been met.

License to Practice in California

The Firm and all key professional staff assigned to the City's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO *Government Auditing Standards*.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

Conflict of Interest

The Firm has no conflicts of interest in connection with providing the services described in this proposal. The Firm does not have any financial, business, or other professional relationships with the City or any member of City staff.

Firm Qualifications

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 25 years of experience working with state and local government with a special focus on cities. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Berkeley, CA, the Firm serves a variety of cities and towns throughout California as well as conducting financial related services for numerous special districts and authorities. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Berkeley office will be the Engagement Office assigned to the City.

In addition to specific City financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements.

The Engagement Partner assigned to the City will be Mr. Mitesh Desai, CPA. Mr. Desai's background includes seventeen years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their Annual Comprehensive Financial Reports in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai is responsible for conducting in-house trainings for staff auditors and is credentialed with the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Engagement Quality Reviewer.

The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the City's finance department.

Technical Approach

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the City's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

1) **Initial Planning Meeting:**
The Engagement Partner and Manager will meet with City Management to discuss the audit approach, identify specific needs of City Management, and familiarize themselves with City policies and practices.

2) **Interim:**
The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, evaluate compliance with Single Audit Act requirements, identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and City Management of the year-end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the City on providing a list of those tasks that we will target to complete during interim and work with the City on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the City in meeting its goal of issuing the Annual Comprehensive Financial Report.**

3) **Year-end:**
The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

4) **Reporting:**
Auditor's reports for all City reporting entities and compliance requirements will be finalized along with Single Audit Reports and Management Letter comments. The Partner and Manager will be available to make presentations to the City Council and/or designated bodies.

Firm Experience

The Firm is located in Berkeley and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm's professional staff members provide the financial background and specific experience to meet the City's operational needs. Additionally, this situation provides the City with an auditing firm that has depth in capabilities to address any financial issue the City may need assistance with, and the quality audit approach that you expect.

Our Berkeley office will be the Engagemnt Office assigned to the City.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the City that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of City processes, and benefiting the City with his broad municipal experience. We have found that this effort benefits the City and the Firm through developing a thorough knowledge of the City's practices and issues and establishing a close working relationship with the City's Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- Cities
- Redevelopment Agencies
- Financing Authorities
- Housing Authorities
- Special Districts
- Water Districts
- Waste Management Authorities and Operations
- Pension Plans
- Child Care Operations
- Joint Power Authorities
- Investment Activities
- Landfills
- Enterprise Funds
- Airports
- Transportation Operations
- Federal and State Grants

Additional Activities

We offer a full range of accounting and finance services to the governmental sector. These services include:

- Financial audits
- Compliance audits
- Tax advice
- Development of financial and accounting policies and procedures
- Investment review and compliance evaluation
- Operational reviews
- Technical guidance on existing and upcoming accounting issues
- Training seminars
- Pension/profit-sharing plans
- Performance audits
- Business consulting

Consequently, Firm personnel are well qualified to perform the services expected by the City.

Client Training Seminar

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in the Bay Area.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with preparation of GASB 68 journal entries for the CalPERS' Cost Sharing Plans (for which individualized actuarial valuations are no longer prepared) and the CalPERS' Agent Multiple Employer Plans. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete the GASB 68 journal entries.

Flowcharting Documentation

As part of our risk assessment procedures, we prepare flowcharts for documenting our understanding of the City's significant accounting and financial processes. Flowcharts are updated annually for any changes in the City's processes and copies can be provided upon request for the City's internal use. Flowcharted processes may include:

- Financial Reporting, Closing, and Manual Journal Entries
- Cash Receipts, Billing, and Accounts Receivable/Revenues
- Cash Disbursements, Purchasing, and Accounts Payable/Expenditures
- Payroll and Human Resources

Quality Control Review

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.

GYL

Report on the Firm's System of Quality Control

Badawi & Associates
Berkeley, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 28, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 28, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Badawi & Associates has received a peer review rating of *pass*.

GYL LLP

Ontario, California
June 14, 2022

The Firm has policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of the Firm are very familiar with the stringent quality control standards established by the AICPA.

The Firm is a member of the AICPA Government Audit Quality Center.

The Firm is a member of the AICPA Private Companies Practice Section.

Federal or State Desk Reviews

The Firm has had no negative federal or state reviews in the past three (3) years.

Disciplinary Action

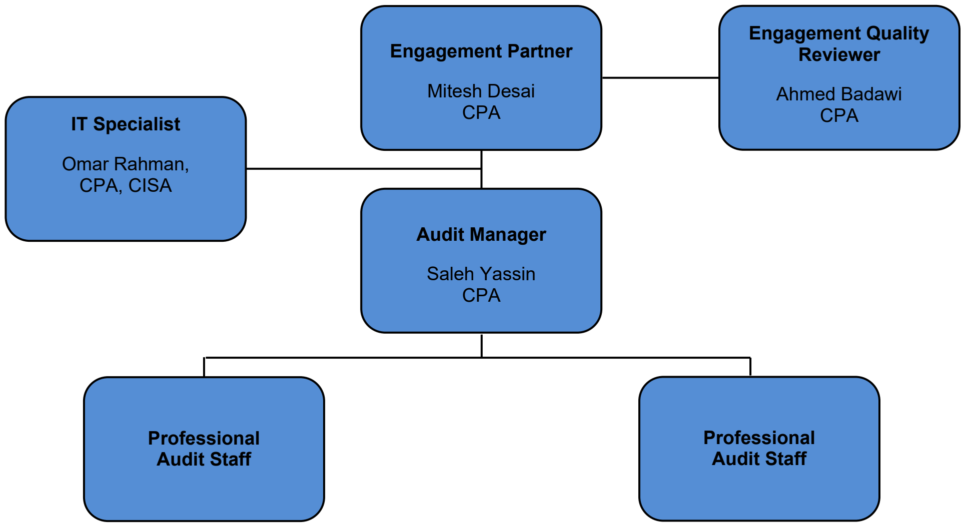
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Litigations

The Firm has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.

Partner, Supervisory, and Staff Qualifications and Experiences

The Engagement Team will normally consist of six individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the City with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Mitesh Desai, CPA. Mr. Desai's background includes seventeen years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their Annual Comprehensive Financial Reports in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai is responsible for conducting in-house trainings for staff auditors and is credentialed with the Advanced Single Audit Certificate offered by the AICPA.

The second member of the Engagement Team will be Saleh Yassin, CPA. Mr. Yassin's background includes eleven years of accounting and auditing experience. He has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations and is a volunteer member of the GFOA Special Review Committee. Mr. Yassin will be the Audit Manager of this engagement.

The third member of the Engagement Team will be Omar Rahman, CPA, CISA. Mr. Rahman has over 10 years of experience in the field of Information Technology (IT) audit and risk management at the senior and executive management level. He has worked extensively with government agencies, private organizations, and public companies, providing external and internal audit services in support of financial statement audits. Mr. Rahman will serve as the I.T. Specialist of this engagement.

The fourth member of the Engagement Team will be Ahmed Badawi, CPA. Mr. Badawi's background includes over twenty-five years of municipal auditing experience with a special focus on cities. He is the instructor of the CSMFO "Introduction to Governmental Accounting" training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous City, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations. He will serve as the Engagement Quality Reviewer.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

Professional Development:

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and financial reporting for state and local governments
- Review of governmental fund types and account groups
- Review of newly issued generally accepted auditing standards and GAO auditing standards
- Review of Internal Control evaluation approaches including COSO principles
- Updates on recent governmental accounting and reporting guidelines
- Review of Single Audit requirements and approaches
- Review of financial audit approaches
- Overview of audit and internal control work paper techniques
- Review of GASB reporting requirements
- Review of current issues facing the governmental community

During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices
- Yellow Book: Government Auditing Standards
- Financial Accounting Standards: Comprehensive Review
- Single Audit
- Governmental Auditing & Accounting Update
- Governmental Accounting Principles
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the City.

The Engagement Team members will continue their professional development efforts.

Staff Retention and Continuity:

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. We can also guarantee that the partner will be involved in future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner; we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team follow.

Mitesh Desai, Certified Public Accountant – Engagement Partner

Length of Career

- Seventeen years of experience in municipal auditing with a special focus on cities
- Certified Public Accountant for the State of California

Professional Experience

- Has performed numerous financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Services Provided						
	Financial Audit	Single Audit	TDA Audit	SCO Report	RDA Audit	Enterprise Fund	Other
Cities/Towns:							
Antioch	x	x	x		x	x	x
Azusa	x	x			x	x	x
Albany	x			x			
Berkeley	x	x	x		x	x	x
Buena Park	x	x	x			x	x
Calimesa	x				x		x
Crescent City	x	x			x	x	x
Dublin	x	x	x	x			x
East Palo Alto	x	x				x	x
El Cerrito	x	x			x		
Foster City	x	x			x	x	x
Fremont	x	x			x	x	x
Lemon Grove	x	x		x	x		x
Lindsay	x					x	x
Menlo Park	x	x			x	x	x
Millbrae	x	x			x	x	x
Newark	x	x			x		x
Oakdale	x	x	x		x	x	x
Pittsburg	x	x			x	x	x
Placerville	x	x				x	x
Scotts Valley	x	x		x	x	x	x
Sebastopol	x			x	x	x	x
Solvang	x			x			x
Union City	x	x	x	x	x	x	x
Waterford	x				x	x	x
Yuba City	x	x		x	x	x	x
Child Care Programs:							
Menlo Park Child Care	x					x	
Counties:							
Contra Costa	x	x	x		x	x	
Santa Cruz	x	x	x		x	x	
Special Districts and Other:							
Marin Municipal Water District	x						
West County Wastewater District	x					x	

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Municipal Accounting
  - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Saleh Yassin, Certified Public Accountant – Professional Audit Manager

Length of Career

- Eleven years of experience in auditing
- Certified Public Accountant for the State of California

Professional Experience

- Has performed numerous financial audits, Single Audits, RDA audits, PFA audits, Transportation Development audits, and housing audits

	Services Provided					
	Financial Audit	Single Audit	TDA Audit	RDA Audit	Enterprise Fund	Other
Cities/Towns:						
Antioch	x	x	x	x	x	x
Azusa	x	x		x	x	x
Berkeley	x	x	x	x	x	x
Chino	x	x			x	x
Dinuba	x	x		x	x	x
Foster City	x	x		x	x	x
Glendora	x	x		x	x	x
Healdsburg	x	x		x	x	x
Larkspur	x	x			x	x
Oakdale	x	x	x	x	x	x
Petaluma	x	x	x	x	x	x
Richmond	x	x	x	x	x	x
San Luis Obispo	x	x	x			x
Sebastopol	x			x	x	x
Solvang	x					x
Union City	x	x	x	x	x	x
Wasco	x	x	x	x		x
Yuba City	x	x		x	x	x
Albany	x					
East Palo Alto	x	x			x	x
El Cerrito	x	x		x		
Newark	x	x		x		x
Pinole	x	x			x	x
Vacaville	x	x		x		x
Yountville	x				x	x
Special Districts:						
San Ramon Valley Fire Protection District	x	x				
Solano County Water Agency	x					
Southern Marin Fire Protection District	x					
Central County Fire District	x					
Zayante Fire Protection District	x					
Hayward Area Recreation and Park District	x	x				
Regional Government Services Authority	x					
San Mateo Mosquito District	x					
Sutter Animal Services Authority	x					
Sutter Butte Flood Control Agency	x					
Non-profits:						
Housing Endowment and Regional Trust	x					
Newark Betterment Corporation	x					

Education

- BA Degree in Accounting from University of Asmara, Eritrea

Professional Activities

- Member, American Institute of Certified Public Accountants
- Member of the Association of Chartered Certified Accountants
- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
  - Governmental Financial Reporting Standards and Practices
  - Yellow Book: Government Auditing Standards
  - Municipal Accounting
  - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Omar Rahman, Certified Public Accountant, Certified Information System Auditor – Information Technology Specialist

Length of Career

- Over ten years of experience auditing information technology (IT) processes and controls
- Certified Public Accountant for the State of California
- Certified Information System Auditor

Areas of Expertise

- IT risk consulting and audit services for governmental entities, private/public companies, nonprofits, and professional service organizations
- External and internal IT audit services in support of financial statement audits
- Technical guidance/support on IT risks and controls in relation to SOX 404a and SOX 404b compliance, NIST 800-53/171a, Cyber Security Framework, HIPAA Technical Safeguards, CCPA/GDPR compliance, COBIT 2019 Framework
- Managed entire life cycle of IT internal and external audit engagements from planning research, audit program development, fieldwork and reporting
- Assess risks related to IT processes/assets and corresponding applications/tools
- IT control testing over business automated controls, general IT controls, and cyber security controls as well as IT substantive testing over information systems.

Partial list of governmental clients served:

- City of Berkeley
- City of Chino
- City of Dinuba
- City of Dublin
- City of Healdsburg
- City of Jurupa Valley
- City of Lathrop
- City of Laverne
- City of Lemon Grove
- City of Ontario
- City of Pomona
- City of Richmond
- City of San Carlos
- City of Sausalito
- City of San Luis Obispo
- City of Foster City
- Sacramento Metropolitan Fire District
- Sacramento Employment and Training Agency
- Union Sanitary District

Presentations

- November 2017 - Institute of Internal Auditors - General IT Controls for Internal Audit
- December 2018 - Institute of Internal Auditors - SDLC Process and Audit/Risk Considerations
- February 2019 - IT Audit for Business Process Professionals
- May 2019 - IT Internal Audit Emerging Technologies: Data Analytics
- September 2019 - Information Systems Audit and Control Association

Education

- B.S. Degree in Economics, University of California, Los Angeles, CA.

Professional Activities

- Certified Public Accountant - California
- Certified Public Accountant - Ohio
- Certified Information System Auditor

Ahmed Badawi, Certified Public Accountant – Engagement Quality Reviewer

Length of Career

- Over twenty-five years of experience in municipal auditing and accounting with a special focus on cities
- Certified Public Accountant for the State of California

Professional Experience

- Partial listing of clients served:

	Services Provided					
	Financial Audit	Single Audit	TDA Audit	RDA Audit	Enterprise Fund	Other
Cities/Towns:						
Antioch	x	x	x	x	x	x
Atwater	x	x		x		x
Azusa	x	x		x	x	x
Berkeley	x	x	x	x	x	x
Chino	x	x			x	x
Compton						x
Cotati	x				x	x
Crescent City	x	x		x	x	x
Dinuba	x	x		x	x	x
Dublin	x	x	x			x
Folsom	x	x		x	x	x
Foster City	x	x		x	x	x
Glendora	x	x		x	x	x
Guadalupe	x	x		x	x	x
Healdsburg	x	x		x	x	x
La Verne	x			x	x	x
Lafayette	x			x	x	x
Larkspur	x	x			x	x
Lathrop	x	x			x	x
Lemon Grove	x	x		x		x
Millbrae	x	x		x	x	x
Oakdale	x	x	x	x	x	x
Ontario	x	x		x	x	x
Petaluma	x	x	x	x	x	x
Pomona	x	x		x	x	x
Richmond	x	x	x	x	x	x
San Bruno	x	x	x		x	x
San Carlos	x	x	x	x	x	x
San Luis Obispo	x	x	x			x
Sausalito	x		x		x	x
Scotts Valley	x	x		x	x	x
Counties:						
Contra Costa County	x	x		x	x	x
Santa Cruz County	x	x		x	x	x
Special Districts and Other:						
Alameda County Water District	x				x	x
East Bay Regional Park District	x	x				x

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous Annual Comprehensive Financial Reports

Education

- BS Degree in Accounting from the University of Alexandria, Egypt

Professional Activities

- Instructor, CSMFO's "Introduction to Governmental Accounting" training class
- Member, CALCPA Government Accounting and Auditing Committee
- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, Government Finance Officers Association
- Member, California Society of Municipal Finance Officers

Continuing Education

- Has met the current CPE educational requirements to perform audits on governmental agencies

Similar Engagements with Other Governmental Entities

The tables below and on the following page are a partial listing of our clients similar to the City, and illustrates the many different types of components involved in each audit engagement that present very difficult and complex auditing and accounting challenges (in order of audit hours).

* Indicates cities with population over 50,000

** Indicates cities with governmental revenues over $100 million and population over 50,000

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
**	Richmond	2020	2,338	Ahmed Badawi	Andrea Miller Finance Director (510) 412-2077 Andrea_Miller@ci.richmond.ca.us	X		X	X	X		X	X	X	X	X
**	Berkeley	2008	1,505	Mitesh Desai	Henry Oyekanmi Finance Director (510) 981-7300 hoyekanmi@ci.berkeley.ca.us	X	X	X	X	X		X			X	X
**	Ontario	2021	1,012	Ahmed Badawi	Doreen Nunes Assistant Director of Finance (909) 395-2000 dnunes@ontarioca.gov	X	X	X	X		X	X	X	X	X	
	San Carlos	2023	865	Ahmed Badawi	Rebecca Mendenhall Administrative Services Director (650) 802-4213 rmendenhall@cityofsancarlos.org	X	X	X	X	X		X	X		X	
*	Union City	2006	850	Mitesh Desai	Jackie Acosta Finance Director (510) 675-5345 jackiea@unioncity.org	X	X	X	X	X			X		X	
**	Folsom	2019	786	Ahmed Badawi	Stacey Tamagni Finance Director (916) 461-6712 stamagni@folsom.ca.us	X	X	X	X		X	X			X	
**	Pomona	2023	756	Ahmed Badawi	Andrew Mowbray Finance Director/City Treasurer (909) 620-2353 Andrew.mowbray@pomonaca.gov	X	X	X	X		X	X	X		X	
**	Mountain View	2024	741	Ahmed Badawi	Derek Rampone Finance & Administrative Services Director (650) 903-6316 derek.rampone@mountainview.gov	X	X		X	X	X	X	X		X	
*	Petaluma	2019	691	Ahmed Badawi	Corey Garberolio Assistant Finance Director (707) 778-4357 cgarbero@cityofpetaluma.org	X	X	X	X	X	X	X	X		X	
	La Verne	2023	691	Ahmed Badawi	Christy Lopez Finance Director (909) 596-8752 clopez@cityoflaverne.org	X		X			X	X			X	
*	San Luis Obispo	2019	638	Ahmed Badawi	Emily Jackson Finance Director (805) 781-7125 ejackson@slocity.org	X	X		X	X	X	X				

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
	Chino	2023	621	Ahmed Badawi	Sue Suriati Fiscal Services Manager (909) 334-3347 ssuriati@cityofchino.org	X	X		X		X	X			X	
*	Antioch	2005	586	Mitesh Desai	Dawn Merchant Finance Director (925) 779-6135 dmerchant@ci.antioch.ca.us	X	X	X	X	X	X	X			X	
	Lafayette	2020	586	Ahmed Badawi	Jennifer Wakeman Assis. Administrative Services Director (925) 299-3213 JWakeman@lovelafayette.org	X	X	X					X		X	
	Lathrop	2023	585	Ahmed Badawi	Thomas Hedegard Deputy City Manager (209) 941-7329 thedegard@ci.lathrop.ca.us	X			X		X	X	X		X	X
	Sausalito	2023	559	Ahmed Badawi	Chad Hess Finance Director (415) 289-4150 chess@sausalito.gov	X						X	X		X	
	Dinuba	2023	556	Ahmed Badawi	Karina Solis Administrative Services Director (559) 591-5900 ksolis@dinuba.ca.gov	X	X	X	X		X	X	X		X	
**	Dublin	2018	546	Mitesh Desai	Jay Baksa Finance Director (925) 833-6648 Jay.Baksa@dublin.ca.gov	X	X		X	X			X			
	Azusa	2017	540	Mitesh Desai	Talika Johnson Administrative Services Director (626) 812-5202 tjohnson@AzusaCa.Gov	X	X	X	X		X	X			X	
	Foster City	2023	540	Ahmed Badawi	Waqas Hassan Assistant Finance Director (650) 286-3204 whassan@fostercity.org	X	X	X	X		X	X			X	
	Millbrae	2015	550	Mitesh Desai	Mike Sung Finance Director (650) 259-2433 msung@ci.millbrae.ca.us	X	X	X	X		X	X			X	
	Glendora	2022	487	Ahmed Badawi	Kyle Johnson Finance Director (626) 914-8245 kjohnson@cityofglendora.org	X	X	X	X		X		X	X	X	
	San Bruno	2022	486	Ahmed Badawi	Nick Pegueros Chief Financial Officer (650) 616-7054 NPegueros@sanbruno.ca.gov	X	X		X	X	X	X	X		X	
	Healdsburg	2023	452	Ahmed Badawi	Katie Edgar Finance Director (707) 431-3184 kedgar@healdsburg.gov			X	X		X	X	X		X	

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	SCO Report	Housing Authority	Enterprise Funds	Pension Trust Fund
*	Yuba City	2017	450	Mitesh Desai	Diona Pope Finance Director (530) 822-4615 dpope@yubacity.net	X	X	X	X		X	X	X		X	
	Larkspur	2019	437	Ahmed Badawi	Emilia Gabriele Administrative Services Director (415) 927-5016 Finance@cityoflarkspur.org				X					X	X	
	Wasco	2021	428	Ahmed Badawi	Isarel Perez-Hernandez Finance Director (661) 758-7230 isperez@cityofwasco.org	X		X	X	X	X	X	X			
	Atwater	2021	380	Ahmed Badawi	Anna Nicholas Finance Director (209) 357-6310 anicholas@@atwater.org			X	X		X	X	X	X		
	Lemon Grove	2022	377	Ahmed Badawi	Stacey Tang Finance Director (619) 825-3803 stang@lemongrove.ca.gov	X		X	X				X			
	Scotts Valley	2019	311	Ahmed Badawi	Stephanie Hill Administrative Services Director (831) 440-5614 shill@scottsvalley.org	X	X	X					X		X	
	Waterford	2018	311	Mitesh Desai	Tina Envia Finance Manager (209) 874-2328 Ext: 104 tenvia@cityofwaterford.org			X			X	X			X	
	Solvang	2019	308	Mitesh Desai	Wendy Berry Administrative Services Director (805) 688-5575 x 205 wendyb@cityofsolvang.com	X	X		X		X	X	X		X	
	Guadalupe	2017	303	Mitesh Desai	Janice Davis Finance Director (805) 356-3895 Jdavis@ci.guadalupe.ca.us			X	X		X	X			X	
	Crescent City	2014	227	Mitesh Desai	Linda Leaver Finance Director (707) 464-7483 x224 lleaver@crescentcity.org			X	X		X	X		X	X	

The table below lists all special district engagements (in order of audit hours):

Special District	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	Single Audit	Enterprise Funds
San Gabriel Valley Council of Governments	2021	618	Ahmed Badawi	Rey Alimoren Director of Finance (626) 962-9292 ralimoren@sgvcog.org	No	N/A	X	X
Sacramento Employment and Training Agency	2023	540	Ahmed Badawi	D'et Saurbourne Administrative Services Deputy Director (916) 263-3811 D'et.Saurbourne@seta.net	No	N/A	X	
Sacramento Metropolitan Fire District	2023	519	Ahmed Badawi	Dave O'Toole Chief Financial Officer (916) 859-4300 otoole.dave@metrofire.ca.gov	Yes	Yes	X	
County of Contra Costa Community Services Bureau Child Development Program	2013	450	Mitesh Desai	Donn Matsuzaki Fiscal Officer (925) 608-4832 dmatsuzaki@ehsd.cccounty.us	No	N/A		
Union Sanitary District	2023	362	Ahmed Badawi	Mark Carlson, CPA CFO/Business Services Manager (510) 477-7510 markc@unionsanitary.ca.gov	Yes	Yes		X
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Mitesh Desai	Patrick Lee Finance Manager / Treasurer (916) 685-3556 plee@egwd.org	Yes	Yes		X
Hayward Area Recreation and Park District	2017	350	Mitesh Desai	Anne Maze Administrative Services Director (510) 881-6707 maza@haywardrec.org	No	N/A	X	
San Ramon Valley Fire Protection District	2021	285	Ahmed Badawi	Ms. Davina Hatfield Chief Financial Officer (925) 838-6668 dhatfield@srvfire.ca.gov	Yes	Yes	X	
San Mateo Mosquito and Vector Control District	2018	228	Ahmed Badawi	Richard Arrow Finance Director (650) 344-8592 rarrow@smcmvcd.org	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Mitesh Desai	Rosa Rosales Administrative Services Manager (831) 718-8019 rrosales@mbard.org	No	N/A		
Ross Valley Fire Department	2021	190	Ahmed Badawi	Jeff Zuba Finance & Admin. Services Director (262) 989-2208 jzuba@townofsananselmo.org	No	N/A		
Southern Marin Fire Protection District	2020	160	Ahmed Badawi	Alyssa Schiffmann Finance Manager (415) 388-8182 aschiffmann@smfd.org	No	N/A		
Alameda County Waste Management Authority (StopWaste)	2018	154	Mitesh Desai	Jennifer Luong Finance Services Manager (510) 891-6500 jluong@stopwaste.org	Yes	Yes		
Central County Fire Department	2012	150	Mitesh Desai	Jan Cooke Finance Director (650) 375-7408 jcooke@hillsborough.net	Yes	Yes		

Special District	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	Single Audit	Enterprise Funds
Central Fire Protection District of Santa Cruz County	2018	150	Mitesh Desai	Nancy Dannhauser Finance Director (831) 479-6842 nancy.dannhauser@centralfiresc.org	No	N/A		
Port of San Luis Harbor District	2017	150	Mitesh Desai	Suzy Watkins Harbor Director (805)595-5414 suzyw@portsanluis.com	Yes	Yes		X
Resource Conservation District of Santa Cruz County	2017	150	Mitesh Desai	Arianne Rettinger Director of Finance (831) 594-8109 arettinger@rcdsantacruz.org	No	N/A	X	
Santa Cruz Regional 9 - 1 - 1	2016	150	Mitesh Desai	Amethyst Uchida General Manager (831) 471-1035 amethyst@scr911.org	No	N/A		
Marin Wildfire Prevention Authority	2021	106	Ahmed Badawi	Alyssa Schiffmann Finance Manager, SMFPD (415) 952-5859 finance@marinwildfire.org	No	N/A		

Understanding of Services to be Provided

The City desires an audit of the financial records for the City and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2025 through 2027, with the option of extending the contract for each of the two (2) subsequent fiscal years.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statements which includes but is not limited to the financial statements of governmental activities, the business-type activities, each major fund and all aggregate remaining fund information in conformity with generally accepted accounting principles in the United States of America.
- Express an "in-relation-to" opinion on the fair presentation of its combining and individual non-major and fiduciary fund financial statements and schedules in conformity with generally accepted accounting principles. The Firm will provide an “in-relation-to” report on the supporting schedules contained in the Annual Comprehensive Financial Report based on the auditing procedures applied during the audit of the basic financial statements and schedules.
- Provide an “in-relation-to” report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the financial statements.
- Perform the audit in accordance with generally accepted auditing standards accepted in the United States of America, applicable to the financial audit contained in the Government Auditing Standards issued by the Comptroller General of the United States and the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board.
- Issue the following reports, following the completion of the audit of the fiscal year’s financial statements:
  - Independent Auditor’s Report on Financial Statements and Schedule of Expenditure of Federal Awards
  - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
  - Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance
  - Schedule of Findings and Questioned Costs
  - Auditor’s Communication with Those Charged with Governance
  - Annual Comprehensive Financial Report following the requirements and guidelines of the GFOA award program
  - Gann Limit Agreed-upon Procedures
  - State Controller’s Report
  - Street Report
  - Measure D Audit
- Provide special assistance to the City as needed.
- Retain all working papers and reports at the audit firm’s expense for a minimum of 7 years. In addition, make working papers available to the City and/or any government agency as appropriate.

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the City's Council and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to City Management.

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the City Council and will be ready to respond to questions from the Council and citizens of the City.

Specific Audit Approach

Objectives of Our Services

The basic objective of our audit of the City is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the City:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities.
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations.
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation and documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the City, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.

The audit will be conducted in accordance with:

1) Generally accepted auditing standards established by the AICPA.
2) The standards contained in Government Auditing Standards issued by the GAO.
3) Provisions of the Single Audit Act and the Uniform Guidance.
4) Requirements issued by the California State Controller's office.
5) Other requirements as required.

We will conduct the necessary audit steps to perform:

- Planning of the engagement
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement
- Determination of degree of compliance with laws, regulations, grant provisions, and City approved policies
- Assessment of potential fraudulent issues
- Validation of account balances
- Verification of reasonableness of management estimates

Technical Approach

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. **Planning, Understanding and Communication:**

   Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the City. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. **In-Depth Review of Systems and Controls:**

   We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the City and understanding and experience with the City's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the City's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. **Risk-Based Customized Testing Program:**

   Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

   - Balance Sheets / Statement of Net Position
   - Statement of Revenues and Expenditures / Statement of Activities
   - Presentation
   - Disclosure

   Our audit procedures will then be developed to address these risk areas.

4. **Expanded Interim Fieldwork:**

   Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with City staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized.

5. **Smooth Transition:**

Our testing program focuses on audit risks identified by our understanding of the City's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and City staff will be fluid and continuous.

6. **Sample Size and Sampling Techniques:**

Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

7. **Automated Systems:**

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

Our information Technology Specialists will evaluate the IT operating control environment.

8. **Analytical Procedures:**

We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the City to benefit from these procedures.

9. **Approach to be Taken in Determining Laws and Regulations Subject to Audit Test Work:**

We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the City are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, California Constitution Gann Limit requirements, requirements of local measures, Child Care Program compliance requirements, etc.

10. **Report Format:**

We will meet with City Management to review report formats. Any report format changes will be made in conjunction with approval from City Management.

11. **Work Plans:**

The detailed work plans will be designed to efficiently and effectively address the audit requirements of the City in accordance with generally accepted auditing standards, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.

12. **Adjusting Journal Entries:**

We will discuss and explain proposed audit adjusting entries with the City's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the City's general ledger system.

13. **Listing of Schedules and Tables (anticipated to be prepared by the City):**

Based on preliminary inquiries made with management and City staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the City for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional City staff hours.

The following is a listing of some of the significant reconciliations and schedules that we would normally expect the City to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- Annual Comprehensive Financial Report Account Roll Up Schedules
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the City
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules & Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Leases
- Schedule of Expenditures of Federal Awards
- Analysis of Deferred Inflows of Resources and Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for estimate of allowance for uncollectible accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Utility billing Registers and Fee schedules
- Compensated Absences Schedules and Copies of Related Policies
- Claims Payable Schedules
- Pension and OPEB Roll Forward & Supporting Schedules
- GASB 54 Fund Balance Roll Forward Schedule
- Interfund Transaction Schedules

Use of Technology in the Audit

The Firm maintains a variety of specialized software packages during the audit that enable us to perform an efficient, thorough, and timely audit and keeping time demands on City staff to a minimum.

Trial Balance Management and Financial Statement Preparation

ProSystem Fx Engagement allows us to import and manage multiple years of trial balance data including budgetary information, create multiple account groupings, generate reports, post journal entries proposed during the audit (including GASB 34 conversion entries), and link information directly to the financial statements. This gives us the ability to:

- Generate immediate trend and other comparative analysis of trial balance and budget data prior to the start of the audit. This allows us to identify potential issues and make inquiries early in the audit
- Link the financial statements and footnotes prior to the start of the audit allowing us to have majority of the financial statements (including budgetary comparison schedules and other supplementary information) prepared at the time the trial balance is uploaded
- Audit adjustments or City adjustments provided during the audit are automatically reflected in the financial statements

Audit Request Management and Document Exchange

CCH Engagement Organizer ("Organizer") is a virtual "Prepared by Client (PBC) List" that streamlines the process of requesting, receiving, and keeping track of documents. The Organizer is an integrated cloud-based request list that helps to facilitate the engagement through more seamless collaboration between the Firm and our clients. By utilizing the Organizer, the City can do all of the following in one secure virtual environment:

- Attach files of any type to document requests
- Easily track the status of document requests that are either pending, completed by the City, accepted by us, or rejected by us
- Access templates and documents from us that require completion
- Have multiple City staff get involved and assist in the audit process
- Participate in a dialog with us for questions and notes

We have found that the use of the Organizer has helped our clients be always informed as to the status of their audit, and not be surprised with new requests or follow up on outstanding requests previously provided.

Computer Aided Audit Tools (CAATs)

The Firm's data analytics software enables our Engagement Team to perform more than 150 Computer Aided Audit Tools (or "CAATs"). CCH Teammate Analytics gives us the ability to perform advanced data analysis and increase efficiency. By utilizing this software, we can:

- Immediately visualize and analyze 100% of account populations with graphs, charts and statistics to identify anomalies
- Make fewer sample selections that are targeted to problematic areas
- Quickly analyze transactional data for:
  - Duplicate records
  - Missing transactions
  - Transaction sequence
  - Unusual items
- Compare excel worksheets for changes or differences
- Generate immediate testing samples
- Perform regression analysis
- Filter and extract data from City reports

Audit Planning, Risk Assessment, and Audit Programs

Our firm utilizes CCH Knowledge Coach, which is an expert system that adapts and customizes our audit approach specifically based on the City's structure, operating environment, specific transactions, and identified risks or matters to be addressed in the audit. The software is frequently updated for new industry trends and audit requirements. Included in the software is a continuous diagnosis of audit forms that identifies missing information, procedures, or any conflicts that need to be addressed prior to issuance of the audit report. We have found that this audit tool greatly benefits our audit clients in the following ways:

- Removal of standardized audit steps and procedures that do not add value to the audit
- Targeted audit procedures focusing on risks and accounts specific to the City's operations
- Audit is always performed in accordance with audit standards especially the risk assessment standards
- Maximizing audit efficiency having less City staff time dedicated to gathering information or responding to inquiries by focusing on material issues
- Automatic self-diagnostics ensure no audit steps are missed, guaranteeing a quality audit

Research Tools

We maintain multiple research software packages that are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resources for us to provide guidance to our clients. In addition to accounting and audit literature, we have access to interactive disclosure checklists that include sample footnote disclosures and financial statements.

Audit Schedule

2025 Period		Audit Tasks
April	-	***Planning and Administration***

- The entrance conference shall be held with City staff. The purpose of this meeting will be to discuss prior audits and the interim work to be performed. This meeting will also be used to establish overall liaison for the audits and to make arrangements for work space and other needs
- Review and evaluate the City's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements
- Prepare overall memo to the City confirming audit procedures, timing, and assistance
- Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by the City staff
- Send the Organizer to the City that will include all request items considered to be necessary for the audit

May - ***Internal Control Evaluation***

- Meeting with City Manager and Department Heads of other departments with large operating budgets or which have significant federal grant expenditures
- Attending City Council meetings
- Meeting with off-site locations
- Meeting with key Finance Department personnel
- Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation
    - General ledger system
    - Budgeting system
    - Revenue, utility billing, accounts receivable, and cash collections
    - Purchasing, expenditures, accounts payable, and cash disbursements
    - Payroll
    - Federal Financial Assistance
    - Other systems
- Identify control risks
- Evaluate IT control environment
- Perform testing of the internal control system and evaluate the effectiveness of the City’s systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with City policies
- Conduct fraud assessment procedures
- Assess degree of risk for material misstatement
- Provide to the City’s management a memo concerning management letter points and identify issues, if any

2025 Period		Audit Tasks
May	-	***Other Tasks***

- Review minutes of City Council meetings and other key committees
- Perform preliminary substantive procedures, which would include tests of:
    - Vendor and contractor payments
    - Payroll expense
    - Utility billing
    - Pension and OPEB testing
    - Capital asset acquisitions
    - Journal entries
    - Retrospective review of accounting estimates
- Financial statement database management and other setup, in addition to drafting of all necessary report templates
- Preliminary Single Audit and other compliance testing
- Coordinate with City staff and prepare of all appropriate confirmation requests including:
    - Bank accounts
    - Investment pool accounts
    - Accounts receivable
    - Federal grants
    - Revenue from governmental agencies
    - Bond and other debts
    - Pension plan
    - Attorney letters
    - Others, as required
- Update the Organizer with any additional requests that will be needed for the City's audit
- Provide the City with audit plan and list of year-end audit schedules
- Hold progress conference with City Management
- Hold exit conference with City Management

November	-	***Final Fieldwork***

- Entrance conference with City Management
- Follow-up on all outstanding confirmations
- Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required
- Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual
- Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing City staff
- Perform review of subsequent events by discussions with City Management and update all minutes of City Council and key committees

2025 Period	Audit Tasks
	- ***Single Audit Compliance***

- Entrance conference with City Management
- Obtain Federal Financial Assistance Schedule
- Determine grants to be considered as major programs including clusters
- Perform audit tests of major grant programs and compliance with Federal Law and Regulations
- Review grant documents, select sufficient number of transactions to test for compliance of Federal Requirements
- Coordinate Single Audit efforts with the Financial Audit efforts
- Communicate findings to City Management
- Other Compliance

December - ***Audit Reports***

- Complete drafts of City's Annual Comprehensive Financial Report
- Prepare draft of Single Audit Reports concerning internal control structure, compliance with laws and regulations, and administering of federal financial assistance programs
- Prepare other reports as required
- Provide revised final drafts of all required reports to the City for approval

December 20 - ***Final City Audit Reports, Financial Statements, Single Audit Reports, and other reports delivered by no later than December 20th.***

January 2026 - ***Audit Presentation to Council (if requested)***
- ***State Controller's Reports delivered and submitted***
- ***Single Audit Report package submitted to Federal Audit Clearinghouse***

Note: the proposed audit schedule above can be adjusted as necessary based on the needs of the City.

Estimated Hours by Audit Phase

Position	Planning	Interim Fieldwork	Year End Fieldwork	Reporting	Total
Partner	5	7	15	5	32
Audit Manager	8	34	38	14	94
Professional Audit Staff	-	56	74	11	141
IT Specialist	-	5	-	-	5
Administrative Assistant	9	2	13	15	39
Total	22	104	140	45	311

Discussion of Relevant Accounting Issues

Identification of Anticipated Potential Audit Problems

We do not anticipate that there will be any audit problems at the City. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
  - Review and evaluate that the City's Annual Comprehensive Financial Report is in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
  - Review the Annual Comprehensive Financial Report for financial reporting conformance awards issued by CSMFO and GFOA.
  - Review and evaluate degree of compliance with the various GASBs in effect.
  - Review degree of compliance with infrastructure obligations and regulatory provisions.

- Internal Control Structure:
  - Review and evaluate the City's internal control functions and ascertain compliance with proper internal control philosophies.
  - Review computer system processes and controls and evaluate adequacy of the control environment.

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

2025

- Statement 101 – Compensated Absences
- Statement 102 – Certain Risk Disclosures

2026

- Statement 103 – Financial Reporting Model Improvements
- Statement 104 – Disclosure of Certain Capital Assets

Comprehensive Cost Bid

Schedule of Professional Fees

Description	2025 Hours	2024-25	2025-26	2026-27	Optional Year 2027-28	Optional Year 2028-29
Financial Statements Audit	233	$ 32,055	$ 33,017	$ 34,008	$ 35,028	$ 36,079
Single Audit	22	2,990	3,080	3,172	3,267	3,365
Gann Limit Agreed-upon Procedures	8	1,085	1,118	1,152	1,187	1,223
State Controller's Report	16	2,250	2,318	2,388	2,460	2,534
Street Report	16	2,250	2,318	2,388	2,460	2,534
Measure D Audit	16	2,250	2,318	2,388	2,460	2,534
Total	311	$42,880	$44,169	$45,496	$46,862	$48,269

Position	2024-25		2025-26		2026-27		Optional Year 2027-28		Optional Year 2028-29	
	Hours	Rates	Hours	Rates	Hours	Rates	Hours	Rates	Hours	Rates
Partner	32	$ 300	31	$ 310	30	$ 320	30	$330	30	$340
Audit Manager	94	225	88	230	86	235	86	240	86	245
Professional Audit Staff	141	125	132	130	128	135	128	140	128	145
IT Specialists	5	225	5	230	5	235	5	240	5	245
Administrative Assistant	39	100	37	105	35	110	35	115	35	120
Total Hours	311		293		284		284		284	
Total Cost	$ 53,400		$ 52,045		$ 52,115		$ 53,685		$ 55,255	
Discount	(10,520)		(7,876)		(6,619)		(6,823)		(6,986)	
Total not to exceed fees	$ 42,880		$ 44,169		$ 45,496		$ 46,862		$ 48,269	

Note: The above is an all-inclusive maximum price, including services, out-of-pocket expenses, meals, lodging, transportation, printing, and other costs.

Manner of Payment:

Each Engagement Team member maintains detailed time sheets describing work performed, date of work, and amount of time spent on each task for the Engagement. The Firm will bill the City after completion of each phase of the audit and bill the City up to a maximum of 90%. The remaining 10% of the proposal amount will not be due until all final reports are delivered and accepted by the City. The City can anticipate three billings as follows:

Work Performed	% of Proposal Amount
For interim work	45%
For year-end work	45%
At presentation and acceptance of final reports	10%
Total	100%

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Hourly Rate
Partner	$ 300
EQR	300
Manager	225
Senior	175
Staff	125
I.T.	225
Admin.	100

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

Conclusion

A client relationship with the City will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the City. We are committed to:

- Rendering the highest standard of service
- Developing a long-term working relationship dedicated to meeting the needs of the City
- Assisting the City in operational issues
- Producing a quality end-product

We have the technical qualifications and experience to provide the level of service desired and expected by the City and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the City and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

* * * * * * * * * * * * * * * * *

Appendix

References

1) City of Berkeley
   - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Measure B/BB/F (Alameda County), TDA Audit, RDA Successor Agency
   - Engagement Partner: Ahmed Badawi (2008 – 2019), Mitesh Desai (2020 - Present)
   - Address: 2180 Milvia Street, Berkeley, CA 94704
   - Principal Contact:
     Mr. Henry Oyekanmi, Finance Director
     (510) 981-7332
     hoyekanmi@ci.berkeley.ca.us
2) City of Richmond
   - Scope of Work: Annual Financial Report, Single Audit, SAS 114, Gann Limit, Joint Powers Financing Authority, TDA, State Controller's Reports
   - Engagement Partner: Ahmed Badawi (2020 - Present)
   - Address: 450 Civic Center Plaza, Richmond, CA 94804
   - Principal Contact:
     Ms. Andrea Miller, Finance Director
     (510) 412-2077
     Andrea_Miller@ci.richmond.ca.us
3) City of San Luis Obispo
   - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Whale Rock Commission
   - Engagement Partner: Ahmed Badawi (2019 – Present)
   - Address: 990 Palm Street, San Luis Obispo, CA 93401
   - Principal Contact:
     Ms. Emily Jackson, Finance Director
     (805) 781-7125
     ejackson@slocity.org
4) City of Antioch
   - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Antioch Public Financing Authority, Antioch Area Public Facilities Financing Agency
   - Engagement Partner: Ahmed Badawi (2005 – 2019), Mitesh Desai (2020 - Present)
   - Address: Third and H Streets, Antioch, CA 94509
   - Principal Contact:
     Ms. Dawn Merchant, Finance Director
     (925) 779-6135
     dmerchant@ci.antioch.ca.us
5) City of Millbrae
   - Scope of Work: Annual Comprehensive Financial Report, Single Audit, SAS 114, Gann Limit, Measure A, Measure M, Measure W
   - Engagement Partner: Ahmed Badawi (2015 – 2020), Mitesh Desai (2021 – Present)
   - Address: 621 Magnolia Avenue, Millbrae, CA 94030
   - Principal Contact:
     Mr. Mike Sung, Finance Director
     (650) 259-2433
     msung@ci.millbrae.ca.us

Exceptions to the Contract

With regard to the sample contract, RFP Appendix A, Agreement for Professional Services, we would like to edit the paragraphs as follows:

9. **Documents**: Unless such property is proprietary in nature, notes, studies, chain, computations, electronic files, and other data and information obtained by CONSULTANT for this project shall, upon receipt of payment for services rendered, be made available to CITY by CONSULTANT at CITY'S request and shall become the property of CITY. In the event CITY alters the document, CITY agrees CONSULTANT shall have no responsibility whatsoever for any claim arising out of, or alleged to have risen out of, use of the altered document.

   Unless such property is proprietary in nature, all plans, studies, documents, charts, computations, and electronic files prepared by and for CONSULTANT, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the CITY upon payment to CONSULTANT for such work, and the CITY shall have the sole right to use such materials in its discretion without further compensation to CONSULTANT or to any other party. CONSULTANT shall, at CONSULTANT'S expense, provide such reports, plans, studies, documents and other writings to CITY upon written request.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Stephanie Hill, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Public Hearing on Vacancies to Comply with Assembly Bill 2561**

SUMMARY OF ISSUE

In response to Assembly Bill 2561 (AB 2561), signed into law by Governor Newsom on September 22, 2024, the City of Scotts Valley presents this report in compliance with new transparency requirements related to staffing vacancies. AB 2561 mandates that public agencies hold at least one public hearing each fiscal year before the adoption of their budgets to report on vacancy levels, evaluate hiring and retention efforts, and allow for participation by recognized bargaining groups. This report includes workforce data for the 2024 calendar year, along with the most current staffing status as of March 31, 2025. The Public Hearing notice was posted in the Santa Cruz Sentinel on 4/28/2025.

Assembly Bill 2561 (AB 2561) amended the Meyers-Milias-Brown Act by adding Government Code Section 3502.3, which requires local public agencies to enhance transparency and accountability in public sector staffing. The purpose of AB 2561 is to address growing concerns over staffing shortages in public agencies, which can lead to increased workloads, employee burnout, lower morale, and reduced service delivery to citizens. To mitigate these impacts, the law requires agencies to:

- Report annually on vacancies, recruitment activity, and retention strategies;
- Identify any policies or practices that may hinder hiring or retention;
- Provide recognized bargaining groups an opportunity to present during the public hearing; and
- If any bargaining group vacancy rate reaches or exceeds 20% of authorized positions, provide additional data upon request, including applicant volume, hiring timelines, and efforts to improve compensation, benefits, and working conditions.

Recognized bargaining groups, including the Service Employees International Union 521 (SEIU), Mid-Management, Scotts Valley Police Bargaining Unit (SVPBU), Scotts Valley Police Supervisors Associate (SVPSA) have been invited to participate in this public hearing in accordance with AB 2561.

Workforce Overview

As of March 31, 2025, the City of Scotts Valley has 67 (FTE) budgeted positions. Of the 67 FTE's, 56 are represented by bargaining groups. No bargaining group currently meets or exceeds the 20% vacancy threshold that would trigger enhanced reporting under AB 2561. The City's overall vacancy rate is currently 4%, which is considered low.

Vacancy rates are calculated as follows: Vacancy Rate (%) = (Number of Vacant Positions in employee group / Total Number of Authorized Positions) x 100.

The following table summarizes the City's vacancy rate by employee group as of March 31, 2025:

Employee Group	FTE'S Budgeted	Vacancies	Vacancy Rate
SEIU	19	2	11%
Mid-Management	11	1	9%
SVPBU	21	0	0%
SVPSA	5	0	0%
Management/Confidential	11	0	0%

Vacancies within the City arise from a range of factors, including retirements, internal promotions, resignations, and terminations. In 2024, the City filled 12 full-time positions. Human Resources and Hiring Managers reviewed 373 applications for full-time positions, demonstrating consistent interest in City employment opportunities.

However, a high volume of applications does not always indicate a strong pool of qualified candidates. The City often receives applications from across the country and internationally, many of which are from individuals seeking remote-only roles or from candidates who do not meet minimum qualifications. Additionally, some qualified candidates choose not to proceed in the recruitment process due to the area's high cost of living or compensation levels that do not align with their expectations or desired lifestyle.

Employee Separations

In 2024, 9 employees separated from the City of Scotts Valley.

Employee Retention

Employee retention remains a central focus of the City's workforce strategy. In 2024, the City implemented several initiatives designed to improve employee satisfaction, promote longevity, and enhance professional growth. These efforts include:

- Approval of new three-year labor agreements effective July 1, 2024, incorporating competitive wage increases and expanded benefits;
- Continued access to a comprehensive benefits package and flexible work schedule options for many positions;
- Creation of longevity incentives to reward and retain experienced employees;
- Ongoing professional development through in-person and online training programs,

including offerings from the LCW Training Consortium and KnowledgeWave Training portal.
- Conducting an employee engagement survey.

The average tenure for employees is currently 5.5 years.

Organizational Self-Assessment

As part of its workforce planning and in alignment with AB 2561, the City continues to assess internal practices and workforce conditions to identify and address recruitment and retention challenges. Current areas of focus include:

- Exploring new advertising methods and platforms, particularly for hard-to-fill positions such as Police Officers;
- Reviewing recruitment best practices and improving the onboarding experience.

This ongoing self-assessment helps the City to become an employer of choice, supports organizational resilience, and ensures the effective delivery of public services.

FISCAL IMPACT

There is no fiscal impact to receiving and filing this report.

STAFF RECOMMENDATION

No action is needed to receive this report.

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None

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Mali LaGoe, City Manager

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Consider request to display the Pride flag to commemorate Pride Month from June 1st to June 30th, 2025**

SUMMARY OF ISSUE

On June 1, 2022 the City Council adopted a Policy on Display of Flags to allow the display of government and commemorative flags. The policy prohibits third-party requests for commemorative flag displays and only allows for the display of commemorative flags when the request is brought forth by a member of the City Council to place the consideration of a specific commemorative flag on a future agenda. The decision to display the commemorative flag must then be authorized by a majority vote of the City Council at a duly noticed regular or special City Council meeting, as an expression of the City Council's official sentiments. At the April 16, 2025 City Council meeting, Mayor Timm requested staff to place the consideration of flying the Pride flag during the month of June 2025, commonly known as Pride Month, on an upcoming City Council agenda.

Per the City's Policy, any commemorative flag being considered must be consistent with the current City Council recognized goals and priorities and City strategic plan. The Pride flag, in representing the diversity of the LGBTQ community, is consistent with Council's Strategic Goal #10: *Celebrate Scotts Valley by supporting cultural events, developing Scotts Valley's brand, and investing in brand recognition.*

The City Council unanimously voted to fly the Pride flag in 2022, 2023, and 2024 during Pride Month.

FISCAL IMPACT

As the City already owns a Pride flag, there is no fiscal impact of approving flying the flag for the month of June 2025.

STAFF RECOMMENDATION

It is recommended that the Council consider approval to display the Pride flag from June 1st to June 30th, 2025 to commemorate Pride Month.

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RESOLUTION NO. 2014

ADOPTING A CITY OF SCOTTS VALLEY POLICY ON DISPLAY OF FLAGS

WHEREAS, the City of Scotts Valley currently displays, as required by existing law, the United States Flag and the State of California Flag; and

WHEREAS, the City of Scotts Valley does not have a formal policy regarding the display of flags; and

WHEREAS, the City Council desires to establish a policy that provides guidance and standards for the indoor and outdoor display of flags at City of Scotts Valley owned properties; and

WHEREAS, in adopting this Policy on Display of Flags, the City Council declares that flags and flagpoles owned or maintained by the City of Scotts Valley are not intended to serve as a forum for free expression by the public, but rather as a nonpublic forum for the display of flags outlined in the Policy on Display of Flags, as an expression of the City Council's official sentiments (government speech).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Scotts Valley approves the Policy on Display of Flags, attached and incorporated hereto as Exhibit A.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 1st day of June, 2022, by the following vote:

AYES: DILLES, JOHNSON, LIND, REED, TIMM
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

DocuSigned by:
Donna Lind
CCF69251FA9C4A0...

Approved: ______________________
Donna Lind, Mayor

DocuSigned by:
Cathie Simonovich
00BDB2B26C07422...

Attest: ______________________
Cathie Simonovich, City Clerk

EXHIBIT A

CITY OF SCOTTS VALLEY POLICY ON DISPLAY OF FLAGS

The Scotts Valley City Council (hereinafter "City Council") desires to establish a "Policy on Display of Flags at City Facilities" (hereinafter "Policy"). In adopting this Policy, the City Council declares that the City of Scott Valley's flagpoles are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, and City of Scotts Valley flags, and any "commemorative flag" as may be authorized by this Policy and the City Council as an expression of the City Council's official sentiments.

I. **<u>Purpose</u>**

A. The purpose of this Policy is to establish clear guidance from the City Council regarding the indoor and outdoor display of flags at City of Scotts Valley (hereinafter"City") facilities.

B. In adopting this Policy, the City Council declares that flagpoles owned or maintained by the City are not intended to serve as a forum for free expression by the public. Rather, such flagpoles are a non-public forum for the display of Federal, State, and City of Scotts Valley flags, and any commemorative flag (as defined by section II(C)(1) below), as authorized by the City Council and this Policy as an expression of the City Council's official sentiments (government speech).

C. The City will not display a commemorative flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

II. **<u>Policy</u>**

A. <u>Conformance with Federal and State Regulations.</u> Flags shall be displayed in accordance with all Federal and State statutes and regulations, including, but not limited to, United States Code, Title 4, Chapter 1, et seq., and California Government Code sections 430 et seq., as may be amended from time to time, and this Policy.

B. <u>For all City owned properties (including parks), other than the Civic Center, located at One Civic Center Drive, Scotts Valley.</u> If there is an outside flagpole, the United States Flag may be displayed and the State of California Flag may be displayed, as described in section II(A) above. If flags are displayed indoors, those flags are limited to the United States Flag and State of California Flag. Commemorative flags may not be displayed.

If such City owned property is leased and/or licensed to a third party, that third party shall not be bound by this Policy, but must comply with any Federal, State, or local laws related to display of flags.

C. Civic Center, located at One Civic Center Drive, Scotts Valley. Regarding the flagpole outside of City Hall, the United States Flag shall be displayed and the State of California Flag shall be displayed, as described in section II(A) above, as well as a "commemorative flag" (as defined by section II(C)(1)). If flags are displayed indoors of the Civic Center, thoseflags are limited to the United States Flag and State of California Flag.

1. Commemorative Flag

a. As expression of the City's official government speech, the City Council may authorize the display of a "commemorative flag" to be displayed below any other flags on the Civic Center flagpole, located at City Hall. Only commemorative flags that comply with this Policy may be displayed.

b. A commemorative flag is any flag that is consistent with this Policy and not the United States Flag or State of California Flag.

c. The City Council shall only consider a request to display such a commemorative flag if the request is made by a member of the City Council to place the discussion on teagenda for a regular or special City Council meeting. Requests to display a commemorative flag by members of the public will not be considered.

d. A majority of the City Council must agree to display the commemorative flag as part of an official City Council action at a duly noticed, Ralph M. Brown Act compliant, regular or special City Council meeting.

e. Commemorative flags shall be displayed for a period of time that is reasonable or customary for the subject that is to be commemorated, but no longer than thirty-one (31) continuous days.

f. If any other flag is displayed at half-staff, the commemorative flag will also be displayed at half-staff, height limits permitting.

g. A commemorative flag will only be considered by the City Council if it is commonly identified with, and consistent with, the current City Council recognized goals and priorities and City strategic plan. The following are not allowed as commemorative flags and will not be considered by the City Council:

i. Flags of a particular religious movement or creed, to avoid the appearance of City government endorsing religion or a particular religious movement or creed;

ii. Flags of a political party, to avoid the appearance of City government endorsing a political party; and

iii. Flags advocating a certain outcome in an election.

h. Any approved commemorative flag will be obtained by the City.

III. **Procedures**

A. Consistent with section II(A), no other flag shall be placed above the United States Flag and no other flag shall be larger than the United States Flag.

B. Flags should be hoisted briskly and lowered ceremoniously. The United States Flag should be hoisted first and lowered last.

C. Flags shall be displayed during operating hours on all days on which the City is open for business, and on national and state holidays. Flags may be displayed twenty-four (24) hours a day as long as they are illuminated during darkness.

D. Flags shall not be displayed during inclement weather, unless all- weather flags are used and are illuminated during darkness.

E. When flags are displayed on a single pole, the order from top to bottom shall be: the United States Flag, the California State Flag, and if displayed and allowed by this Policy, the commemorative flag.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Stephen Walpole, Chief of Police

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Scotts Valley Police Annual Activity Report**

SUMMARY OF ISSUE

Presentation of the 2024 Scotts Valley Police Department Annual Activity Report

FISCAL IMPACT

None

STAFF RECOMMENDATION

It is recommended that the City Council receive information on the 2024 Scotts Valley Police Department Annual Activity Report.

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SCOTTS VALLEY POLICE DEPARTMENT

2024

ANNUAL REPORT

JANUARY - DECEMBER

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SCOTTS VALLEY POLICE DEPARTMENT
ANNUAL ACTIVITY REPORT - 2024

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Scotts Valley Police Chief Steve Walpole

Annual Inspection 2024

SCOTTS VALLEY POLICE DEPARTMENT

ONE CIVIC CENTER DRIVE • SCOTTS VALLEY, CALIFORNIA 95066 • PHONE (831) 440-5670

CHIEF OF POLICE
STEVE WALPOLE

May 7, 2025

Honorable Mayor and City Council
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

RE: 2024 Scotts Valley Police Department Activity Report

Dear Mayor and City Council Members:

I am pleased to present the 2024 Scotts Valley Police Department Activity Report. This report documents our efforts to continue our tradition of being the safest place to live in Santa Cruz County. Last year officers responded to 5,342 calls for service from our residents. When those calls were for emergency situations, our officers were on average at the scene in two minutes and twenty seconds after we received the initial call for help. When our officers were not responding to calls for service, they remained vigilant and had 14,875 self-initiated activities to help prevent crime before it occurred.

This past year's main highlight was in the recruitment and retention of our personnel. By taking a strategic approach to hiring officers over the past several years, we finished the year fully staffed in both officers and dispatchers. It was a great accomplishment considering the critical staffing shortages that many of our other local law enforcement partners faced this past year. That feat could not have occurred without the hard work from the members of the department who were responsible for the recruitment, hiring, and training of new personnel. We hope these new hires stay with the department for the long term and become the foundation of the department's future leadership.

The other highlight of 2024 came at the end of the year when our city was struck by a tornado. It was the first time in recorded history that such a weather event occurred in Scotts Valley. I am proud to say the police department and public works department's response to the aftermath of the storm was admirable. By working together with our partners from other agencies, we were able to minimize the impact of the storm and get the city fully back up and running in just a few short days.

In closing, I would like to once again thank my staff for their dedicated service as well as the supportive community that we are privileged to serve and protect.

Sincerely,

Steve Walpole
Chief of Police

SCOTTS VALLEY CRIME STATISTICS
YEAR TO YEAR COMPARISON 2020 TO 2024

DESCRIPTION	2020	2021	2022	2023	2024	% OF CHANGE FROM 2023-2024
PART 1 CRIMES						
HOMICIDE	0	0	0	0	0	0%
RAPE	7	6	3	3	3	0%
ROBBERY	7	2	3	0	4	400%
ASSAULT	48	57	58	61	82	34%
BURGLARY	60	37	34	21	10	-52%
LARCENY	104	106	128	124	177	43%
AUTO THEFT	21	11	11	8	5	-38%
ARSON	1	2	0	1	2	100%
TOTAL PART 1 CRIMES	248	221	237	221	294	33%
ALL OTHER CRIMES	407	503	428	359	251	-30%
TOTAL CALLS FOR SERVICE	6,439	6,033	5,655	5,718	5,342	-7%
TOTAL OFFICER INITIATED ACTIVITY	12,192	12,965	16,745	16,637	14,875	-11%
TOTAL CITATIONS	579	958	1,021	1,449	1,397	-4%
NUMBER OF ARRESTS	374	425	570	525	508	-3%
INJURY ACCIDENT	6	19	15	17	13	-24%
NON INJURY ACCIDENT	107	137	122	125	142	14%
FATALITY	1	0	0	1	0	-100%
HIT & RUN	22	21	20	17	17	0%
TOTAL ACCIDENTS	114*	156*	137*	145*	155*	7%
DOMESTIC VIOLENCE	19	22	23	19	24	26%
VANDALISM/GRAFFITI	53	67	55	68	51	-25%
DRUG VIOLATIONS	90	79	89	81	55	-32%

* Does not include Hit & Run collisions
These numbers are subject to change as persons report prior crimes after the fact.

SCOTTS VALLEY POLICE DEPARTMENT
DATA DEMOGRAPHICS 2024

	Total	Black	White	Hispanic	Asian	Other	Male	Female
Arrests	141	12 (8%)	70 (50%)	56 (40%)	3 (2%)	0	104	37
Notice to Appear	297	3 (1%)	190 (64%)	79 (27%)	10 (3%)	15 (5%)	195	102
Written Notice to Correct Violation	273	11 (4%)	190 (70%)	54 (20%)	12 (4%)	6 (2%)	194	79
Verbal Warning	1530	57 (4%)	980 (64%)	387 (25%)	70 (5%)	36 (2%)	1047	483
Public/Motorist Service	30	0	17 (57%)	10 (33%)	1 (3%)	2 (6%)	23	7
Total:	**2271**	**83 (4%)**	**1447 (64%)**	**586 (26%)**	**96 (4%)**	**59 (2%)**	**1563**	**708**
City Population (2020 Census)	11,863	71 (1%)	9,251 (78%)	1,253 (11%)	854 (7%)	434 (3%)	5,880	5,983
County Population (2020 Census)	273,123	2,230 (1%)	154,075 (56%)	92,921 (34%)	13,699 (5%)	10,198 (4%)	135,168	137,955

What Are Data Demographics?

Data demographics are compiled by the Scotts Valley Police Department during the course of a routine traffic stop. Upon the conclusion of the stop, information obtained from the Officer as well as the Driver’s License is saved and used to track characteristics such as age, race, and gender. This information has been collected for many years for internal use, however this year we have included it for public review as some questions arose regarding who we were stopping. We will continue to provide this type of information in subsequent Annual Reports for greater transparency to the public.

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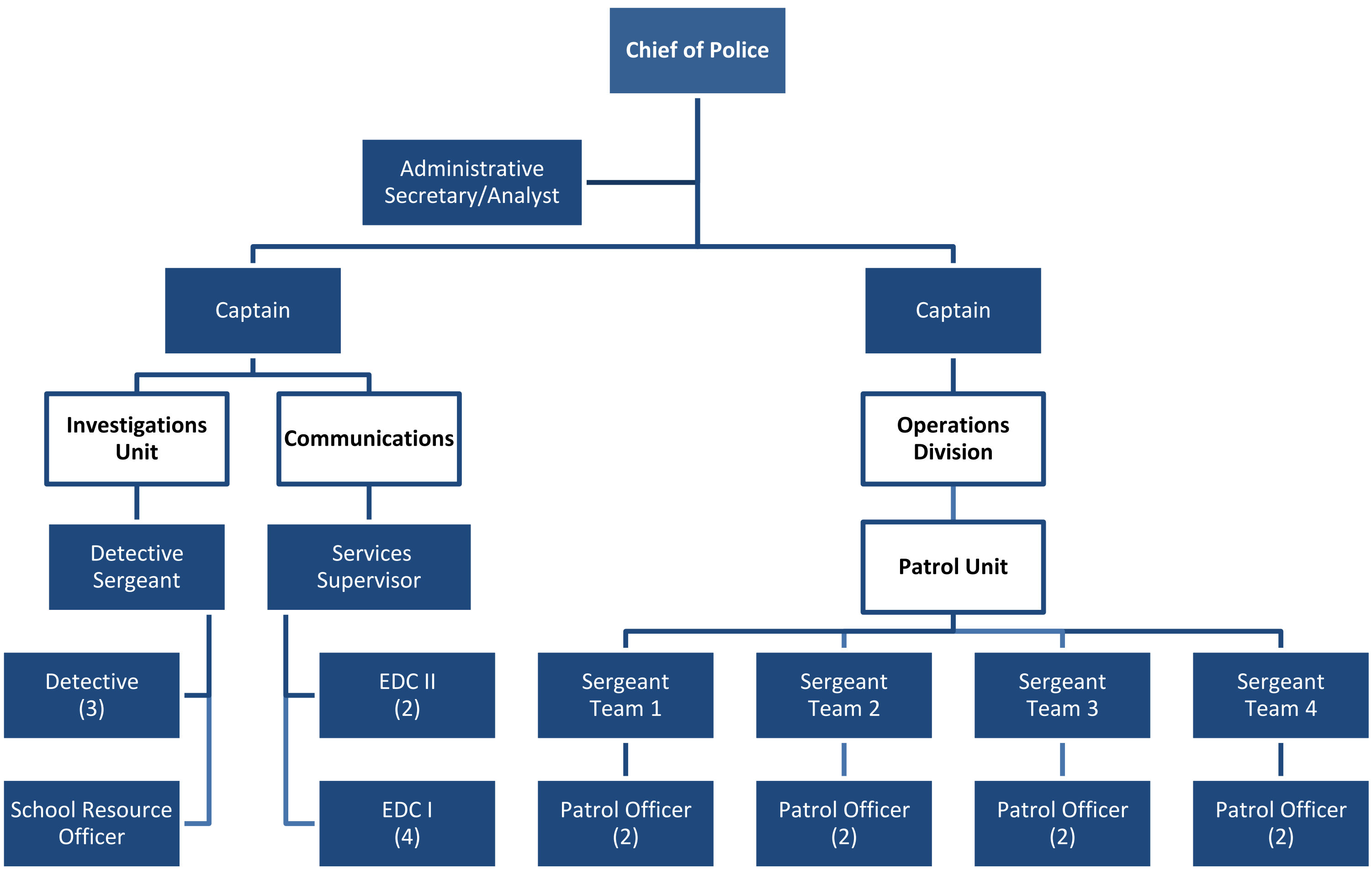
SCOTTS VALLEY POLICE DEPARTMENT



POLICE ADMINISTRATION

The Scotts Valley Police Department Administration is responsible for the overall leadership, vision, and management of the police department. Police Administration manages the Department's $7 million budget, as well as grant funds, equipment acquisitions, and overall training needs.

Police Administration directs the hiring of new personnel, ensures that professional standards are met, and monitors compliance with all state and federal regulatory requirements. Police administrators participate in numerous city/county events, boards, and meetings. They also collaborate closely with elected officials, the city manager, local schools, and community groups to ensure a positive and open line of communication.

Captain Jayson Rutherford / Chief Steve Walpole / Analyst Cerina Locke / Captain Scott Garner

OPERATIONS DIVISION

In the rapidly evolving landscape of modern law enforcement, the role of the police sergeant remains a cornerstone of effective policing. As the first line of leadership for officers on the street, the sergeant holds a crucial position in bridging the gap between command staff and the officers who engage directly with the public. Today, the sergeant role has become even more complex and significant due to technological advancements, increased scrutiny of law enforcement practices, and the changing needs of communities. The police sergeant is not just a supervisor but a vital figure who ensures the efficiency, safety, accountability, and overall success of police operations.

Sergeants must possess strong leadership skills, emotional intelligence, and the ability to make quick, well-informed decisions. They are responsible for managing resources, directing complex calls for service, and ensuring that their team is well-prepared and focused on their tasks. Additionally, Sergeants play a central role in fostering positive relationships with the communities they serve. They ensure that officers engage with the public in a respectful and professional manner and provide our community with a high level of service.

The Operations Division includes the Patrol Unit, Training Unit, K9 Unit, Traffic Unit, and the Reserve Unit. The Patrol Unit is comprised of officers who operate marked police vehicles and handle the bulk of the day-to-day calls for service. In any given moment, officers perform an array of duties from responding to emergency calls for service involving vehicle accidents to talking to our youth about drugs and alcohol prevention.

Captain Jayson Rutherford oversees the day-to-day operations of the police department. This position requires the management of four patrol sergeants and eight patrol officers. Our patrol staff work twelve-hour shifts on a three or four-day rotation. These shifts are normally covered by one patrol sergeant and two patrol officers, with our daily minimum staffing for any particular shift being two officers.

Patrol Supervisors:

Sergeant Meredith Roberts

Sergeant Meredith Roberts has served the department since 2016. As part of a one-year investigations rotation, Sergeant Roberts was assigned to Investigations as the Detective Sergeant in January 2024. She oversaw two Detectives and the School Resource Officer. In July 2024, she returned as a Patrol Sergeant, where she managed a patrol shift, oversaw our Reserve Officer Program, Bicycle Team, and was one of our Peer Support team members.

Sergeant Pascale Drozek

Sergeant Pascale Drozek has served the department since 2018. During the first half of 2024, Sergeant Drozek was a Patrol Sergeant and managed the Explorer program. In July 2024, she was reassigned to Investigations as the Detective Sergeant. Additionally, Sergeant Drozek continued to serve as a Use of Force Instructor in both firearms and defensive tactics. She currently oversees our Peer Support team and has made great progress with the department's Wellness Program.

Sergeant Chris Galli

Sergeant Chris Galli has served the department since 2022. Sergeant Galli is currently assigned as a Patrol Sergeant and oversees our department armory, which includes weapons maintenance and ammunition and equipment inventory. He also serves as a department firearms instructor.

Sergeant Jesse Pidcock

Sergeant Pidcock has served the department since 2022. Sergeant Pidcock is currently assigned as a Patrol Sergeant. He also has the critical collateral assignment of Field Training Sergeant. In 2024, the FTO Program had four new officers successfully complete the program, providing much needed patrol staffing.

Sergeant Sjon Tol

Sergeant Tol has served the department since 2023. Sergeant Tol is currently assigned as a Patrol Sergeant. He also has the collateral assignment of Traffic Sergeant, which includes traffic enforcement operations, motorcycle maintenance, vehicle abatements, and more. Sergeant Tol was responsible for obtaining two grants from the Office of Traffic Safety (OTS). These grants will provide updated equipment, targeted DUI enforcement and DUI checkpoints, as well as targeted E-Bike enforcement.

TRAINING UNIT

The training unit is supervised by Captain Jayson Rutherford who oversees the Department's in-house training for all full-time officers, reserve officers, and police dispatchers. He is responsible for ensuring that the department's training conforms to State and Federal guidelines. The State of California Peace Officer Standards and Training (POST) mandates that officers receive training in the following categories every two years: firearms, arrest control techniques, vehicle operations and pursuit driving, tactical communications, CPR/First Aid, and Active Shooter. Our department exceeds the State's minimum standards by training several times each year in each category, a standard we have set for ourselves and believe our citizens demand of us.

In addition to State mandated training, officers must conduct monthly roll-call training. Training topics include: Sexual Harassment, Dispatch Center Operation, Use of Force and Pursuit Policy Review, Blood Borne Pathogens, De-escalation Strategies, and Bias and Racial Profiling. Officers complete monthly tests on department policies and procedures through Lexipol Daily Training Bulletins.

Officers are often sent off-site to receive more specialized training. These courses are taught by approved content experts on topics such as sexual assault, robbery, burglary, accidents, evidence collection, interviewing, impaired driving, leadership, emerging trends, and many other contemporary subjects. Modern municipal police work requires unique individuals who can blend law enforcement with social work.

Our officers must be able to deal with an array of people in various situations. One moment, officers may have to show empathy to someone who is a victim of a crime, and the next moment, an officer might be dealing with a suicidal subject or someone who is under the influence of drugs or alcohol. Officers are often thrust into the complex web of societal issues surrounding race, class, and poverty. For these reasons and more, training is vital to this department's professional development.

FIELD TRAINING PROGRAM

Sergeant Pidcock supervised the Field Training Program in 2024. The Field Training Program is where we take the knowledge of the Police Academy and blend it into the culture of our department and city. This 16-week immersive program is the beginning of every police officer's career. It serves the critically important purpose of guiding and shaping the police academy recruit into a competent, knowledgeable, safe and effective solo patrol officer. The Field Training Officer (FTO) serves many roles, including that of teacher, role model, and leader. The FTO must not only be extremely well versed in all the department's policies, procedures, mission and values, but also be able to quickly understand each recruit's individual learning style and be able to find the most effective way of imparting this knowledge to each recruit.

This past year proved to be impactful for the future of the department as four new Officers successfully completed the Field Training Program. The Scotts Valley Police Department welcomed Officer Michael Banke, Officer Kevin King, Officer Ivan Garcia, and Officer Derek Welsh to the team. They were excellent additions to our agency who understand the importance of community policing to our residents and who add to our positive culture.

(Left to Right) Officer Banke, Officer King, Officer Garcia, and Officer Welsh

We currently have one trainee, Officer Larson Graff, progressing through the field training program, while another trainee is attending the police academy with an expected graduation in July 2025. We look forward to reaching full staffing levels to continue to provide the highest quality service to our community.

TRAFFIC UNIT

As part of the Scotts Valley Police Department's Operations Division, the Traffic Unit's mission is to reduce vehicular accidents and to facilitate the safe and expeditious flow of vehicular and pedestrian traffic by encouraging the public's voluntary compliance with traffic regulations.

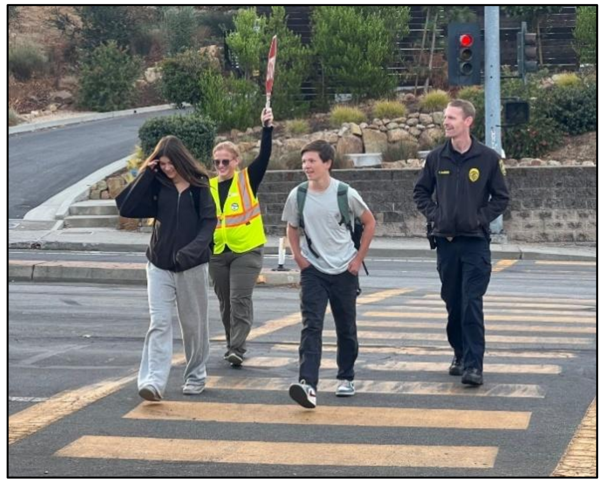
Our officers stopped a total of 2,518 vehicles in 2024. As a result, a combination of 1,397 citations were issued and multiple arrests were made for various violations such as driving on a suspended license, narcotics possession, and driving under the influence (DUI). This combination of enforcement and education reminds drivers to follow the rules of the road and keep safe during their travels.

<u>SVPD HOSTED DUI CHECKPOINT</u>

For the first time in over a decade, SVPD conducted a DUI checkpoint. This was a collaborative checkpoint with Officers from CHP, Santa Cruz PD, Capitola PD and State Parks participating. As a result of this checkpoint, over six hundred drivers were contacted resulting in four DUI arrests. With the success of this checkpoint, there will be another one conducted in the summer of 2025.

SCHOOL ZONE ENFORCEMENT

In 2024 SVPD focused on school zone enforcement during the morning and afternoon drop-off times at schools in the city. Enforcement was directed at violations such as red-light violations, speeding, distracted driving, and bicyclist education. This enforcement had a direct impact on driving habits in these areas. The department also participated in the Walk, Bike and Roll and Operation Safe Passage events that occurred during the school year.



OTS GRANTS

In 2024, SVPD was awarded two California Office of Traffic Safety grants. One is a “Selective Traffic Enforcement Program” grant which funds selective enforcement for things such as DUI drivers, distracted drivers, and traffic safety education for the public. The other is a “Traffic Records Improvement Project” grant which provides funding to update our records management system, provide better traffic collision data reporting, and move to a digital citation system. This data will allow for more accurate data collection so we can effectively target our enforcement in areas that see the greatest violations and collisions.

MOTOR OFFICER STANDEN

Motor Officer Standen has dedicated his time to conducting enforcement primarily for speeding vehicles and other moving violations. He monitors roadways and intersections that have the highest numbers of collisions or traffic complaints to keep our community safe.

RESERVE OFFICER UNIT

The Scotts Valley Police Department is fortunate to be the only local police agency that has a committed and active Reserve Officer Unit. The Scotts Valley Reserve Officer Unit is comprised of members of our community who choose to dedicate a portion of their free time to invaluable community service by working as volunteer police officers.

The Scotts Valley Police Department currently has four active Reserve Officers consisting of John Hohmann, Don Murray, David Bergman, and Kevin Elliott. Between our combined four Reserve Officers, there is well over 125 years of law enforcement experience.

Our Reserve Officers volunteered 630 hours in 2024. They assisted both the Patrol Division and the Investigation Division throughout the year. Some of their duties included:

- Supporting day-to-day investigations.
- Traffic control during special community events.
- Assisting with vehicle abatements.
- Conducting extra foot patrols of shopping centers during the summer and holidays.
- Conducting surveillance stakeouts for reported burglaries and wanted subjects.
- Providing security at various school related events such as Operation Safe Passage, Homecoming, Graduation Day, Bike to School Day, Grad Night, and sporting events.
- Patrol supplementation on holidays and other special public relations events.
- Taking on special projects such as organizing and cleaning the Police Armory and conducting inventory on Armory equipment.
- Representing the Scotts Valley Police Department at many Special Olympics Northern California events, such as Polar Plunge, the Olympic Games, and Police in Pursuit.

It's important to acknowledge our Reserve Officers' dedication, especially since they balance their full-time careers with their commitment to law enforcement and our community. Their efforts indeed amplify the safety and effectiveness of the department, and their voluntary contributions are invaluable to the community of Scotts Valley. Recognizing their sacrifices and professionalism helps highlight the significance of their role in maintaining public safety.

In August, Reserve Officer John Hohmann was recognized at ARPOC (Annual Reserve Police Officer Convention) for his dedication to this community and was awarded with a Distinguished Service Award. Reserve Officer Hohmann has dedicated countless hours to this department and community and we are honored to be able to work with him.

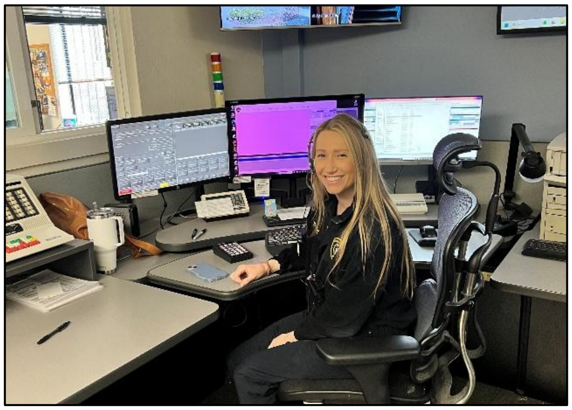
Reserve Officer Kevin Elliott was awarded the Feature Winner at Police in Pursuit, a first responder racing fundraising event where the proceeds support Special Olympics Northern California.

It is important to highlight the dedication of our Reserve Officers in both their professional responsibilities and their community outreach efforts. Special Olympics Northern California is an incredible program, and their commitment to supporting this cause speaks volumes about their dedication to making a positive impact. Their work undoubtedly makes a difference in the lives of many people and showcases the compassionate side of law enforcement.

ADMINISTRATIVE SERVICES DIVISION

Captain Scott Garner leads the Administrative Services Division, overseeing both Investigations and Communications. Within this division, Detective Sergeant Pascale Drozek joined the Investigations Team in July 2024 and quickly made a significant impact. In addition to managing investigative cases, Sgt. Drozek has taken a proactive role in officer wellness, modernizing department resources to better support the mental and physical health of officers. Her efforts have brought the department into the 21st century, ensuring personnel are well-equipped to provide the highest level of service to the community.

The Investigations Unit is composed of a detective sergeant, two detectives, and a school resource officer. While primarily working weekdays, detectives remain on call to assist patrol with major cases as needed. With specialized training in handling complex investigations, they are responsible for following up on cases until resolution. Beyond their investigative duties, the unit is actively engaged in community outreach, participating in key programs such as the Junior Police Academy, National Night Out, and the D.A.R.E. Program, reinforcing the department's commitment to fostering strong relationships with the public.



The Scotts Valley Police Department remains the only municipality in our county with its own dedicated 911 dispatch center. Our police dispatchers continue to play a vital role in public safety, handling emergency and non-emergency calls for service, dispatching patrol officers, managing records, filing police reports and citations, generating media bulletins, assisting with property and evidence, and providing in-person support to community members who visit our lobby 24/7/365.

Our dispatchers are not only dedicated to ensuring the safety of our community from behind the radio but are also actively involved in community engagement. Many voluntarily participate in events such as the Junior Police Academy (JPA), National Night Out, the Special Olympics Torch Run, and the Special Olympics Polar Plunge. They take pride in building relationships with residents, whether by handing out candy during the annual Halloween scavenger hunt or supporting local initiatives that bring our community together.

INVESTIGATIONS UNIT

The Scotts Valley Police Department's Investigations Unit is a multifaceted unit responsible for criminal investigations and follow up, personnel recruitment and hiring, and community outreach events.

CRIMINAL INVESTIGATIONS

Our Detectives are primarily dedicated to Criminal Investigations, diligently probing into criminal activities, following up on active leads, tirelessly working towards solving cases, and ultimately, ensuring that justice is served. This includes collecting evidence, interviewing victims and witnesses, obtaining search and arrest warrants, and closely collaborating with other law enforcement agencies to help solve cases.

Detective Sergeant Pascale Drozek supervises the Investigations unit which consists of three Detectives, an Officer assigned to our County Gang Task Force, and an Investigations Analyst.

RECRUITMENT

The Recruitment Unit plays a pivotal role in personnel recruitment. This responsibility involves performing thorough background checks, as well as conducting extensive interviews and assessments to ensure each potential candidate meets the highest standards that a career in law enforcement requires. This process starts with actively attending recruitment fairs and visiting local Police and Dispatch Academies.

COMMUNITY OUTREACH

The Investigations Unit is committed to fostering positive relations between the police department and our community through continuous active participation in community outreach initiatives. By engaging with the community, organizing events, and quickly addressing public concerns, we collectively aim to build trust, enhance public safety, and promote a sense of partnership between law enforcement and the community we serve.

DRUG ABUSE RESISTANCE EDUCATION (D.A.R.E.)

The Drug Abuse Resistance Education (D.A.R.E.) program is taught to all 5th grade students at Vine Hill Elementary, Brook Knoll Elementary, and Baymonte Christian School.

As an alumni of Baymonte Christian School and a former D.A.R.E. student himself, School Resource Officer Patrick Ahrens has taught DARE the past four years. This year he was assisted by Sergeant Roberts, who has taught D.A.R.E. in the past. The two did an excellent job of blending teaching styles to continue the success of the program.

The D.A.R.E. program consists of an evidence-based curriculum that teaches students good decision-making skills to help them lead safe and healthy lives. The D.A.R.E. vision is defined as a “world in which students everywhere are empowered to respect others and choose to lead lives free from violence, substance abuse, and other dangerous behaviors.”

It's commendable that the Scotts Valley Police Department has maintained such a long-standing commitment to teaching DARE for 31 consecutive years. Building strong relationships with local schools is key to making a positive impact on students' lives. Congratulations to all involved!

JUNIOR POLICE ACADEMY (JPA)

The Junior Police Academy is a great way for young students to learn about law enforcement and build positive relationships with officers. Providing two sessions during the summer takes an all hands on deck approach. School Resource Officer Patrick Ahrens runs the academy with the help of our Explorers, Dispatchers, Officers, Sergeants and Volunteers. Programs like our Junior Police Academy are the positive interactions that create a lasting impact on our community and help foster trust and understanding between law enforcement and our youth.

At JPA, middle school aged youth are treated as police recruits and put through a weeklong police style academy during which they are taught what actual police officer trainees go through during their training. Recruits are trained on finger printing, plaster casting, crime scene sketches, and defensive tactics. In addition to this, Recruits are put through daily physical fitness drills and are shown K9, SWAT, and firearms demos.

The Junior Police Academy not only educates kids about the role of a police officer but also instills the value of volunteerism. Programs like this can have a profound impact on young minds, encouraging them to become active and positive contributors to their community. It's apparent that the Scotts Valley Police Department is dedicated to fostering a sense of responsibility and civic engagement among the youth.

NATIONAL NIGHT OUT

In August of 2024, the Scotts Valley Police Department hosted National Night Out at MacDorsa Park. National Night Out is a national community building campaign that promotes police and community relations. National Night Out builds on the relationship between neighbors and law enforcement by allowing citizens to interact with members of the police under positive circumstances, bringing back a true sense of community.

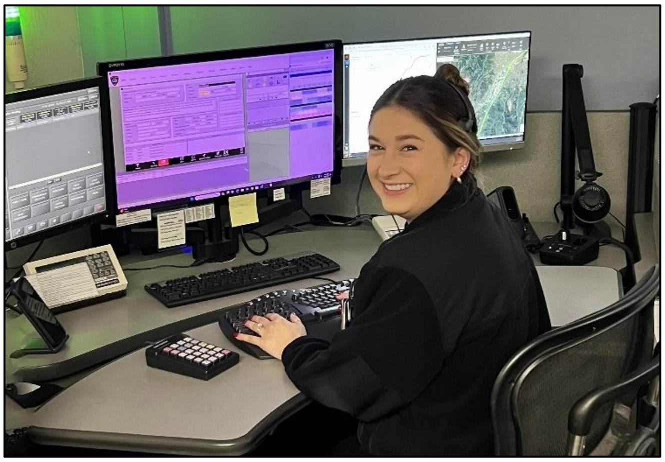
During National Night Out, community members were provided tours of the Scotts Valley Police Department and the Scotts Valley Fire Department. Booths were set up by many different local businesses and county services who serve the public. During the event members of the department grilled hot dogs, handed out watermelon, and popped popcorn for everyone in attendance.

The event had the atmosphere of a county fair, with endless attractions including a bounce house for kids, face painting, and a petting zoo. The Scotts Valley Police Department values the strong bond we have with our community and believes the tradition of hosting National Night Out further strengthens that bond.

COMMUNICATIONS / RECORDS UNIT

The Communications and Records Unit is made up of seven Emergency Dispatchers, EDCIs Anna-Kate Brajkovich, Taylor Hutchison, Taylor Raymond, and Rachel Wynne, EDCIIs Hannah Bridges and Kiara Jacobsen, Services Supervisor Chloe Graham, and Administration Captain Scott Garner. The personnel in this unit are often tasked with a myriad of assignments. The primary job of the Unit is dispatching which consists of taking 9-1-1 calls, answering business lines, transferring calls to the appropriate emergency and nonemergency services, relaying calls for service to officers, and documenting their services. Dispatchers also greet and help people who come to our lobby. With the trend of most law enforcement agencies to close their department doors at certain times of the day/week, we are proud to say that we continue to provide a 24/7 open lobby, allowing face to face personal contact with a member of our department.

The secondary job of the Unit is Records Management. Our EDCs not only dispatch but are also responsible for data entry of a wide range of reports and citations. Additionally, they coordinate large amounts of paperwork generated, making sure it gets distributed to the correct locations, filed in a systematic easily retrievable manner, and quality checked for accuracy. Part of records management is also responding to Public Records Act requests and Court Orders.



In 2024, our dispatch center received 3,576 calls on our 9-1-1 line and another 14,894 calls on our business lines, which resulted in 5,342 calls for police service. Our average response time to emergency calls for service was two minutes and forty-one seconds.

When comparing the number of 9-1-1 and business line calls taken by our EDCs to the calls for service dispatched, it highlights the importance of having well qualified dispatchers. More than half of our 911 and business line calls were answered and handled by a dispatcher (68%), allowing officers more time to respond to higher priority calls for service. Our dispatchers are highly trained and motivated to assist the officers and the department any way they can. Our dispatchers continue to attend trainings to further their knowledge and career growth.

This year our dispatchers participated in several events such as a county wide active shooter training, the Special Olympics Torch Run, National Night Out, the Junior Police Academy, and the Never Forget Relay.

Our dispatch team had multiple achievements throughout the year. EDCI Rachel Wynne was hired to our department and expected to pass training at the beginning of 2025. Our communications staff also received employee of the month awards on multiple occasions. Services Supervisor Graham received the award in January, EDCI Miller received the award in March, and EDCI Brajkovich received the award in June. Multiple Chiefs accommodations were given out as well. EDCII Jacobsen received a commendation for her dispatching skills during an assault on our officers. EDCII Bridges and EDCI Hutchison received a commendation for their hard work during the tornado that hit our city.

The Unit is also in the middle of various projects. We have made multiple strides forward on upgrading our old copper wire radio lines to fiber optic, putting us one step closer to being P25 compliant and achieving encryption and interoperability capabilities. We have also attended multiple meetings and vendor presentations for the NexGen 911 project in California. We intend to pick a new CPE vendor in July of 2025 so that our center can take I3 calls which are vastly more accurate with their location information and incredibly more reliable for service quality.

VOLUNTEER UNIT

The Scotts Valley Police Department has a devoted group of civilian volunteers that have collectively served over 500 hours this year. A program running since 1991, our department volunteers assist our staff weekly with numerous tasks throughout the year.

Our department currently has eight volunteers: Jim Kiehl, Terri Ritchie, and Berna Bruzzone, who work in our Administrative and Records Department, maintaining and purging reports amongst helping with many other projects. Joe Bac and Konrad Baumert collaborate with our traffic unit to relocate our mobile speed sign. Michael Cummings assists us in our Firearms training and armory and John Galli assists with Pitmaster duties and maintaining our classic car. Fred Wilson volunteers as our Police Chaplain. Their unwavering dedication and commitment to enhancing the safety of Scotts Valley citizens hold significant value for this department.

Our gratitude towards our volunteers knows no bounds for the dedication and effort they contribute to both this department and the City of Scotts Valley. Their positive outlook, diligence, and countless hours of service underscore their vital role within the Scotts Valley Police Department and the broader community of Scotts Valley.

POLICE CHAPLAIN

Chaplain Fred Wilson remains a steadfast source of support for both our community and our department. He tirelessly responds alongside our officers, offering emotional and spiritual guidance to those experiencing grief and crisis. Beyond his work in the field, he regularly checks in with our staff, providing a compassionate presence and a listening ear. His unwavering dedication makes him an invaluable resource for both the Scotts Valley Police Department and the entire community, especially in times of need.

POLICE EXPLORERS

The Scotts Valley Police Department is one of a few agencies that still provide an Explorer Program for teens and young adults interested in exploring law enforcement as a future vocation. The Explorer Program is an opportunity for juveniles, aged 14-20 years, to be involved with the police department by volunteering their time, while simultaneously gaining valuable job experience and mentoring by police personnel.

Our current Explorer Program consists of Explorers Jacob Brazil and Kimberly Corona. Jacob has been a volunteer for three years and Kimberly joined us in 2024. Each year they are given the opportunity to participate in ride-a-longs with our officers, our Annual Inspection, the Junior Police Academy (JPA), National Night Out, and the Cops & Rodders event. They are also utilized during special events for traffic control, passing out stickers, and at recruitment events.

SPECIAL RECOGNITION

We would like to extend our deepest gratitude to Jim Kiehl for his years of dedicated volunteer service to the Scotts Valley Police Department. Jim has been a treasured part of our SVPD family, generously giving his time and energy to support our department and community. As he steps into retirement to spend more time with his family and enjoy life to the fullest, we want to recognize his invaluable contributions and the lasting impact he has made. He will be truly missed, but his legacy of service will always be remembered. Please join us in congratulating Jim on his well-earned retirement as a volunteer!

POLICE OFFICER ASSOCIATION

The Scotts Valley Police Officer Association (SVPOA) genuinely values the importance of connection with our community and is passionate about supporting local charities and youth programs. Led by President Sergeant Meredith Roberts and Vice President Vitani Harrison, who were elected in the latter half of 2024, the SVPOA wholeheartedly embraces our role in giving back. Our members are dedicated to making a positive impact, volunteering with organizations such as the Special Olympics and Valley Churches United, and helping to uplift those in need with compassion and care.

SPECIAL OLYMPICS

The Scotts Valley Police Department has always held a deep commitment to supporting the Special Olympics of Northern California, recognizing the profound impact these events have on our community. Reserve Officer John Hohmann has been instrumental in organizing heartfelt public relations events that raise funds for this noble cause.

From the thrilling Police in Pursuit car races at Ocean Speedway to the chilly Polar Plunge and the inspiring Law Enforcement Torch Run, these events bring our community together. In July 2024, the "Flame of Hope" torch made its journey through Scotts Valley. It was heartwarming to see so many of our officers and dispatchers from the Scotts Valley Police Department come together as runners. Their enthusiastic support embodies our shared compassion and inclusive values, reminding us that we are all part of something remarkable when we stand together.

During the vibrant summer months, members of the Scotts Valley Police Officer Association (SVPOA) actively participated in the dynamic “Police In Pursuit” event at Watsonville Speedway. This thrilling competition invites law enforcement officers from various departments to showcase their racing skills as they go head-to-head on the racetrack to achieve the best lap times.

What makes this event particularly special is the officers' dedication, many of whom choose to race in retired police vehicles that they have personally purchased. This commitment not only highlights their enthusiasm for the event but also underscores their willingness to invest their own resources in support of a meaningful cause.

The Special Olympics funds raised from “Police In Pursuit” are directed towards essential programs that foster sports participation, health and wellness initiatives, and athletic educational and leadership development. By engaging in this exciting event, our officers enjoy a day of competition and contribute significantly to the empowerment and growth of these remarkable athletes.

VALLEY CHURCHES UNITED FUNDRAISER

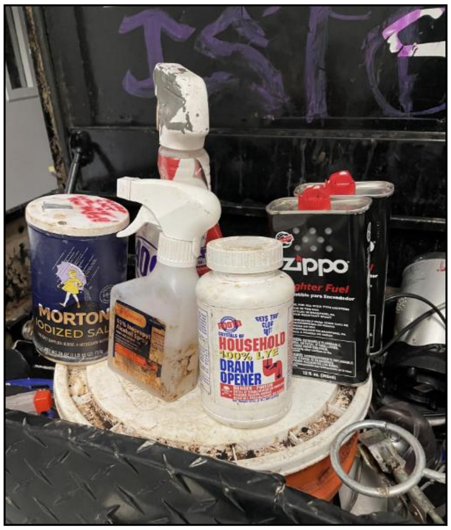
In a heartfelt collaboration with the Scotts Valley Rotary, the Scotts Valley Exchange Club, Valley Churches United, Kiwanis Club, and various other dedicated community sponsors, the SVPOA proudly helped organize a magical holiday tree lighting ceremony at the Community Center.

In the days leading up to the event, our officers eagerly embraced the spirit of giving, working tirelessly to collect monetary and toy donations for Valley Churches United right outside our local Target store. The warmth of the community was truly felt as they continued to gather toy donations at the event, handing out stickers and creating lasting memories with countless families. The turnout was remarkable, reflecting genuine camaraderie and support within our community. The SVPOA felt truly honored to be part of this celebration focused on family and togetherness, reinforcing the importance of our shared values during this special season. Later in the week, members of Valley Churches United joined us at our holiday luncheon.

The Scotts Valley Police Department responded to 5,342 calls for service and self-initiated another 14,875 events in 2024. Our calls for service ranged from in-progress crimes, domestic disputes, thefts and burglaries, traffic collisions, narcotic-related crimes, and other criminal investigations. Our department also responded to non-criminal calls for service involving suspicious vehicles and people, residential and commercial alarms, municipal code violations, and other quality-of-life issues. Additionally, our department had many positive interactions with our community members and students. Some of the more notable incidents are summarized below:

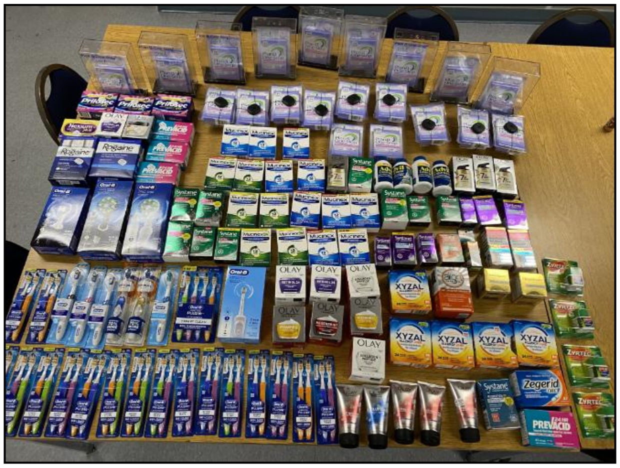
WINTER

The beginning of 2024 showed proactive policing that resulted in the seizure of a drug manufacturing lab. Through keen observation, officers were able to determine that a subject had set up a clandestine drug manufacturing lab in one of our local storage facilities. Officers wrote a search warrant for the storage unit and seized over 800 grams of suspected amphetamines along with household supplies that are commonly used to manufacture illegal narcotics.



Officers responded to a report of a multi-vehicle collision. Once on scene, officers worked quickly and established that the driver of the involved vehicle had experienced a fatal medical emergency while driving through the parking lot at the Skatepark. This occurred during a busy weekend and officers worked expeditiously to secure the parking lot and any possible evidence, evacuate uninvolved people, ensure there were no other injuries, interview witnesses, and determine what had unfolded.

SPRING



Even during the late hours of the night, our officers stayed proactive with commercial checks of businesses. On one such night, a keen-eyed officer located a subject acting suspiciously in a shopping center alleyway. The subject had concealed approximately $960 worth of property on their person, after stealing it from a local business. Officers arrested this subject and transported them to jail. But our officers didn't stop there. They also authored a search warrant for the subject's vehicle, as stolen property appeared to be hidden in the back seat. In the end, over $4,500 worth of stolen property was recovered from the subject and their vehicle, and it was returned to the rightful owners.

Men and women get into law enforcement to keep their communities safe. This is exactly what these observant officers did in late spring of 2024. One officer was conducting an area check while driving through a residential neighborhood. During this check, the officer noticed a suspicious vehicle that had no license plates affixed to it. The officer elected to park inconspicuously and observe the vehicle for several moments. Ultimately, two subjects exited a nearby residence and entered the vehicle. The officer contacted the two subjects and determined they were both on searchable probation. During a search of the driver, the officer located narcotics and a loaded privately manufactured unserialized firearm. The subject was also found to be a convicted felon which meant it was a crime to be in possession of the firearm. The subject was booked into jail on the drug and gun charges.

SUMMER

Officers were dispatched to a report of a suspicious person who was acting erratically in one of our residential neighborhoods. Officers were able to locate the suspicious person who was inside of his vehicle. Officers parked their patrol vehicles near the suspicious male's vehicle and attempted to communicate with the subject, who appeared to be asleep or ignoring the officers. Soon after, the subject attempted to leave the area, striking both patrol vehicles in the process. Officers pursued the subject and were able to successfully spike all four of the subject's tires, ultimately forcing the subject to pull into a separate wooded residential area. The Santa Cruz Sheriffs Office and CHP arrived to assist with the subject who was now barricaded inside of his vehicle. Using a police K9, drones, patience and composure by the officers on scene, the subject ultimately surrendered and was taken into custody. This case serves as a reminder of the comradery and teamwork between our allied agencies.

During the late summer months, officers received information of an adult male contacting juvenile females in attempts to meet with them in person. The dedicated members of the Investigations Unit quickly took this case over and began messaging the male subject, pretending to be the juvenile females he had been communicating with. The male subject relayed his intentions and even insisted on paying the juvenile females for their potential participation in secretly meeting the male. The Investigations Unit wrote multiple search warrants, identified victims and other juveniles that had been contacted, conducted many interviews and successfully arrested the male suspect when he drove into Scotts Valley, thinking he was going to meet up with one of the female juvenile victims. This investigation took multiple months and seamless coordination between our Patrol and Investigations Units.

FALL

During the early fall months, a suspect experienced a severe mental health emergency. During this time, the suspect attempted to set a fire at the facility he was living at and stabbed a separate member of the facility before running away from the scene. Officers quickly and bravely responded to the location and began multi-tasking, triaging the incident as it was unfolding. Officers were attending to the injured subject while other officers were out looking for the suspect. It was all hands-on deck working to find this suspect before he injured anyone else. Chief Walpole and Captain Rutherford located the suspect and safely took him into custody. The suspect was arrested for his crimes and was also able to get the mental health services he needed.

Throughout 2024, Scotts Valley Police Department has had the opportunity to send one officer to the countywide task force, Santa Cruz County Anti Crime Task Force (SCCACT). These officers work with other agencies within the county to focus their efforts on preventing organized crime. Although the work is shared with other officers from the county, these officers are able to prevent many drugs and guns from entering our community. During the course of one investigation, officers were able to utilize information and located multiple illegally possessed firearms along with indicia of drug sales at a residence in Scotts Valley. During 2024, our SCCACT officer seized over 25 firearms, keeping our community safe.

SCOTTS VALLEY STRUCK BY TORNADO

The end of our calendar year coincided with the highlight of our year, which was truly a historic weather event. The City of Scotts Valley experienced its first tornado which came out of nowhere during a rainy Saturday afternoon in December. The tornado touched down on Mount Hermon Road, near Lockewood Lane, and traveled eastbound on Mount Hermon Road for multiple blocks leaving a wake of destruction in its path.

The tornado flipped over many vehicles in nearby parking lots and those traveling down the roadways. Many power poles and tress were knocked over around town. Miraculously, there were no significant injuries from this event.

The members of the Scotts Valley Police Department jumped into action. Many of our Officers, who were on their days off, saw the damage and self-deployed to help. They responded to the scene where they assisted in getting people safely out of the area, and when the situation stabilized, they conducted multiple hours of traffic control due to Mount Hermon Road being shut down.

We want to thank the Scotts Valley Fire District, Scotts Valley Public Works, Santa Cruz Fire, Cal Fire, and AMR for assisting us that day. All the first responders worked seamlessly to ensure the preservation of life and minimize the destruction of property that occurred in our city. In less than 48 hours after the tornado touched down, the city was made whole and life returned to normal for our residents.

STAFF RECOGNITION

The outstanding investigations, arrests, dispatching, and community involvement does not go unnoticed. Here are the Employees of the Month for 2024. We are fortunate to have such dedicated police professionals.

JANUARY

Services Supervisor Chloe Graham

Services Supervisor Graham brought our department dispatch center up to industry standards by working with private vendors to ensure our operating systems were up to date. She introduced an extensive training program for dispatchers to ensure adherence to State Certifications and hosted a regional dispatch training course. Supervisor Graham started the Santa Cruz County Records Manager group so local records managers could meet on a regular basis to discuss updates in records laws.

FEBRUARY

Officer Forrest Brown

Officer Brown led the department in both traffic stops and arrests for the month of February. In February he received information about guns and drugs in a storage locker here in Scotts Valley. Coordinating with the K9 team, Officer Brown located a fully functional meth lab with numerous cooking items testing positive for methamphetamines. He also located several pounds of amphetamines in various stages of production leading to the arrest of a local drug manufacturer.

MARCH

EDCI Taylor Miller

When a fatal traffic accident occurred near Skypark, EDCI Miller managed multiple 9-1-1 calls and all radio traffic to get our officers, fire department, and AMR started immediately to render aid.

Later in the month, EDCI Miller received a 9-1-1 call regarding someone who brandished a firearm at someone at a gas station in town. She collected pertinent information for a photo lineup, leading to the suspect being identified and a felony warrant requested for his arrest.

APRIL

Detective Aaron Roberts

In April, Detective Roberts received notice that a local high-risk sexual registrant had cut off his GPS ankle monitor and fled Santa Cruz County. Detective Roberts quickly started a cell phone track to determine the suspect's location and contacted the respective agency, leading to the suspect being taken into custody that same day.

In another case, Detective Roberts identified a suspect in a brandishing case and worked with the Santa Cruz County Anti-Crime Team to execute an arrest/search warrant. During the search Detective Roberts recovered a replica firearm that was used during the crime, obtained a confession, and booked the suspect into jail.

MAY

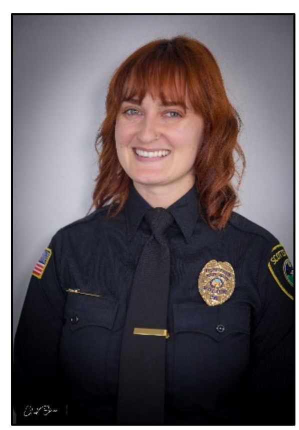
Officer Nick Lipari

During the month of May, Officer Lipari responded to a subject with a violent history who had heard footsteps inside his residence. He was able to detain the subject for 5150 without any incident, preventing a possible violent interaction. Officer Lipari responded to another mentally distressed individual, a female juvenile who had threatened to harm herself while barricaded inside her room. Officer Lipari built rapport with the juvenile and de-escalated a highly agitated, irrational person to safely take her for treatment.

In another case, Officer Lipari set up a spike strip after a suspect rammed two patrol cars, an action that prevented a high-speed pursuit on a crowded roadway. Officer Lipari likely saved lives before the suspect was taken into custody with no officers from any agency being injured.

JUNE

EDCI Anna-Kate Brajkovich



In June, EDCI Brajkovich took on the role of master case closure, checking every single case for the required data and searching for any mistakes made during the distribution process. This is an important task which maintains the record's accuracy. EDCI Brajkovich is also our most recent Communications Training Officer. She does a great job planning for her trainees' success, meeting with her team to go over the expectations, coordinating time for the trainees to focus on the training outline and testing preparation, and creating mock scenarios for her trainees to better prepare for being a solo dispatcher.

JULY

Sergeant Sjon Tol

Sergeant Tol's research led to the selection of a new system in July that minimizes report writing errors, expedites field form completion, and enhances overall efficiency in citation issuance. Sergeant Tol also successfully secured two Office of Traffic Safety grants, the Crossroads report/citation software with necessary supporting equipment, and support of DUI saturation patrols and checkpoints, bicycle safety enforcement, and new radar/lidar units, and checkpoint supplies. Sgt. Tol additionally developed a comprehensive plan focused on traffic collision reduction and high-visibility enforcement to enhance public safety.

AUGUST

Detective Kevin Elliott

When an adult male contacted a minor via Snap Chat and offered to pay her money to commit sexual acts, Detective Elliott interviewed the victim, conducted a pretext phone call with the suspect which got him to admit to the crimes, and ultimately got the suspect to show up in person to meet with the victim to complete the transaction but instead met with our officers who placed him into custody for human trafficking. Additional follow-up on this case led to three other victims of the suspect being identified. In another case in August, Detective Elliott received a Cyber Tip of a local resident who was downloading child porn, and he successfully executed a search warrant leading to the arrest of the suspect.

SEPTEMBER

Sergeant Jesse Pidcock

Sergeant Pidcock assumed the FTO Sergeant role and immediately began preparing for four trainees who were in two different academies. He met with past FTO Sergeants to familiarize himself with the program, reached out to the Academy staff at both academies to establish open lines of communication, and held FTO meetings prior to the trainees graduating to outline expectations, clarify the goals of the program, and ensure the FTO cadre was committed to the success of all four trainees. Sgt. Pidcock worked closely with all the FTOs during the entire training program and kept the Administration informed with status updates. His dedication to the success of the program and trainees was commendable as all four trainees successfully progressed through the program.

OCTOBER

Sergeant Pascale Drozek

In October, Sergeant Drozek became the department's Wellness Coordinator through the POST Organizational Wellness and Resilience (POWR) Program, designing a program of monthly roll-call trainings on various wellness topics, a wellness resources section on the city intranet page, new gym equipment, and a nutritious food delivery program. While also focusing on recruitment and updating the department trading cards, Sergeant Drozek organized the annual sex registration check operation leading a team of detectives and officers to contact all the registered sex offenders in the City to ensure they were following the law. The operation resulted in finding two individuals in violation of the Sex Offender Registration Act Penal Code 290 regulations.

NOVEMBER

Officer Ben Standen

Officer Standen responded in November to a suicidal subject who was in possession of a loaded handgun. After contacting the subject by phone, Officer Standen recognized he needed mental health help and spoke to him in a calming, compassionate voice that led to the male placing the gun into a locked safe and coming outside with his hands up. The subject was handcuffed without any force being used and no one was injured in the process. As a Field Training Officer, Officer Standen showed leadership to our four newest trainees who were on scene for the suicidal call, giving them an up-close view on how to build trust and rapport, and de-escalate an extremely dangerous situation with safety measures that prevented harm to our community.

DECEMBER

Sergeant Sjon Tol

Sergeant Tol obtained an Office of Traffic Safety grant to fund the department's first DUI checkpoint in over ten years, recruiting twenty officers from other county and state agencies to conduct a checkpoint that resulted in four drunk drivers being removed from our roadways. After the DUI operation, Sergeant Tol was in a local shopping center on his day off when a tornado hit our city. Sergeant Tol's parked pickup was severely damaged as he witnessed the tornado toss several vehicles on their side and injure multiple people. Sergeant Tol sprang to action, put on his traffic safety vest, and immediately rendered aid to victims in the area. He continued to work for many hours helping our on-duty personnel to remove undrivable vehicles from the roadway and get our City back up and running. We thank Sergeant Tol for his selfless service to our City.

2024 EXCHANGE CLUB OF SCOTTS VALLEY POLICE EMPLOYEE OF THE YEAR

The Scotts Valley Police Department has selected Services Supervisor Chloe Graham for the 2024 Employee of the Year award due to her outstanding contributions to our department and exceptional dedication to her role as a Dispatch and Records Supervisor. She has set a standard of excellence within our department and her tireless efforts have had a profound impact on our success as an agency.

Supervisor Graham's dedication to her role, her team, and the department has been nothing short of extraordinary. Her efforts have ensured that our department not only meets but exceeds expectations, and her work ethic and professionalism inspire all who have the privilege of working alongside her. It is for these reasons, and many more, that she is more than deserving of the Exchange Club's 2024 Police Employee of the Year.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Scott Garner, Police Captain

APPROVED: Mali LaGoe, City Manager

SUBJECT: **AB 481 Military Equipment Use Annual Report and Ordinance Renewing the Military Use Policy**

SUMMARY OF ISSUE

California Assembly Bill 481 ("AB 481"), codified in Government Code sections 7070 through 7075, required a law enforcement agency (LEA) to obtain approval from the applicable governing body, via adoption of a "military equipment" use policy by ordinance, prior to the LEA funding, acquiring, or using military equipment no later than May 1, 2022. The City complied with AB 481 by having the Scotts Valley Police Department ("SVPD") create a policy regarding the use of military equipment and adopting it by Ordinance No. 22-200 on May 18, 2022. In accordance with AB 481, the ordinance was renewed in May 2023 (Ordinance No. 22-200.1), and May 2024 (Ordinance No. 22-200.2), to reaffirm the policy.

AB 481 also requires law enforcement agencies to present an annual report to their governing body consisting of a summary of how each type of equipment was used and the purpose of that use; quantity possessed of each type of equipment; annual costs for each type of equipment; summary of complaints or concerns received for each type of equipment; information disclosing violations of military equipment policies and actions taken in response, as well as results of internal audits; and plans to acquire additional military equipment in the coming year, and the quantity sought.

The SVPD prepared an annual report and on April 14, 2025, held a public meeting to discuss and answer any questions from the public regarding the annual report. The meeting was held in the Council Chambers and no community members attended. The annual report proposes replacing three outdated Bushmaster rifles with three new Colt rifles.

In addition to the annual report, AB 481 also requires the City Council to, within a year of the initial approval, and at least annually thereafter, review the ordinance establishing the military use policy. As was done in 2023 and 2024, in order to comply with this requirement, staff is recommending that the City Council introduce and waive further reading of Ordinance No. 22-200.3 approving Lexipol Policy 706 pertaining to the funding, acquisition, and use of military equipment as mandated by Assembly Bill 481.

FISCAL IMPACT

Authorization of the replacement of three new outfitted Colt rifles will cost approximately $5,930.00 from the General Fund.

Annual rifle and less-lethal shotgun training cost approximately $1200.

STAFF RECOMMENDATION

Staff recommends the City Council take the following actions:

1. Review and renew Ordinance No. 22-200.3 by introducing and waiving further reading of Ordinance No. 22.200.3 approving Lexipol Policy 706 pertaining to the funding, acquisition, and use of military equipment as mandated by Assembly Bill 481; and

2. Approve the acquisition of the three new Colt rifles as listed in the Annual Report.

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SCOTTS VALLEY POLICE DEPARTMENT
2024 AB 481 ANNUAL REPORT

Chief Stephen Walpole

March 31, 2025

2024 AB 481 ANNUAL REPORT

AB 481 Military Equipment Use Compliance Requirements:

• Approval of the Military Equipment Use Policy (Completed 5/2022 Policy #706)

• Approval of the Military Equipment Use Ordinance (Completed 5/2022 Ord. # 22-200)

• Publishing the Policy (Completed 5/2022)

• Annual Report

Annual Report:

In 2022, Assembly Bill 481 required all California Law Enforcement to declare any equipment categorized as Military Equipment. Furthermore, agencies were required to get permission from their governing bodies to possess and utilize that equipment. The Scotts Valley Police abided by the law and obtained permission to utilize two items on the list. In addition, AB 481 requires all agencies to provide an annual report to their governing body and open to public viewing.

Items deemed to be "military equipment" by AB 481 are used as a component of overall best practices for Law Enforcement throughout the country. These tools have been tested in the field and are used by officers to enhance citizen safety and officer safety. Loss of these items would jeopardize the welfare of citizens and SVPD officers.

Officers are trained on all department issued equipment before utilizing the equipment in the field. Officers receiving the equipment undergo training on the nomenclature, functionality, and risks associated with the use of the equipment. Furthermore, officers are required to requalify annually.

Officers must comply with mandated training as regulated by Federal, State and Local statutes. Most of the training is managed and administered by the California Commission on Peace Officer Standards and Training (POST), which sets minimum training standard for California law enforcement officers.

AB 481 requires six elements to be included in the annual report for each type of equipment, which are outlined below.

2024 AB 481 ANNUAL REPORT

<u>1) Summary of how each type of equipment was used and the purpose of that use:</u>

The Scotts Valley Police Department received approval to use Category 10 - Specialized Firearms (AR-15 .223 patrol rifle) and Category 14 -Kinetic Energy Weapons (Remington 870 shotgun converted to “less-lethal” only). These tools are essential to effectively respond to active threats, protect the community, and de-escalate dangerous situations when possible.

Rifles and Less-Lethal Shotguns were deployed during the annual rifle range and qualification training dates in January 2023. No rifles or shotguns were fired during the below listed field deployment(s).

Rifles and/or Less-Lethal shotguns were deployed during the following incidents:

24V-00495 (06/01/24): Granite Creek Road, Welfare check of a suspicious person in a vehicle. Upon contact, the suspect rammed occupied patrol cars and led officers on a high-speed pursuit. Upon termination of the pursuit, rifles and less-lethal kinetic energy shotguns were deployed.

Inc #2407100001 (07/10/2024) – Officers searched for reported prowler on Crescent Dr

Officer(s) assigned to The Santa Cruz County Anti-Crime Team (SCCACT) deployed on the following incidents:

24W-00504 (02/14/2024, 2850 El Camino, Prunedale) – AR-15 deployed during search warrant execution for illegal firearms.

24W-00922 (03/21/2024, 202 Park Place, Santa Cruz) – AR-15 deployed during search warrant execution.

24W-01348 (04/22/2024, 10110 Soquel Dr. Apt 8, Aptos) – AR-15 deployed during search warrant execution.

24W-01741 (05/28/2024, 344 Arroyo Seco, Santa Cruz) – AR-15 deployed during search warrant execution.

24W-02880 (08/20/2024, 100 Sils Rd, Royal Oaks) – AR-15 deployed during search warrant execution.

24W-04385 (12/18/2024, 2004 Ocean Street Ext., Santa Cruz) – AR-15 deployed during search warrant execution.

2) Quantity possessed of each type of equipment:

The department currently has 16 patrol rifles and 5 less lethal shotguns in our inventory.

3) Annual costs for each type of equipment, "including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing costs":

City Council approved $3800 to purchase two new Colt AR-15 rifles to replace two outdated existing Bushmaster rifles.

SVPD Officers completed an eight-hour rifle and less-lethal shotgun training and qualification in January 2024. The cost of the ammunition for this training was $1200.

4) Summary of complaints or concerns received for each type of equipment:

There were no complaints or concerns received.

5) Information disclosing violations of military equipment policies and actions taken in response, as well as result of internal audits:

There were no violations of Scotts Valley Police Lexipol policy 706, Military Equipment.

6) Plans to acquire additional military equipment in the coming year, and the quantity sought:

SVPD currently has 8 Bushmaster AR-15 rifles and 8 Colt AR-15 rifles. The Bushmaster rifles were purchased in 2010, and several need replacing due to prolonged use and wear. In 2023, we received approval from City Council to replace two Bushmaster rifles with two new Colt rifles. The two Bushmaster rifles were taken out of service and destroyed, so the number of rifles in our inventory remained the same.

In 2025, we are proposing to replace three outdated Bushmaster rifles with three new Colt rifles. The three Bushmaster rifles will be taken out of service and destroyed, so the number of rifles in our inventory will remain the same. The total cost of the three new Colt rifles completely outfitted with sling, Aimpoint optic, and tactical light will be $5,930.00.

ORDINANCE NO. 22-200.3

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING TITLE 9 OF THE SCOTTS VALLEY MUNICIPAL CODE BY ADDING CHAPTER 9.22, USE OF MILITARY EQUIPMENT BY THE POLICE DEPARTMENT

WHEREAS, on September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481, relating to the use of military equipment by law enforcement agencies; and

WHEREAS, Assembly Bill 481 (AB 481), codified at California Government Code sections 7070 through 7075, requires law enforcement agencies to obtain approval of the applicable governing body, by an ordinance adopting a "military equipment" use policy at a regular meeting held pursuant to open meeting laws prior to taking certain actions relating to the funding, acquisition, or use of "military equipment". The term "military equipment" is defined in California Government Code Section 7070; and

WHEREAS, AB 481 allows the City Council to approve the funding, acquisition, or use of military equipment, within its jurisdiction only if it makes specified determinations; and

WHEREAS, the proposed military equipment use policy is found within Scotts Valley Police Department Lexipol Policy Manual, General Order 706. The policy was published on February 16, 2022 and displayed on the Scotts Valley Police Department website on March 10, 2022 and was presented to the City Council in 2022, 2023, and 2024. A copy of the policy is attached hereto as Exhibit A; and

WHEREAS, the Scotts Valley Police Department Policy 706 meets the requirements of California Government Code 7070; and

WHEREAS, this ordinance adds to the Municipal Code to affirm Scotts Valley Police Department Policy 706 and authorize the use of "military equipment" by the members of the Scotts Valley Police Department as described in Policy 706; and

WHEREAS, in the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. and found this activity is not a "project" as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

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

SECTION 1. The foregoing facts are adopted as findings of the City Council as though set forth in fully within the body of this ordinance.

SECTION 2. That Chapter 9.22 of Title 9 of the Scotts Valley Municipal Code reads as follows:

“CHAPTER 9.22 - MILITARY EQUIPMENT USE POLICY.

Section 9.22.010 – Findings and Purpose.

(a) The City Council has made the following determinations:

(1) The military equipment inventoried and presented to the City Council is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety; and

(2) The Military Equipment Use Policy (“Policy”) will safeguard the public’s welfare, safety, civil rights, and civil liberties; and

(3) The military equipment identified in the Military Equipment Use Policy is reasonably cost effective compared to available alternatives that can achieve the same objective of Officer and civilian safety; and

(4) Prior military equipment use complied with the applicable Equipment Use Policy (which included equipment now defined as military equipment) that was in effect at the time, or if prior uses did not comply with the accompanying Military Equipment Use Policy, corrective action has been taken to remedy nonconforming uses and ensure future compliance.

(b) The Police Department has submitted a proposed Policy to the City Council and has made those documents available on the Police Department’s website for at least 30 days prior to the public hearing concerning the military equipment at issue.

(c) The Policy was considered by the City Council as an agenda item in an open session of a regular meeting, noticed in accordance with the Ralph M. Brown Act, at which public comment was permitted.

(d) The Policy shall be made publicly available on the Police Department’s website for as long as the military equipment is available for use.

(e) The Police Department shall submit an annual military equipment report to the City Council, containing the information required in Government Code Section 7072, and the City Council shall determine whether each type of military equipment identified in that report has complied with the standards for approval set forth in (a)(1)-(4) above.

(f) The City Council shall review this ordinance, and vote on whether to renew it, on an annual basis at a regular meeting, in accordance with Government Code Section 7071(e)(2)

(g) The City Council approves the use of the Policy and finds that it satisfies the requirements of Government Code Section 7070(d).”

SECTION 3. 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 4. 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 5. 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 6. EFFECTIVE DATE. The above and foregoing ordinance was introduced for a first reading on May 7, 2025, and passed and adopted on May 21, 2025, at a duly held meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: ______________________________
Derek Timm, Mayor

ATTEST: ______________________________
Cathie Simonovich, City Clerk

APPROVED
AS TO FORM: ______________________________
Kirsten Powell, City Attorney

Military Equipment

706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

706.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

706.2 POLICY
It is the policy of the Scotts Valley Police Department that members of this agency comply with the provisions of Government Code § 7071 with respect to military equipment.

706.3 MILITARY EQUIPMENT COORDINATOR
The Chief of Police should designate a member of this agency to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

(a) Acting as liaison to the governing body for matters related to the requirements of this policy.

(b) Identifying agency equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.

(c) Conducting an inventory of all military equipment at least annually.

(d) Collaborating with any allied agency that may use military equipment within the jurisdiction of Scotts Valley Police Department (Government Code § 7071).

(e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:

1. Publicizing the details of the meeting.
2. Preparing for public questions regarding the agency’s funding, acquisition, and use of equipment.

(f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the agency website (Government Code § 7072).

(g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

706.4 MILITARY EQUIPMENT INVENTORY
The following constitutes a list of qualifying equipment for the Department:

[Insert attachment here]

706.5 APPROVAL
The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the agency website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

(a) Requesting military equipment made available pursuant to 10 USC § 2576a.

(b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this agency.

(e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.

(f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.

(g) Acquiring military equipment through any means not provided above.

706.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment should not be used by any other law enforcement agency or member in this jurisdiction unless the military equipment is approved for use in accordance with this policy.

706.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the agency website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in agency inventory.

706.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 5/7/2025

TO: Honorable Mayor and City Council

FROM: Stephen Walpole, Chief of Police

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Introduction of Ordinance 7.8 amending Title 8 of the Scotts Valley Municipal Code by repealing Chapter 8.04 in its entirety and by adding a new Chapter 8.05, Graffiti Abatement - Public Nuisance**

SUMMARY OF ISSUE

During the first quarter of 2025, there was a visible increase in the amount of graffiti in and around the City. The past practice of the City was to have city staff abate the graffiti when it was on public property and to request private citizens to remove the defacement at their earliest convenience when it was found on their private property. The City Municipal Code did not specifically address graffiti as a criminal act, the penalty for the violation, or the process for graffiti abatement.

At the City Council meeting on April 16th, City Council Member Clark proposed a future agenda item for a graffiti ordinance which would encourage individuals and businesses to quickly clean up graffiti on private property. This new ordinance repeals Chapter 8.04, which is duplicative of the nuisance abatement chapter in Title 4, and adds a new Chapter 8.05 for the purpose of addressing graffiti as a violation of the municipal code, the fines for violations, and the process of abatement.

Under this new chapter, property owners will have an obligation to remove graffiti visible from public rights-of-way or public places within 10 days of notification. If the property owner fails to remove the graffiti, the City has the right to go on to the property to remove the graffiti. All costs incurred by the City in removing the graffiti will be charged to the property owner.

Anyone violating the terms of this chapter can be charged criminally. In addition, administrative penalties have been established in this ordinance for property owners who fail to remove graffiti and people who place graffiti on public or private property. The administrative penalties for property owners is $250 for the first violation, $500 for the second violation and $1000 for the third and any subsequent violation in a 12 month period. The administrative penalties for people placing graffiti on public or private property is $1000 for the first violation, $1500 for the second violation and $2000 for the third and any subsequent violation in a 12 month period.

FISCAL IMPACT

Enforcement of this ordinance could require significant staff time and, although abatement costs can be recovered, it is unlikely that the full cost of staff efforts will be collected.

STAFF RECOMMENDATION

Introduce Ordinance 7.8 amending Title 8 of the Scotts Valley Municipal Code by repealing Chapter 8.04 in its entirety and by adding a new Chapter 8.05, Graffiti Abatement - Public Nuisance

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ORDINANCE NO. 7.8

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING TITLE 8 OF THE SCOTTS VALLEY MUNICIPAL CODE BY REPEALING CHAPTER 8.04 IN ITS ENTIRETY AND BY ADDING A NEW CHAPTER 8.05, GRAFFITI ABATEMENT- PUBLIC NUISANCE

WHEREAS, the City of Scotts Valley (the "City") values and strives to maintain a positive community aesthetic and quality of life for its community; and

WHEREAS, the presence of graffiti creates community blight, erodes community aesthetics, and reduces property values, thereby degrading the overall quality of life in the community; and

WHEREAS, graffiti suspects oftentimes seek notoriety for their designs to boost their profile within the graffiti community and the prolonged presence of graffiti encourages the proliferation of additional graffiti and other acts of vandalism; and

WHEREAS, prompt removal of graffiti improves the overall community aesthetic and discourages additional acts of graffiti and other crime; and

WHEREAS, addressing graffiti requires the use of City services including law enforcement reporting and investigations, and maintenance crews removal and cleanup; and

WHEREAS, through prompt reporting and removal of graffiti, property owners play a vital role in helping to curb its presence and proliferation; and

WHEREAS, pursuant to California Government Code sections 38772 and 53069.3, the City may enact an ordinance to provide for the summary abatement of graffiti at the expense of the person causing the graffiti or the property owner or for the use of City funds to remove graffiti from publicly or privately owned real or personal property located within the City; and

WHEREAS, the City Council of the City desires to adopt an ordinance to declare graffiti a nuisance and provide for the summary abatement of the nuisance.

NOW, THEREFORE, the City Council of the City of Scotts Valley does hereby ordain as follows:

Section 1. Title 8 of the Scotts Valley Municipal Code is hereby amended by repealing Chapter 8.04, Nuisance Abatement, in its entirety.

Section 2. Title 8 of the Scotts Valley Municipal Code is hereby amended by adding Chapter 8.05, Graffiti Abatement- Public Nuisance, to read as follows:

"**8.05 – GRAFFITI ABATEMENT – PUBLIC NUISANCE**

8.05.010 - GRAFFITI DEFINED.

As used in this chapter, “graffiti” means any unauthorized form of painting, scratching, writing, or inscription, regardless of the content or nature of the material used, which is placed upon any private structure, fixture, sign, or sidewalk in any location where it can be viewed from any public street, walkway, building, park, or facility, or upon any public structure, fixture, sign or sidewalk, and which is without the authorization of the owner or the other person in control of the property.

8.05.020 - GRAFFITI DECLARED A NUISANCE.

Graffiti is hereby determined to be a nuisance because its continued existence constitutes a visual blight upon the area in which it is located.

8.05.030 - PLACEMENT OF GRAFFITI PROHIBITED.

It shall be unlawful to place any graffiti within the City of Scotts Valley.

8.05.040 - GRAFFITI PROHIBITED.

It shall be unlawful for any person owning or otherwise in control of any real property within the City of Scotts Valley to permit or allow any graffiti to remain on such property.

8.05.050 GRAFFITI – REMOVAL

A. <u>Removal by Responsible Party</u>. A person who is the owner or who has primary responsibility for control of property or primary responsibility for the repair or maintenance of property that is defaced with graffiti shall remove or cause the removal of such graffiti within ten (10) days after notice of same, or shall make arrangements with the City for the City to cause such removal in accordance with the requirements of this section. If the property owner does not promptly eradicate the graffiti or make arrangements satisfactory to the City for eradication of the graffiti within ten (10)days of actual notice or within fourteen (14) days of mailed notice, City agents may do so in accordance with Section 8.05.050C.

B. <u>Right of City to Remove with Owner's Consent</u>. Whenever the City Manager or his/her designee determines that graffiti is so located on public or private property within the City so as to be capable of being viewed by persons utilizing any public right-of-way or public place in the City, the City Manager or his/her designee is authorized to provide for the removal of the graffiti upon the following conditions:

1. In removing the graffiti, the painting or repair shall be limited to the minimum necessary to properly restore the defaced area.

2. Where a structure is owned by a public entity other than the City, the removal of the graffiti may be authorized only after securing the written consent of the public entity having jurisdiction over the structure.

3. Where a structure is privately owned, the removal of the graffiti by City personnel or by volunteers or a private contractor under the direction of the City may be authorized only after securing the written consent of the owner, agreement to reimburse the City for the costs of removal, and a release of the City from liability, on a form approved by the City Attorney. The City will use paint that is readily available and may not match the original color.

C. Abatement and Cost Recovery Proceedings Following Failure to Obtain Owner's Consent. If a responsible party fails to remove or cause the removal of the offending graffiti within the time herein specified, or if the City shall have requested consent to remove or paint over the offending graffiti and the responsible party shall have refused consent or failed to respond to request for entry on the terms of this section, the City shall commence abatement and cost recovery proceedings for the removal of the graffiti in accordance with Title 4.

1. Because prompt removal minimizes the blight created by graffiti and has been shown to be one of the greatest disincentives to graffiti proliferation, the City Manager is authorized to develop procedures and/or volunteer programs whereby City personnel or other persons under the direction of the City may enter onto private property for the purpose of removing and/or painting over the graffiti. Such a program shall include provisions requiring the City to first attempt notification of the affected property owners, and upon notification, provide them with an opportunity to promptly eradicate the graffiti.

2. Prior to the City removing graffiti as outlined under this Section 8.05.050C, the City shall first attempt to notify the affected property owners, and upon notification, providing them with an opportunity to promptly eradicate the graffiti. The City shall contact property owners requesting that the owners either eradicate the graffiti or make satisfactory arrangements for the eradication of the graffiti within ten (10) days of actual notice or fourteen (14) days of mailed notice. If property owners do not eradicate the graffiti or make arrangements satisfactory to the City for the eradication of the graffiti within this time period, a second notice shall be provided stating that, if the owners do not either eradicate the graffiti or make satisfactory arrangements for the eradication of the graffiti within five (5) days of actual notice or within seven (7) days of mailed notice,

City agents may enter the property and eradicate the graffiti at the property owner’s expense. Making satisfactory arrangements would include granting permission to the City to eradicate the graffiti at the property owner’s expense.

3. If the property owner(s) cannot be promptly contacted personally or by mail within ten (10) days of the first attempted notification, City agents may proceed to eradicate the graffiti. The City will attempt to closely match the color of paint used to cover the graffiti; however, the City Council recognizes that the paint used in such eradication efforts may not closely match the existing paint; however, the City Council finds that the eradication will not damage private property more than the damage that has already resulted from the existence of the graffiti. The eradication authorized by this section shall not, without property owner permission, extend to areas not readily visible to the general public.

4. In any situation where the City is compelled to remove the graffiti as provided in this Chapter, the City may proceed with abatement cost recovery from the property owner as outlined in Chapter 4.24- Recovery of Civil Penalties and Abatement Costs and as outlined and allowed under California Government Code Sections 38772 and 53069.3. In the event the graffiti is placed by a minor in violation of this Chapter, the parents of such minor shall be financially responsible for any fees or costs imposed in accordance with this Chapter.

8.05.060 - GRAFFITI – VIOLATIONS.

A. Any person knowingly and willfully violating the provisions of this chapter shall be deemed guilty of an infraction.

B. Except as provided in subsection (a), any person violating, or causing or permitting the violation of, this chapter shall be deemed guilty of a misdemeanor if a defendant has been convicted of three or more violations of this chapter within the twelve-month period preceding the commission of the offense alleged in the accusatory pleading. For this purpose, a bail forfeiture shall be deemed to be a conviction of the offense charged.

C. If a minor is personally unable to pay any fine levied for violating this chapter, the parent or legal guardian of the minor shall be liable for payment of the fine. A court may waive payment of the fine by the parent or legal guardian upon a finding of good cause.

D. Any individual found guilty of a violation of this section shall reimburse the City of Scotts Valley for any and all costs the City may incur in removing the graffiti. Such reimbursement shall be in addition to any other penalties imposed by the court pursuant to this section. If the violator is a minor, the parent or guardian shall also be responsible for such reimbursement.

E. In addition to the violations noted above, any violation of the provision of this Chapter may be cited in accordance with Chapter 4.14.

1. The administrative fine for an administrative citation issued for violation of Section 8.05.030 of this Chapter shall be as follows:

a. An administrative fine of one thousand dollars ($1,000.00) for the first violation in any one (1) year period;

b. An administrative fine of one thousand five hundred dollars ($1,500.00) for the second violation in any one (1) year period; and

c. An administrative fine of two thousand dollars ($2,000.00) for the third and each subsequent violation.

2. The administrative fine for an administrative citation issued for violation of Section 8.05.040 of this Chapter shall be as follows:

a. An administrative fine of two hundred fifty dollars ($250.00) for the first violation in any one (1) year period;

b. An administrative fine of five hundred dollars ($500.00) for the second violation in any one (1) year period; and

c. An administrative fine of one thousand dollars ($1,000.00) for the third and each subsequent violation in any one (1) year period."

Section 3. CEQA COMPLIANCE. The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this Ordinance may have a significant effect on the environment. The Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) of Title 14 of the California .

Section 4. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 5. To the extent the provisions of the Scotts Valley Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this Ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

Section 6. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

Section 7. PUBLICATION. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of adoption and shall post a certified copy of this Ordinance, including the vote for and against same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

This Ordinance was introduced on the 7th day of May, 2025, and passed and adopted on the 21st day of May, 2025, at a duly held meeting of the City Council of the City of Scotts Valley by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

____

Derek Timm, Mayor

ATTEST:

____

Cathie Simonovich, City Clerk