A G E N D A

Meeting of the
Scotts Valley City Council

Date: October 19, 2016
Time: 6:00 p.m.

CITY OF SCOTTS VALLEY	**MEETING LOCATION**	**POSTING**: The agenda was posted
1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	10-14-16 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org.

Elected Officials	**City Staff Members**
Donna Lind, Mayor Randy Johnson, Vice Mayor Stephany E. Aguilar, Council Member Dene Bustichi, Council Member Jim Reed, Council Member	Jenny Haruyama, City Manager Kirsten Powell, City Attorney Taylor Bateman, Acting Community Development Dir Scott Hamby, Public Works Director John Weiss, Chief of Police Tracy Ferrara, City Clerk

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

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

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

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

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

ALTERATIONS TO CONSENT AGENDA
(Council can remove or add items to the Consent Agenda.)

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

A. Approve City Council meeting minutes of 9-21-16

B. Approve check register – 9-23-16, 9-30-16, 10-7-16

C. Approve second reading and adoption of Ordinance No. 17.4 repealing Section 5.16.170 of Chapter 5.16 of Title 5, Entertainment Permit fees on City property

D. Approve Resolution No. 1442.4 authorizing examination of Sales, Use and Transactions Tax Records and authorizing the City Manager to execute the agreement between the City of Scotts Valley and Hinderliter, de Llamas and Associates (HdL)

E. Approve Change Order No. 1, increasing the contract amount with Earth Works Paving Contractors Inc. for the Mount Hermon Road Curb Ramp Accessibility Improvements Project from $21,360 to $24,220

F. Approve Scotts Valley Council Policy No. 01-16, the City of Scotts Valley Debt Management Policy

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 approval of Resolution No. 1924 affirming the City's intent to participate in governing and financing discussions with the proposed Monterey Bay Community Powers (MBCP) Joint Powers Authority (JPA) (CityManager/Haruyama)

2. Senior Center Annual presentation (Recreation/Ard)

3. Consider first reading and introduction of Ordinance No. 110.6 modifying Sections 10.08.010 and 10.08.020 of Title 10 of the Scotts Valley Municipal Code related to vehicle storage and vehicle code enforcement on private streets (Police/Wilson)

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

ADJOURNMENT

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

PROCEDURAL INFORMATION FOR THE PUBLIC

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

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

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

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

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

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

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M I N U T E S

Meeting of the Scotts Valley City Council

Date: September 21, 2016

POSTING:
The agenda was posted on 9-16-16 at City Hall, the SV Senior Center, and the SV Library, by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and **MOMENT OF SILENCE**

ROLL CALL

Present:	Mayor Lind Vice Mayor Johnson Council Member Aguilar Council Member Bustichi	City Manager Haruyama Police Chief Weiss Public Wks Director Hamby Acting Community Development Director Bateman Recreation Division Manager Ard City Clerk Ferrara
Absent:	Council Member Reed	City Attorney Powell

Mayor Lind announced that Council Member Reed had a previous work commitment, scheduled back in June, that unfortunately precluded him from attending tonight's meeting.

COMMITTEE REPORTS

CM Bustichi reported that the Santa Cruz Metropolitan Transit Board of Directors met. He reported that he has been appointed to serve on the Facilities Committee and the Labor Negotiations Committee.

CM Aguilar reported that AMBAG met and they reviewed the Regional Forecast for the next eight years and into 2040 for transportation and housing. She stated that the Regional Forecast and agendas for AMBAG meetings are available on the AMBAG website at www.ambag.org.

Mayor Lind reported that the Seniors Council Area Agency on Aging met and discussed the new proposed County procedures for funding for non-profits. She also reported that she received a copy of a fraudulent letter that has been going out to citizens, purporting to be from the IRS. She stated that the letter looks similar to a real IRS letter, but there are differences, such as the fraudulent has an Austin, Texas address. She recommended contacting your personal tax account or local law enforcement agency if you receive a letter.

Mayor Lind reported that she had been contacted by some representatives from Davenport and the Davenport business community about the proposed Cotoni Coast Dairies National Monument Program. She stated that she was informed that not all of the nine conditions of approval that the County required when they gave their support for this monument program have been met. She stated that representatives from that community are reaching out to the various jurisdictions who supported the monument program and asking for consideration of withdrawal of their support due to the potential impacts to their community without these nine conditions.

Bruce McPherson, Fifth District Supervisor for the County of Santa Cruz, reported that the County Board of Supervisors had approved the establishment of the Cotoni-Coast Dairies National Monument with nine specific conditions to protect the community, specifically related to having a master plan, assuring adequate police services, etc. He stated that the County is very concerned that there are not enough resources through the Federal government to maintain this property, and it may fall on the County for Sheriff services, road maintenance, etc., which the County does not have the resources to take on.

CITY MANAGER REPORT

1. E-Waste: Last Saturday, the City had 260 people participate in the E-waste program, including City Staff, Scotts Valley Rotary, and students from Scotts Valley High School. Overall, 20,000 pounds of electronics were collected.
2. Granite Creek: Repair started last week on the Granite Creek Storm Damage project. The project is taking slightly longer than expected but progress is being made. Project completion is expected by the end of October.
3. Accessible Curb Ramps: As part of the City's Capital Improvement Program (CIP), accessible curb ramps are being installed at the southeast and northeast corners of Mt. Hermon Road at the K-Mart and CVS shopping centers. The project should be completed next week.
4. Police - Update on Dispatch and Police Recruitment:
    - We have two dispatcher candidates entering into the background investigation phase.
    - An additional three candidates have applied and are being screened.
    - For Police Officers, we currently have 10 applications for entry level police officer and 3 lateral (already have academy training) candidates in the pre-screening phase.
    - We also have one new application for a reserve officer position.
    - Quick update on our police recruitment incentive program: John Hohmann, our Police Recruiter, has been actively recruiting having set up a booth at the County Fair and will be visiting several police academies.
5. City Manager Comments:
    - Early in my tenure, I shared with the Council my interest in implementing a multi-phased initiative – the first involved enhancing our communication with the community.
    - I'm happy to announce that the City recent launched its Facebook page and Instagram account, as well as an electronic newsletter.
    - I plan to schedule a Council Workshop to discuss best practices focusing on goal setting and Council protocols and processes. Topics would include discussion around establishing: (1) Annual goals and priorities to guide the budget process and completion of key projects; (2) A Council Protocol Manual to further clarify Council

roles, responsibilities, and relationships with each other, staff, commissions/committees, the public and media, and also reaffirm standards of ethics, meeting rules, and conflict of interest matters; (3) Best practices regarding the use of ad hoc and standing committees, commission selection process, and social media would also be discussed.

- I anticipate that the Workshop wil be scheduled in early 2017.

PUBLIC COMMENT

Gary Richard Arnold, expressed concerns about politics in federal, state, and local government.

Wendy Brannan, Scotts Valley resident, expressed concerns that the Scotts Valley Parks Master Plan was last approved in 1996 and has not been updated.

ALTERATIONS TO
CONSENT AGENDA

M/S: Aguilar/Johnson
To approve the Consent Agenda as amended moving Item D to the regular agenda for discussion.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

Consent Agenda:

A. Approve City Council meeting minutes of 9-7-16
B. Approve check register – 9-2-16, 9-12-16
C. Approve Resolution No. 1909.1 approving a parcel map for Marlyn Bergman, MLD15-001, Meadow Way, APN 024-152-24

ALTERATIONS TO
REGULAR AGENDA

M/S: Aguilar/Johnson
To approve the Regular Agenda as amended moving Item D from the Consent Agenda to the Regular Agenda for discussion.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

The City Council adjourned their regular meeting at 6:25 p.m. to convene to a meeting of the Successor Agency of the Scotts Valley Redevelopment Agency.

The City Council reconvened to their regular City Council meeting at 7:15 p.m.

REGULAR AGENDA

D. **Approve agreement between the City of Scotts Valley and Graham Contractors Inc., for the Mt. Hermon Road Micro-Surfacing Project in the amount of $269,804.65**

PWD Hamby responded to questions from Council.

M/S: Bustichi/Johnson
To approve the agreement between the City of Scotts Valley and Graham Contractors Inc., for the Mt. Hermon Road Micro-Surfacing Project in the amount of $269,804.65.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

1. **Consider approval of Exclusive Negotiation Agreement between the City of Scotts Valley and Foothill Partners, Incorporated**

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

Wendy Brannan, Scotts Valley resident, expressed concerns regarding traffic related to the distribution center at the Post Office.

Doug Wiele, Foothill Partners, Inc., introduced himself and his company. He provided a brief history of his experience with Scotts Valley, expressed his dedication to this project, and responded to questions from Council.

Bruce McPherson, Santa Cruz County 5th District Supervisor, spoke in support of the Scotts Valley Town Center.

Mary Blessing, Scotts Valley resident, recommended including apartments in this development to include rental housing, not just for sale units.

M/S: Johnson/Bustichi
To approve the Exclusive Negotiation Agreement between the City of Scotts Valley and Foothill Partners, Incorporated for the development of the Town Center.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

2. **Consider approval of Resolution No. 1923 approving the final expenditure plan for a County-wide Transportation 1/2-Cent Sales Tax Measure to be placed on the November 8, 2016 General Election Ballot**

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

Bruce McPherson, Santa Cruz County 5th District Supervisor, stated that he was the Co-Chair of the Santa Cruz County Regional Transportation Commission, who worked to get this measure on the ballot. He gave some history of the reason for this measure and responded to questions from Council.

M/S: Aguilar/Bustichi
To approve Resolution No. 1923 approving the final expenditure plan for a County-wide Transportation 1/2-center sales tax measure to be placed on the November 8, 2016 General Election Ballot.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

3. **Consider first reading and introduction of Ordinance No. 17.4, repealing Section 5.16.170 of Chapter 5.16 of Title 5, Entertainment Permit fees on City property**

RDM Ard presented the written staff report and responded to questions from Council.

M/S: Aguilar/Bustichi
To approve the first reading and introduction of Ordinance No. 17.4 repealing Section 5.16.170 of Chapter 5.16 of Title 5, Entertainment Permit fees on City property.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

PUBLIC HEARINGS

4. **Consider Planning Commission's recommendation of approval for the subdivision of an existing 20,120 square foot parcel into two parcels in the R-1-10 zoning district, MLD16-001, located at 187 Hacienda Drive, APN 023-181-10**

Acting CDD Bateman presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED - 8:11 P.M.

No one came forward.

PUBLIC HEARING CLOSED - 8:11 P.M.

M/S: Aguilar/Johnson
To approve Resolution No. 1924 approving Minor Land Division No. MLD16-001 to create two parcels from one existing 20,120 square foot parcel located at 187 Hacienda Drive, APN 023-181-10.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

REGULAR AGENDA
(Resumed)

5. **Future Council agenda items**

CM Aguilar requested a future agenda for air monitoring of the Senior Center and the Scotts Valley Recreation Center due to potential toxic chemicals in the area.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 8:13 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54956.95, the City Council met in closed session to confer with their legal counsel regarding a Liability Claim. Name of Claimant: Kaisha Otis-Taul.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 8:45 p.m.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Lind announced that the City Manager was given direction to deny the claim and refer it to our risk manager.

ADJOURNMENT The meeting adjourned at 9:10 p.m.

Approved: ______________________________
Donna Lind, Mayor

Attest:_________________________________
Tracy A. Ferrara, City Clerk

CONSENT AGENDA ITEM B
DATE: 10-19-2016

SCOTTS VALLEY ACCOUNTS PAYABLE   CITY OF SCOTTS VALLEY
09/23/2016 10:19:05   Check Register   GL050S-V08.03 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 092316   COMMENT... A/P OF 9/23/16

DATA-JE-ID	DATA COMMENT
W-09232016-967	A/P OF 9/23/16

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
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BANK	VENDOR	CHECK#	DATE	AMOUNT
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000182	A SIGN ASAP	108504	09/23/16	467.63
003527	A-1 MOBILE SERVICE,INC	108505	09/23/16	630.00
003457	ADAMS/TROY	108506	09/23/16	30.00
001405	AFLAC-FLEX ONE	108507	09/23/16	3,033.00
001626	AGUILAR/STEPHANY	108508	09/23/16	22.68
001219	ALHAMBRA	108509	09/23/16	104.00
001219	ALHAMBRA	108510	09/23/16	98.92
000620	ALVAREZ/TONY	108511	09/23/16	20.00
001009	ARD/KRISTIN	108512	09/23/16	30.00
001670	AT &T	108513	09/23/16	2,151.34
000097	AT&T	108514	09/23/16	159.15
000614	BATTERIES PLUS	108515	09/23/16	315.36
001373	BAY TREE, LLC	108516	09/23/16	3,620.38
000500	BOLANOS/DORENE	108517	09/23/16	20.00
000021	BOWMAN & WILLIAMS	108518	09/23/16	3,678.15
.15120	BRAKKE-SCHAFNITZ INS BRO	108519	09/23/16	150.00
000437	BRASS KEY LOCKSMITH	108520	09/23/16	37.75
001566	BUSINESS WITH PLEASURE	108521	09/23/16	802.49
001017	C.W.E.A.	108522	09/23/16	172.00
001017	C.W.E.A.	108523	09/23/16	172.00
001017	C.W.E.A.	108524	09/23/16	300.00
001385	CALIFORNIA PUBLIC EMPLOY	108525	09/23/16	124,739.88
003521	CARD SERVICE CENTER	108526	09/23/16	5,383.31
000773	CENTRAL COAST LANDSCAPE	108527	09/23/16	766.00
002091	COMCAST	108528	09/23/16	238.56
001546	CRAIG/ROBERT J	108529	09/23/16	562.50
003500	ECOFERT,INC	108530	09/23/16	850.00
000202	FEDERAL EXPRESS	108531	09/23/16	127.18
001828	GONZALES/GABE	108532	09/23/16	20.00
000262	GRANITE ROCK COMPANY	108533	09/23/16	99.83
000615	HOHMANN/PATRICK J.	108534	09/23/16	220.36
001903	JONES/KIMARIE	108535	09/23/16	20.00
.15117	KENNEDY/DIANA	108536	09/23/16	90.50
001992	KOSMONT COMPANIES, INC	108537	09/23/16	754.00
001673	LINCOLN FINANCIAL GROUP	108538	09/23/16	1,060.70
000284	LOGAN & POWELL, LLP	108539	09/23/16	14,500.00
003321	LOPEZ/RENE	108540	09/23/16	20.00
003403	MAR-KEN INTERNATIONAL PO	108541	09/23/16	390.00
001591	MARKELL/ROD	108542	09/23/16	1,974.00
000195	MESITI-MILLER ENGINEERIN	108543	09/23/16	4,106.12
003171	MICHALAK/GENE	108544	09/23/16	110.00
000967	MONTEREY BAY SYSTEMS	108545	09/23/16	748.87
.15118	OPTIC FUEL CLEAN OF CA I	108546	09/23/16	2,995.00
001279	PACIFIC CREST ENGINEERIN	108547	09/23/16	680.00
001857	PHOENIX GROUP	108548	09/23/16	424.60
003323	POMPETTE/NICOLE	108549	09/23/16	20.00
001097	PRODESSE PROPERTY GROUP	108550	09/23/16	3,523.52
003230	REDWOOD TOXICOLOGY LAB	108551	09/23/16	16.00

BANK	VENDOR		CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT					
	003346	SAN LORENZO	108552	09/23/16	68.39	
	000127	SANTA CRUZ SENTINEL	108553	09/23/16	1,242.76	
	000820	SANTA CRUZ/COUNTY OF	108554	09/23/16	119.50	
	003085	SHRED-IT US JV LLC	108555	09/23/16	78.23	
	.15119	SOLAR TECHNOLOGIES	108556	09/23/16	100.00	
	001487	STEVENSON'S LANDSCAPING	108557	09/23/16	250.00	
	001589	TELECOMMUNICATIONS	108558	09/23/16	34,987.95	
	000153	THOMSON REUTERS-WEST	108559	09/23/16	637.96	
	001933	THURINGER/JOE	108560	09/23/16	20.00	
	000754	UPS STORE/THE	108561	09/23/16	378.74	
	001106	VERIZON WIRELESS	108562	09/23/16	2,008.54	
	003145	WAGE WORKS	108563	09/23/16	160.00	
	001877	WATER ENVIRONMENT FEDERA	108564	09/23/16	235.00	
	001342	WELCH/JAMES	108565	09/23/16	20.00	
	003008	WILLIAMS/JESSE	108566	09/23/16	20.00	
	000155	XEROX CORPORATION	108567	09/23/16	3,371.25	
	002021	ZOOM	108568	09/23/16	444.04	
	003550	2ND NATURE	108569	09/23/16	3,770.00	
	GENERAL CHECKING ACCOUNT				228,368.14	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				228,368.14

RECORDS PRINTED - 000160

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	172,817.00
002	RECYCLING/ENVIRONMENTAL	15.00
004	RECREATION	11,923.81
010	WASTEWATER OPERATIONS	24,716.66
011	TERTIARY TREATMENT PLANT	143.23
019	AFFORDABLE HOUSING	1,974.00
023	SVRDA SUCCESSOR AGENCY	7,897.90
025	GENERAL TRUST	680.00
028	SENIOR CENTER	831.71
050	PINEWOOD EST LNDSCP MAINT DT	766.00
123	COMMUNITY FACILITY CENTER	756.71
150	GENERAL CAPITAL IMPROVEMENTS	5,846.12
TOTAL ALL FUNDS		228,368.14

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	228,368.14
TOTAL ALL BANKS		228,368.14

Report Selection:

RUN GROUP... 093016   COMMENT... A/P AS OF SEPT 30 2016

DATA-JE-ID	DATA COMMENT
W-09302016-978	A/P AS OF SEPT 30 2016

Run Instructions:

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BANK	VENDOR	CHECK#	DATE	AMOUNT
BA GENERAL CHECKING ACCOUNT				
000182	A SIGN ASAP	108570	09/30/16	277.31
003123	A T &T	108571	09/30/16	378.42
003544	ADAMS/PHILIP	108572	09/30/16	333.00
003543	AGUIRRE/AUGUSTO	108573	09/30/16	308.00
001670	AT &T	108574	09/30/16	3,193.61
003416	BALBOA CAPITAL	108575	09/30/16	225.12
001786	BEWICK/KENNETH	108576	09/30/16	90.00
001017	C.W.E.A. SAS	108577	09/30/16	25.00
001956	CENTRAL COAST CISM TEAM	108578	09/30/16	250.00
015008	CENTRAL HOME SUPPLY	108579	09/30/16	606.68
001051	COASTAL EVERGREEN CORP	108580	09/30/16	1,675.00
001546	CRAIG/ROBERT J	108581	09/30/16	125.00
003043	CSG CONSULTANTS, INC	108582	09/30/16	65,099.82
001944	DITTO'S EMBROIDERY	108583	09/30/16	2,447.96
001362	DUNCAN AUTO TECH	108584	09/30/16	145.23
001537	DYNAMIC PRESS	108585	09/30/16	370.71
000054	EWING IRRIGATION PRODUCT	108586	09/30/16	103.37
001991	FASTENAL	108587	09/30/16	202.96
000582	FERRARA/TRACY A.	108588	09/30/16	46.16
003253	FIRST ALARM	108589	09/30/16	114.00
003502	FREITAS & FREITAS	108590	09/30/16	6,600.00
001209	GARDEN HAVEN NURSERY	108591	09/30/16	896.31
001657	GOLDEN GATE TRUCK CENTER	108592	09/30/16	137.17
001131	GRUBER DDS/MICHAEL	108593	09/30/16	206.00
000057	HACH COMPANY	108594	09/30/16	422.00
000615	HOHMANN/PATRICK J.	108595	09/30/16	136.00
000283	HOSE SHOP	108596	09/30/16	384.61
001308	JOHNSON DDS/BRETT	108597	09/30/16	736.70
003402	KELINDA'S CUSTOMS	108598	09/30/16	255.31
001660	KING/KATI	108599	09/30/16	871.20
002032	KT MECHANICAL INC	108600	09/30/16	380.82
003403	MAR-KEN INTERNATIONAL PO	108601	09/30/16	260.00
003009	MONTEREY BAY MANAGERS' A	108602	09/30/16	10.00
000086	MOTION INDUSTRIES INC.	108603	09/30/16	37.31
001891	NATIONAL TACTICAL	108604	09/30/16	150.00
001974	NORTH AMERICAN UV INC	108605	09/30/16	1,255.64
001615	OLIN CORP-CHLOR ALKALI	108606	09/30/16	1,487.90
001802	ONTRAC	108607	09/30/16	16.47
003328	PETERSON TRUCKS, INC	108608	09/30/16	280.05
001787	PETRINI'S GARDENING SERV	108609	09/30/16	75.00
001857	PHOENIX GROUP	108610	09/30/16	424.60
001039	POSTON/ED	108611	09/30/16	333.00
000135	SAN LORENZO VALLEY WATER	108612	09/30/16	34.00
000126	SANTA CRUZ FIRE EQUIPMEN	108613	09/30/16	224.03
000122	SANTA CRUZ/CITY OF	108614	09/30/16	1,296.98
000626	SANTA CRUZ/COUNTY OF	108615	09/30/16	268,259.00
001431	SCHWARZ/JERRY	108616	09/30/16	550.40
000133	SCOTTS VALLEY SPRINKLER	108617	09/30/16	13.43

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA GENERAL CHECKING ACCOUNT					
002053	STEPFORD	108618	09/30/16	5,313.00	
000882	SUPERIOR ALARM COMPANY	108619	09/30/16	444.00	
003548	TORO PETROLEUM CORP	108620	09/30/16	2,293.82	
001803	VARGAS ACADEMY OF	108621	09/30/16	743.75	
001106	VERIZON WIRELESS	108622	09/30/16	1,004.27	
001625	YOSHIDA DDS/NOREEN	108623	09/30/16	260.00	
GENERAL CHECKING ACCOUNT				371,810.12	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				371,810.12

RECORDS PRINTED - 000076

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	87,871.42
004	RECREATION	1,831.71
010	WASTEWATER OPERATIONS	5,652.45
011	TERTIARY TREATMENT PLANT	3,565.93
023	SVRDA SUCCESSOR AGENCY	268,259.00
028	SENIOR CENTER	114.00
033	TREE REPLACEMENT FUND	896.31
050	PINEWOOD EST LNDSCP MAINT DT	34.00
077	SKYPARK MAINT ASSESS DIST	825.00
112	DENTAL INS INTERNAL SERV	2,760.30
TOTAL ALL FUNDS		371,810.12

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	371,810.12
TOTAL ALL BANKS		371,810.12

Report Selection:

RUN GROUP... 100716   COMMENT... A/P AS OF OCT 7 2016

DATA-JE-ID	DATA COMMENT
W-10072016-989	A/P AS OF OCT 7 2016

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
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BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
000182	A SIGN ASAP	108624	10/07/16	395.20
000452	A.L. LEASE CO., INC	108625	10/07/16	239.88
003527	A-1 MOBILE SERVICE,INC	108626	10/07/16	2,605.16
001912	ADVANCED FLOW MEASUREMEN	108627	10/07/16	980.00
003497	ALVAREZ INDUSTRIES, INC	108628	10/07/16	1,681.00
000563	APPI	108629	10/07/16	1,235.71
001319	BALL/DAVE	108630	10/07/16	21.00
000565	BANK OF NEW YORK MELLON/	108631	10/07/16	1,700.00
001566	BUSINESS WITH PLEASURE	108632	10/07/16	417.81
001633	CAL-WEST LIGHTING & SIGN	108633	10/07/16	925.00
003174	CAPITAL ONE COMMERCIAL	108634	10/07/16	539.55
003552	COLEMAN/HOPE	108635	10/07/16	400.00
002091	COMCAST	108636	10/07/16	136.16
000761	COMMUNITY BRIDGES	108637	10/07/16	2,292.75
001428	COURT APPOINTED SPECIAL	108638	10/07/16	833.00
.15122	CRAMER/JILL	108639	10/07/16	101.74
003464	DANIELS/JASON	108640	10/07/16	149.99
003464	DANIELS/JASON	108641	10/07/16	170.00
000975	DEAN/MICHAEL R.	108642	10/07/16	83.00
000488	DIENTES COMMUNITY DENTAL	108643	10/07/16	333.50
003500	ECOFERT,INC	108644	10/07/16	850.00
000054	EWING IRRIGATION PRODUCT	108645	10/07/16	275.10
001597	FLEMING/JOSEPHINE	108646	10/07/16	6,180.00
003502	FREITAS & FREITAS	108647	10/07/16	7,000.00
000895	GRANITE CONSTRUCTION CO	108648	10/07/16	146.34
000057	HACH COMPANY	108649	10/07/16	296.63
003575	HARUYAMA/JENNIFER	108650	10/07/16	196.89
001239	HAYASHI DDS/ARTHUR K	108651	10/07/16	124.00
003551	HDL COREN & CONE	108652	10/07/16	645.00
003553	HEAVY EQUIPMENT PARTS	108653	10/07/16	632.55
001856	HUB INTERNATIONAL	108654	10/07/16	512.16
003277	IMPERIAL SPRINKLER SUPPL	108655	10/07/16	904.37
001895	IMSA	108656	10/07/16	265.00
000238	KENNEDY-JENKS CONSULTANT	108657	10/07/16	15,897.50
003292	KIMLEY-HORN & ASSOCIATES	108658	10/07/16	1,533.55
001660	KING/KATI	108659	10/07/16	200.00
002032	KT MECHANICAL INC	108660	10/07/16	290.00
003321	LOPEZ/RENE	108661	10/07/16	106.00
000050	MELROSE/TAMERA	108662	10/07/16	129.00
000195	MESITI-MILLER ENGINEERIN	108663	10/07/16	14,181.10
001868	MUNIMETRIX SYSTEMS CORP	108664	10/07/16	499.00
001872	NORTH CENTRAL LABORATORI	108665	10/07/16	128.91
000101	PACIFIC GAS & ELECTRIC C	108666	10/07/16	1,000.00
000098	PALACE ART & OFFICE	108667	10/07/16	2,362.79
001876	POLITO/BRANDON	108668	10/07/16	21.00
001503	PRUDENTIAL INSURANCE CO/	108669	10/07/16	561.35
003503	PURETEC INDUSTRIAL WATER	108670	10/07/16	712.57
000463	RALEY'S	108671	10/07/16	137.69

BANK	VENDOR		CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT					
	000171	RIVERSIDE LIGHTING INC	108672	10/07/16	111.11	
	001883	S.W.R.C.B.	108673	10/07/16	3,555.00	
	001364	SANTA CRUZ COUNTY	108674	10/07/16	35,440.80	
	000128	SCARBOROUGH LUMBER	108675	10/07/16	1,959.51	
	000131	SCOTTS VALLEY MEDICAL	108676	10/07/16	306.00	
	000710	SENIOR NETWORK SERVICES,	108677	10/07/16	363.00	
	000405	SILVERSTEIN/THOMAS	108678	10/07/16	4,195.20	
	000141	SNAP-ON AUTHORIZED DEALE	108679	10/07/16	157.96	
	000228	SOIL CONTROL LAB	108680	10/07/16	284.00	
	001933	THURINGER/JOE	108681	10/07/16	325.00	
	003468	TRI-COUNTY TROPHY & ENGR	108682	10/07/16	92.65	
	001366	U.S. BANCORP OFFICE	108683	10/07/16	1,257.46	
	001803	VARGAS ACADEMY OF	108684	10/07/16	896.87	
	000151	VISION SERVICE PLAN	108685	10/07/16	1,193.16	
	001211	WALNUT AVE WOMEN'S CENTE	108686	10/07/16	549.00	
	000443	WALPOLE/STEVE	108687	10/07/16	168.00	
	003392	WENGER PAVING INC	108688	10/07/16	4,985.00	
	000952	WILSON/JOHN	108689	10/07/16	1,000.00	
	000952	WILSON/JOHN	108690	10/07/16	168.00	
	001625	YOSHIDA DDS/NOREEN	108691	10/07/16	20.00	
	GENERAL CHECKING ACCOUNT				128,056.67	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				128,056.67

RECORDS PRINTED - 000153

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	67,869.75
004	RECREATION	8,954.50
010	WASTEWATER OPERATIONS	24,769.54
025	GENERAL TRUST	1,533.55
028	SENIOR CENTER	481.52
112	DENTAL INS INTERNAL SERV	144.00
123	COMMUNITY FACILITY CENTER	425.87
150	GENERAL CAPITAL IMPROVEMENTS	23,874.85
306	SUPPL LAW ENFORCEMENT SRVS	3.09
TOTAL ALL FUNDS		128,056.67

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	128,056.67
TOTAL ALL BANKS		128,056.67

ORDINANCE NO. 17.4

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY REPEALING SECTION 5.16.170 OF CHAPTER 5.16 OF TITLE 5 ENTERTAINMENT PERMIT FEES ON CITY PROPERTY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. Section 5.16.170 of Chapter 5.16 of Title 5 of the Scotts Valley Municipal Code is hereby repealed.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 3. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 4. CEQA 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 5. EFFECTIVE DATE. This Ordinance shall take effect thirty days after the date of its adoption. Prior to the expiration of fifteen days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This ordinance was introduced on the 21st day of September, 2016, and was passed and adopted by the City Council of the City of Scotts Valley on the 19th day of October, 2016, by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: ___________________________
Donna Lind, Mayor

ATTEST: ________________________
Tracy A. Ferrara, City Clerk

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **Authorization of Contract to Examine Sales, Use and Transaction Records**

SUMMARY OF ISSUE

Hinderliter, de Llamas and Associates (HdL) is the City's sales, use, and transaction (Measure U) tax consultant. They provide the analysis necessary to manage the City's sales and use tax base and recover revenue through various audit processes.

The City currently receives very limited services through HdL; the attached resolution and agreement would authorize the City Manager to expand those services to include more comprehensive information, resulting in improved tax management and the identification of economic opportunities and trends. HdL's services also include budget forecasting, non-confidential publications that can be distributed to economic development stakeholders and the community, and quarterly meetings with staff to review the City's sales, use and transaction tax data in detail and address potential sales tax leakage or misallocation of online or brick and mortar stores. A workshop is also included to better inform the Council and the community about the City's sales tax revenue industry groups, top sales tax generators, and how the City can diversify its revenue tax base.

Expansion of these services will better position the City as it explores economic opportunities in the context of the General Plan Update process and future development, including the Town Center.

FISCAL IMPACT

Under its current agreement with HdL, the City pays $1,800 annually for sales, use, and transaction analysis services, and a 15% fee for all taxes recovered via audit. The attached contract reflects HdL's full sales tax service, which includes a comprehensive set of quarterly reports, budget forecasting (twice annually), non-confidential newsletter for general distribution, and quarterly face to face meetings. A workshop is also included, to inform the community and economic development stakeholders about sales, use, and transaction trends and sales tax related legislative activities. Under the new agreement, the annual cost for FY 2016/17 would be approximately $4,200, or an additional $2,400 per year.

STAFF RECOMMENDATION

It is recommended that Council approve Resolution No. 1442.4 authorizing HdL to examine sales, use and transaction tax records of the State Board of Equalization and the City Manager to enter into an agreement with HdL to provide sales, use, and transaction tax and economic analysis services, and audit/recovery, and general consultant services.

TABLE OF CONTENTS **PAGE**

1. Resolution No. 1442.4 Authorizing the Examination of Sales, Use, and Transaction Tax Records Agreement for Sales, Use, and Transaction Audit and Information Services with Hinderliter, de Llamas and Associates (HdL) ………… 3

2. Agreement for Sales, Use and Transactions Tax Audit and Information Services Between the City of Scotts Valley and Hinderliter, de Llamas and Associates (HdL)…. 6

RESOLUTION NO. 1442.4

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AUTHORIZING EXAMINATION OF SALES, USE AND TRANSACTIONS TAX RECORDS

WHEREAS, pursuant to Ordinance No. 11-3 and Ordinance No. 186, Temporary Transactions and Use Tax, the City of Scotts Valley entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales, use and transactions taxes; and

WHEREAS, the City Council of the City of Scotts Valley deems it desirable and necessary for authorized representatives of the City to examine confidential sales, use and transactions tax records of the State Board of Equalization pertaining to sales, use and transactions taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales, use and transactions tax records of the Board.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City of Scotts Valley with authority to examine sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Board pursuant to that contract.

Section 2. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City with authority to examine those sales, use and transactions tax records of the Board, for purposes related to the following governmental functions of the City:

(a) City administration

(b) Revenue management and budgeting

(c) Community and economic development

(d) Business license tax administration

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

Section 3. That Hinderliter, de Llamas & Associates is hereby designated to examine the sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

(a) has an existing contract with the City to examine those sales, use and transactions tax records;

(b) is required by that contract to disclose information contained in, or derived from, those sales, use and transactions tax records only to the officer or employee authorized under Sections 1 or 2 of this resolution to examine the information.

(c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and

(d) is prohibited by that contract from retaining the information contained in, or derived from those sales, use and transactions tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Board pursuant to the contract between the City and the Board and for purposes relating to the governmental functions of the City listed in section 2 of this resolution.

* *

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 19th of October, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ___________________________
Donna Lind, Mayor

Attest: ____________________________
Tracy A. Ferrara, City Clerk

I, Tracy A. Ferrara, City Clerk of the City of Scotts Valley, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced approved and adopted by the City Council of the City of Scotts Valley, at a regular meeting of said Council held on the 19th day of October 2016, by the following roll call vote:

AYES:
NOES:
ABSENT:

____
Tracy A. Ferrara, City Clerk

AGREEMENT FOR SALES, USE AND TRANSACTIONS TAX AUDIT AND INFORMATION SERVICES

This Agreement is made and entered into as of the 19th day of October, 2016 (the "Effective Date") by and between the CITY OF SCOTTS VALLEY, a municipal corporation hereinafter called ("CITY"), and HINDERLITER, de LLAMAS AND ASSOCIATES a California Corporation, hereinafter called ("CONTRACTOR").

I. RECITALS

WHEREAS, sales, use and transactions tax (sometimes collectively referred to herein as "sales and use tax") revenues can be increased through a system of continuous monitoring, identification and correction of allocation errors, and

WHEREAS, an effective program of sales and use tax management will improve identification of economic opportunities; provide for more accurate sales and use tax forecasting; and assist in related revenue collections; and

WHEREAS, CITY desires the combination of data entry, report preparation and analysis necessary to effectively manage its sales and use tax base; recover revenues erroneously allocated to other jurisdictions and allocation pools; and maximize its financial and economic planning; and

WHEREAS, CONTRACTOR has the programs, equipment and personnel required to deliver the sales and use tax related services referenced herein;

THEREFORE, CITY and CONTRACTOR, for the consideration hereinafter described, mutually agree as follows:

II. SERVICES

The CONTRACTOR shall perform the following services (collectively, the “Services”):

A. SALES TAX AND ECONOMIC ANALYSIS SERVICES

1. CONTRACTOR shall establish a special database that identifies the name, address and quarterly allocations of all sales, use and transactions tax producers within the CITY for the most current and all quarters back to fiscal year 1990-1991 or earlier, if the CITY has prior historical sales tax data available on computer readable magnetic media. This database will be utilized to generate special reports to the CITY on: major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.

2. CONTRACTOR shall provide up-dated reports following each calendar quarter identifying changes in sales by individual businesses, business groups and categories and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting.

3. CONTRACTOR shall additionally provide following each calendar quarter a summary analysis for the CITY to share with Chambers of Commerce, other economic development interest groups and the public that analyze CITY’S sales tax trends by major groups, and geographic areas without disclosing confidential information.

4. CONTRACTOR shall make available to CITY staff CONTRACTOR's web-based sales tax computer software program containing sellers permit and quarterly allocation information for all in-city business outlets registered with the Board of Equalization and updated quarterly. This software shall allow CITY staff to search businesses by street address, account number, business name, business type and keyword, arrange data by geographic area, and print out a variety of reports.

B. ALLOCATION AUDIT AND RECOVERY SERVICES

1. CONTRACTOR shall conduct initial and on-going sales, use and transactions tax audits to identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales, use and transactions tax income for the CITY and/or recovering misallocated tax from previously properly registered taxpayers. Common errors that will be monitored and corrected include, but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors, misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.

2. CONTRACTOR shall initiate contacts with state agencies, and sales management and accounting officials in companies that have businesses where a probability of error exists to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.

3. CONTRACTOR shall (i) prepare and submit to the Board of Equalization information for the purpose of correcting allocation errors that are identified and (ii) follow-up with individual businesses and the State Board of Equalization to promote recovery by the CITY of back or prospective quarterly payments that may be owing.

4. If during the course of its audit, CONTRACTOR finds businesses located in the CITY that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to the CITY, CONTRACTOR may so advise CITY and work with those businesses and the CITY to encourage such changes.

5. CONTRACTOR shall conduct on-going reviews to identify and correct unreported transactions and use tax payments and distribution errors thereby generating previously unrealized revenue for the CITY. Said reviews shall include:

   (i) Comparison of county-wide local tax allocations to transactions tax for brick and mortar stores and other cash register-based businesses, where clearly all transactions are conducted on-site within the Measure "U" CITY boundaries, and therefore subject to transactions tax.

   (ii) Review of any significant one-time use tax allocations to ensure that there is corresponding transaction tax payments for taxpayers with nexus within the CITY boundaries.

   (iii) Review of state-wide transactions tax allocations and patterns to identify any obvious errors and omissions.

   (iv) Identification and follow-up with any potentially large purchasers of supplies and equipment (e.g. hospitals, universities, manufacturing plants, agricultural operations, refineries) to ensure that their major vendors are properly reporting corresponding transactions tax payments to the Measure "U" Transactions Tax District.

6. CONTRACTOR will initiate, where the probability of an error exists, contacts with the appropriate taxpayer management and accounting officials to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner so as to enhance CITY's relations with the business community.

7. CONTRACTOR shall prepare and submit to the Board of Equalization all information necessary to correct any allocation errors and deficiencies that are identified, and shall follow-up with the individual businesses and the State Board of Equalization to ensure that all back quarter payments due the CITY are recovered.

C. CONSULTING AND OTHER OPTIONAL SERVICES

CONTRACTOR may, from time to time in its sole discretion, consult with CITY staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax; (ii) utilization of reports to enhance business license collection efforts; and (iii) sales tax projections for proposed annexations, economic development projects and budget planning. In addition to the foregoing optional consulting services, CONTACTOR may, from time to time in its sole discretion, perform other optional Services, including without limitation, negotiating/review of tax sharing agreements, establishing purchasing corporations, and meeting with taxpayers to encourage self-assessment of use tax.

III. CONSIDERATION

A. CONTRACTOR shall provide the sales, use and transactions tax and economic analysis Services described in Section II-A above for a fee of **$350.00** per month for Fiscal Year 2016-2017 and **$450.00** per month for Fiscal Year 2017-2018, commencing with the month of the Effective Date (hereafter referred to as “monthly fee”). Starting with 2018-2019 Fiscal Year, the monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the “CPI” for the preceding twelve month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the “CPI” shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest CITY, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by CONTRACTOR.

The monthly fee shall be invoiced quarterly in arrears, and shall be paid by CITY no later than 30 days after the invoice date.

B. 1. CONTRACTOR shall be further paid 15% of all new and recovered sales, use and transactions tax revenue received by the CITY as a result, in whole or in part, of the allocation audit and recovery services described in Section II-B above (hereafter referred to as "audit fee"), including without limitation, any reimbursement or other payment from any state fund and any point of sale misallocations. CONTRACTOR shall provide CITY with an itemized quarterly invoice showing all formula calculations and amounts due for the audit fee (including, without limitation, a detailed listing of any corrected misallocations), which shall be paid by CITY no later than 30 days following the invoice date.

2. The audit fee shall be paid even if CITY assists, works in parallel with, and/or incurs attorneys' fees or other costs or expenses in connection with any of the relevant Services. Among other things, the audit fee applies to state fund transfers received for back quarter reallocations and monies received in the first eight consecutive reporting quarters following completion of the allocation audit by CONTRACTOR and confirmation of corrections by the State Board of Equalization. CITY shall pay audit fees upon CONTRACTOR'S submittal of evidence of CONTRACTOR'S work in support of recovery of subject revenue, including, without limitation, copies of BOE 549-S petition forms of any other correspondence between CONTRACTOR and the Board of Equalization or the taxpayer.

3. For any increase in the tax reported by businesses already properly making tax payments to CITY, it shall be CONTRACTOR's responsibility to support in its invoices the audit fee attributable, in whole or in part, to CONTRACTOR's Services.

C. CONTRACTOR shall be paid 25% of the initial amount of new transactions or use tax revenue received by the CITY as a result of audit and recovery work performed by CONTRACTOR (hereafter referred to as "audit fees"). New revenue shall not include any amounts determined and verified by CITY or CONTRACTOR to be increment attributable to causes other than CONTRACTOR'S work pursuant to this agreement. In the event that CONTRACTOR is responsible for an increase in the tax reported by businesses already properly making tax payments to the CITY, it shall be CONTRACTOR'S responsibility to separate and support the incremental amount attributable to its efforts prior to the application of the audit fee. Said audit fees will apply to state fund transfers received for those specific quarters identified as being missing and/or deficient following completion of the audit by CONTRACTOR and confirmation of corrections by the State Board of Equalization but shall not apply prospectively to any future quarter. CONTRACTOR shall provide CITY with an itemized quarterly invoice showing all formula calculations and amounts due for audit fees.

D. CONTRACTOR shall invoice CITY for any consulting and other optional Services rendered to CITY in accordance with Section II-C above based on the following hourly rates on a monthly or a quarterly basis, at CONTRACTOR’s option. All such invoices shall be payable by CITY no later than 30 days following the invoice date. CITY shall not be invoiced for any consulting Services totaling less than an hour in any month. The hourly rates in effect as of the Effective Date are as follows:

Principal	$250 per hour
Programmer	$225 per hour
Senior Analyst	$195 per hour
Analyst	$ 95 per hour

CONTRACTOR may change such hourly rates from time to time upon not less than 30 days’ prior written notice to CITY.

E. Any invoices not paid on a due and timely basis shall accrue monthly interest at a rate equivalent to ten percent (10%) per annum until paid.

IV. CONFIDENTIALITY; OWNERSHIP/USE OF INFORMATION

A. Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization. Section 7056 specifies the conditions under which a CITY may authorize persons other than CITY officers and employees to examine State Sales and Use Tax records.

B. The following conditions specified in Section 7056-(b), (1) of the State of California Revenue and Taxation Code are hereby made part of this Agreement:

1. CONTRACTOR is authorized by this Agreement to examine sales, use or transactions and use tax records of the Board of Equalization provided to CITY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law Revenue and Taxation Code section 7200 et.seq.

2. CONTRACTOR is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.

3. CONTRACTOR is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.

4. CONTRACTOR is prohibited from retaining the information contained in, or derived from those sales, use or transactions and use tax records, after this

Agreement has expired. Information obtained by examination of Board of Equalization records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the CITY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the CONTRACTOR as a person authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

C. Software Use. CONTRACTOR hereby provides authorization to CITY to access CONTRACTOR'S Sales Tax website if CITY chooses to subscribe to the software and reports option. The website shall only be used by authorized CITY staff. No access will be granted to any third party without explicit written authorization by CONTRACTOR. CITY shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The software use granted hereunder shall not imply ownership by CITY of said software, or any right of CITY to sell said software or the use of same, or any right to use said software for the benefit of others. This software use authorization is not transferable. Upon termination or expiration of this Agreement, the software use authorization shall expire, and all CITY staff website logins shall be de-activated.

D. Proprietary Information. As used herein, the term "proprietary information" means all information or material that has or could have commercial value or other utility in CONTRACTOR's business, including without limitation: CONTRACTOR'S (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and (v) materials and techniques used; as well as the terms and conditions of this Agreement. Except as otherwise required by law, CITY shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by CITY in connection with this Agreement. The obligations imposed by this Section IV-D shall survive any expiration or termination of this Agreement or otherwise. The terms of this Section IV-D shall not apply to any information that is public information.

V. CITY MATERIALS AND SUPPORT

CITY shall adopt a resolution in a form acceptable to the State Board of Equalization and in compliance with Section 7056 of the Revenue and Taxation Code, authorizing CONTRACTOR to examine the confidential sales tax records of CITY. CITY further agrees to provide any information or assistance that may readily be available such as business license records within the CITY and to provide CONTRACTOR with proper identification for contacting businesses. CITY further agrees to continue CONTRACTOR's authorization to examine the confidential sales tax records of the CITY by maintaining CONTRACTOR's name on the CITY resolution or by providing copies of future allocation reports on computer readable magnetic media until such time as all audit adjustments have been completed by the State Board of Equalization and any audit fee owing to CONTRACTOR has been paid.

VI. LICENSE, PERMITS, FEES AND ASSESSMENTS

CONTRACTOR shall obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the Services. CITY shall assist CONTRACTOR in obtaining such Permits, and CITY shall absorb all fees, assessments and taxes which are necessary for any Permits required to be issued by CITY.

VII. TERMINATION

This Agreement may be terminated for convenience by either party by giving 30 days written notice to the other of such termination and specifying the effective date thereof. Upon the presentation of such notice, CONTRACTOR may continue to perform Services through the date of termination. Following termination of this Agreement, CITY shall continue to timely pay CONTRACTOR's invoices for Services performed and not paid for prior to termination. Anything to the contrary herein notwithstanding (and without limitation on the foregoing sentence), CITY shall continue to pay to CONTRACTOR the audit fee for tax payments received by CITY after termination of this Agreement from (i) state fund transfers for back quarter reallocations and the first eight consecutive calendar quarters following completion of the allocation audit by CONTRACTOR and confirmation of corrections by the State Board of Equalization; and (ii) businesses identified by CONTRACTOR pursuant to Section III-B-3 above, to the extent such businesses commence or continue to make increased tax payments during the first 24 months following termination of this Agreement.

VIII. INDEPENDENT CONTRACTOR

CONTRACTOR shall perform the services hereunder as an independent contractor and shall furnish such services in its own manner and method, and under no circumstances or conditions shall any agent, servant, or employee of CONTRACTOR be considered as an employee of CITY.

IX. NON-ASSIGNMENT

This Agreement is not assignable either in whole or in part by CONTRACTOR without the written consent of CITY.

X. INSURANCE

CONTRACTOR shall maintain the policies set out below, and in amounts of coverage not less than those indicated herein. Additionally, where required by CITY, CONTRACTOR shall name the CITY as an additional insured on CONTRACTOR'S comprehensive general liability policy and provide a Certificate of Insurance.

1. Worker's Compensation and Employer's Liability. In accordance with applicable law.

2. Comprehensive General Liability. Bodily injury liability in the amount of $1,000,000 for each person in any one accident, and $1,000,000 for injuries sustained by two or more persons in any one accident. Property damage liability in the amount of $1,000,000 for each accident, and $2,000,000 aggregate for each year of the policy period.

3. Comprehensive Automobile Liability. Bodily injury liability coverage of $1,000,000 for each accident.

4. Errors and Omissions. In addition to any other insurance required by this Agreement, CONTRACTOR shall provide and maintain, during the term of this Agreement, professional liability insurance in the amount of $1,000,000 as evidenced by a Certificate of Insurance.

XI. INDEMNIFICATION

CONTRACTOR hereby agrees to protect, defend, indemnify and hold harmless CITY, its elective and appointive boards, officers, agents and employees, from any liability for damage or claims for damage (including, without limitation, CITY's reasonable attorneys' fees) for breach of confidentiality or property damage which may arise from CONTRACTOR's willful or negligent acts, errors or omissions or those of its employees or agents. CITY hereby agrees to protect, defend, indemnify and hold harmless CONTRACTOR, its officers, agents and employees, harmless from any liability for damage or claims for damage (including, without limitation, CONTRACTOR's reasonable attorneys' fees) for breach of confidentiality or property damage which may arise from CITY's willful or negligent acts, errors or omissions or those of its employees or agents.

XII. IRREPARABLE HARM

CONTRACTOR and CITY each understands and agrees that any breach of this Agreement by either of them may cause the other party hereto irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that such other party shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any further breach and for such other relief as such other party shall deem appropriate. Such right is to be in addition to the remedies otherwise available to such other party at law or in equity. The parties hereto expressly waive the defense that a remedy in damages will be adequate and any requirement in an action for specific performance or injunction hereunder for the posting of a bond.

XIII. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to its choice of laws provisions). If any legal action is necessary to enforce or interpret this Agreement, the parties agree that such action shall be brought in the Superior Court for the State of California, County of Los Angeles, or the U.S. District Court for the Central District of California, Western Division. The parties hereby submit to the exclusive jurisdiction of such courts and waive any other venue to which either party might be entitled by domicile or otherwise.

XIV. ATTORNEYS' FEES

If any party hereto brings an action or proceeding under this Agreement or to declare rights hereunder, the Prevailing Party in any such proceeding, action, or appeal thereon shall be entitled to recover all reasonable fees, costs and expenses, including reasonable attorneys' fees. Such fees, costs and expenses may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. "Prevailing Party" shall mean and include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense.

XV. SEVERABILITY; NO WAIVER

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect. If any of the provisions of this Agreement shall be deemed to be unenforceable by reason of its extent, duration, scope or otherwise, then the parties contemplate that the court making such determination shall enforce the remaining provisions of this Agreement, and shall reduce such extent, duration, scope, or other provision and shall enforce them in their reduced form for all purposes contemplated by this Agreement. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

XVI. NOTICES

All notices sent by a party under this Agreement shall be in writing and shall be deemed properly delivered to the other party as of the date of receipt, if received on a business day prior to 3:00 PM local time, or otherwise on the next business day after receipt, provided delivery occurs personally, by courier service, or by U.S. mail to the other party at its address set forth below, or to such other address as either party may, by written notice, designate to the other party. Notices to CONTRACTOR shall be sent to HINDERLITER, de LLAMAS and ASSOCIATES, 1340 Valley Vista Drive, Suite 200, Diamond Bar, CA 91765; and notices to CITY shall be sent to CITY OF SCOTTS VALLEY, One Civic Center Drive, Scotts Valley, CA 95066.

XVII. ENTIRE AGREEMENT; ETC.

This Agreement expresses the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous proposals, agreements, representations and understandings, whether written or oral, with respect to the subject matter. This Agreement may not be amended or modified except in writing signed by each of the parties hereto. This Agreement shall be construed as to its fair meaning and not strictly for or against either party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

XVIII. COUNTERPARTS; AUTHORITY TO SIGN

This Agreement may be executed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signature pages of this Agreement transmitted by facsimile or sent by email in portable document format (PDF) will have the same legal effect as an original executed signature page. Each of the persons signing on behalf of a party hereto represents that he or she has the right and power to execute this Agreement on such party's behalf.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in their behalf.

CITY:

CITY OF SCOTTS VALLEY

____

City Manager

____

City Clerk

CONTRACTOR:

HINDERLITER, DE LLAMAS & ASSOCIATES
A California Corporation

By:_______________________________________
Andrew Nickerson, President

APPROVED AS TO FORM:

____

City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: Scott Hamby, Public Works Director

Approved: Jenny Haruyama, City Manager

SUBJECT: **Mount Hermon Road Curb Ramp Accessibility Improvements Change Order No. 1**

SUMMARY OF ISSUES

This change order represents extra work requested by the City for the Mount Hermon Road Curb Ramp Accessibility Improvements Project. The project is substantially complete with no other change orders anticipated.

The original design included a small strip of landscaping between the sidewalk and Mount Hermon Road. With no irrigation or plans for continued maintenance, staff requested the landscape be replaced with cobblestone secured with concrete for a maintenance free finish.

Change Order No. 1 will increase the contract amount to Earth Works Paving Contractors Inc. by $2,880.00

FISCAL IMPACT

Approximately $2,880 will be paid from Fund 3, Gas Tax. There will be no impact to the General Fund.

STAFF RECOMMENDATION

It is recommended Council approve Change Order No. 1, increasing the contract amount with Earth Works Paving Contractors Inc. for the Mount Hermon Road Curb Ramp Accessibility Improvements Project. The contract amount will increase from $21,360 to $24,220. There are adequate funds to cover this adjustment.

TABLE OF CONTENTS — PAGE

Change Order No. 1 — 2

EARTHWORKS PAVING CONTRACTORS, INC
310A Kennedy Drive
Capitola, CA 95010
License #807689A

Estimate

Date	Estimate #
9/28/2016	16629

Name / Address	Ship To
City of Scotts Valley Scott Hamby 701 Lundy Ln, SV 95066 shamby@scottsvalley.org c 588-3828 f 439-9748	Mt Herman Rd

Thank you for the opportunity to provide an estimate for your project.

Terms
COD

Description	Total
Install cobble stone in fill at planter island	2,880.00
1. Omit gazania planting in island	
2. Dowell into existing PCC	
3. Pour 4-6" PCC slab	
4. Wet set cobblestones to finish	
Note: Includes submittals	

EXCLUSIONS & CLARIFICATIONS:

1. Costs based on current material pricing and is subject to adjustment.
2. Handling of unsuitable or hazardous material (including soils of over-optimum moisture content).
3. Not responsible for final drainage pattern of slopes less than 1.5%.
4. Deposits & progress payments at Earthworks discretion.
5. Excludes permits, fee & inspections unless otherwise specified.

Total $2,880.00

Authorized Signature Ric Straus

Signature

Phone #	Fax #
831-475-1223	831-475-1173

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **City Debt Management Policy**

SUMMARY OF ISSUE

In September 2016, the Governor signed SB 1029 (California Debt and Investment Advisory Commission: Accountability Reports) into law. The intent of this bill was to facilitate improved financial transparency and accessibility to information about public debt.

SB 1029 requires state and local agencies to adopt comprehensive debt management policies, reflecting local, state, and federal laws and regulations. It was recommended that public agency debt management policies reflect recommendations set forth by the Government Finance Officers Association (GFOA), a professional organization of over 18,000 public officials united to enhance and promote the professional management of governmental financial resources. Additionally, the legislation requires all state and local debt issuance be published in a single, transparent online database that allows the citizens of California to analyze, interpret, and understand how debt authorized by the public is utilized to finance facilities and services at the state and local level.

The attached Debt Management Policy is being brought forward to Council to comply with state law as it relates to debt issuance requirements set forth by the State Debt and Investment Advisory Commission. The City recently engaged its municipal advisor, NHA Advisors to facilitate the refinancing of several Successor Agency bond obligations. As a result, City must have a current Debt Management Policy in place.

The proposed Debt Management Policy is consistent with Government Finance Officers Association (GFOA) recommendation and reflects objectives that establish parameters for the issuance and administration of City debt. The objectives are:

- Minimize debt service and issuance costs
- Maintain access to cost-effective borrowing
- Achieve and maintain highest reasonable credit rating
- Full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with state and federal laws and regulations

The recommended Debt Management Policy also reaffirms the City's conservative practice that aggregate debt service payments funded from General Fund sources shall be no greater than 10% of current General Fund revenues. As of FY 2016/17, the City's debt service is 5.15% of General Fund revenues.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of the recommended Debt Management Policy.

STAFF RECOMMENDATION

It is recommended that Council adopt the attached City Debt Management Policy.

TABLE OF CONTENTS — PAGE

City Council Debt Management Policy …………………………………………………. 3

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: DEBT MANAGEMENT POLICY	**POLICY NUMBER:** 01-16
EFFECTIVE DATE: 10/19/2016	**PAGES:** 6
REVISED DATES:	

APPROVED BY:

POLICY

This Debt Management Policy introduces debt management objectives for the City of Scotts Valley and establishes certain structure for issuing and administering the City's debt. Prudent management of the City's debt program is necessary to achieve cost-effective access to the capital markets.

SCOPE

These policies establish the restrictions within which the City of Scotts Valley, or the City of Scotts Valley Public Financing Authority on behalf of the City (hereinafter referred to as City), may issue debt. Additionally, these policies apply to debt issued by the City on behalf of assessment, community facilities, or other special districts, as well as conduit debt.

DEBT MANAGEMENT OBJECTIVES

This Policy sets forth certain equally important objectives for the City and establishes overall parameters for responsibly issuing and administering the City's debt.

- Minimize debt service and issuance costs
- Maintain access to cost-effective borrowing
- Achieve and maintain highest reasonable credit rating
- Full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with state and federal laws and regulations

GOVERNING AUTHORITY AND RESPONSIBILITY

- **Authority** – The City's debt program for all City funds shall be operated in conformance with applicable federal, state, and City legal requirements.

- **Delegation of Authority** – The City Council assigns duties to the City Finance Division for managing and coordinating all activities related to the structure, issuance and administration of all long-term and short-term debt obligations. No debt obligations shall be presented to the City Council for their authorization without a joint assessment by, and mutual approval of, the City Manager and City Administrative Services Director. Departments planning debt-financed capital programs or equipment acquisitions shall work in close coordination with the Finance Division and the City Manager's Office to provide information and otherwise to facilitate the issuance and on-going administration of debt.

- **Point of Contact** – The Administrative Services Director shall be responsible for maintaining good communication with rating agencies, investors, and other debt related service providers about the City's financial condition and will follow a policy of full disclosure.

- **Policy Review and Approval** – The City Manager has reviewed these policies. Any amendments to these policies shall be approved by the City Manager. The City Finance Division shall conduct an annual review of this policy and bring forward to City Manager any amendments deemed necessary and appropriate.

- **Professional Assistance** – Upon consultation with the City Manager, the Administrative Services Director shall have the authority to periodically select service providers as necessary to meet legal requirements and minimize City debt costs. Such services, depending on the type of financing, may include financial advisory, underwriting, trustee, verification agent, escrow agent, arbitrage consulting, and special tax consulting. The Administrative Services Director is authorized, but not required, to select such service providers through sole source selection or through a competitive process, to achieve appropriate balance between service and cost. Upon consultation with the City Manager and City Attorney, the Administrative Services Director shall be responsible for selecting bond counsel.

- **Method of Sale** - Except to the extent a competitive process is required by law, the Administrative Services Director shall be responsible for determining the proper manner in which to offer any securities to investors. Competitive bid, negotiated sale, and private placement are acceptable methods of sale.

- **Interim Reporting** - The City Finance Division shall, no later than 30 days prior to the sale of any proposed public debt issue, provide written notice of any debt sale to the California Debt and Investment Advisory Commission. In addition, as required, the City Finance Division shall file any required Disclosure notices stemming from a reportable event (as defined in the applicable bond documents).

- **Annual Debt Report and Disclosure**– The City Finance Division shall prepare an annual report for submission to the City Council. This report will contain a summary of the City's current credit rating(s), outstanding and newly issued debt, a breakdown of anticipated Capital Improvement Program or other debt issues, refunding opportunities and an outline of any proposed changes to this Debt Management Policy. This report may be in the form of a scheduled within the annual Budget, Comprehensive Annual Finance Report, or other interim financial report or as a separate "FYI" report to the City Council. The City Finance Division shall also prepare and submit all annual Disclosures as required.

TYPES AND PURPOSE OF DEBT

The Finance Division may utilize several types of municipal debt obligations to finance long-term capital projects. Long-term debt is only issued to finance the acquisition and/or construction of capital improvements unless otherwise decreed by court order or adjudicated settlement. Long-term debt financing shall never be used to fund operating or maintenance costs.

<u>Types of Debt</u>

- **Assessment Bonds** - Proceeds from Assessment Bonds may be used to finance local public improvements, provided that said improvements benefit the parcels of land to be assessed. Local streets, street lights, landscaping, sidewalks and sanitary sewers are some examples of local improvements commonly financed by assessment bonds.

- **General Obligation Bonds** - General Obligation Bonds may only be issued with two-thirds approval of a popular vote as stated in the California State Constitution (Article XVI, Section 18). GO Bonds are used to finance the acquisition and construction or improvement of public facilities and real property. Libraries, parks and public safety facilities are all types of facilities that could be financed with GO Bonds.

- **Pension Obligation Bonds** - Pension Obligation Bonds may be issued to finance all or part of the unfunded pension liabilities of the City. Typically, these bonds are issued at a lower rate of return than was being paid to the Pension System Administrator, and in some cases, could provide an economic benefit to the City.

- **Enterprise Revenue Bonds** - Enterprise Revenue Bonds finance facilities for a revenue producing enterprise, and are payable from revenue sources within that enterprise. The Scotts Valley Wastewaster Treatment Plant is an example of revenue producing enterprises within the City.

- **Lease Revenue Bonds** - Lease Revenue Bonds are typically issued by the City of Scotts Valley Public Financing Authority (PFA), on behalf of the City. The site on which the project is being built is leased to the Public Financing Authority and then the capital project being financed along with the site is leased back to the City. Internally, costs of particular projects can be allocated to the budgets of one or more departments, but the City's general fund is liable to pay lease payments.

- **Tax Allocation Bonds** - Using tax increment funds as a pledge for repayment, the City of Scotts Valley Successor Agency may issue Tax Allocation Bonds. The taxes pledged to the repayment come from the increase of assessed value over and above a pre-established base. Careful consideration must be taken by the Successor Agency when issuing these bonds, to ensure that the revenue source is not already pledged to some other encumbrance.

- **Refunding Obligations** - Pursuant to the Government Code and various other financing statutes applicable in particular situations, the City Council is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the City. Absent any substantial non-economic factors, a refunding should produce significant debt service savings.

- **Conduit Financing Bonds** - Conduit financing is a financing mechanism for private companies, non-profits and public authorities that funds projects through the issuance of tax-exempt municipal bonds. These are essentially revenue bonds and are also known as conduit, private activity or pass-through bonds. Conduit financing supports projects as varied as hospitals, universities, public works, housing and industrial development.

- **Certificates of Participation (COP)** - A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities. COPs are not viewed legally as "debt" because payment is tied to an annual appropriation by the government body. As a result, COPs are seen by investors as providing weaker security and often carry ratings that are a notch or two below an agency's general obligation rating.

- **Financing Leases** - The City may finance a capital asset by leasing it directly from the vendor or leasing company, with the lessor receiving a portion of each rental payment as tax-exempt interest.

- **Other Obligations** - There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to non-enterprise revenue bonds, bond anticipation notes, grant anticipation notes, tax and revenue anticipation notes and judgment or settlement obligation bonds.

<u>Purpose of Debt</u>

- **Long-term Debt** – Long-term debt may be used to finance the purchasing or improvement of land, infrastructure, facilities or equipment for which it is appropriate to spread these costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing related costs which may be legally capitalized. Long-term debt may not be used to fund City operating costs.

- **Short-term Debt** - Short-term borrowing, such as commercial paper and lines of credit, will be studied as an interim source of funding in anticipation of long term borrowing. Short-term debt may be issued for the same purpose as long-term debt, including capitalized interest and other financing related costs. Short-term debt borrowing may be considered to address justifiable cash flow requirements to meet short-term operating needs to provide necessary public services.

- **Refunding** – Periodic reviews of existing debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net benefit of the refunding. Non-economic refundings may be considered to achieve City goals relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile. The City may purchase its bonds in the open market for the purpose of retiring the obligation when the purchase is cost effective.

- **Lease Financing** - The City may finance a capital asset by leasing it directly from the vendor or leasing company, with the lessor receiving a portion of each rental payment as tax-exempt interest.

DEBT CAPACITY

There is no statutory restriction on the amount of Lease Revenue Bonds or COPs that can be outstanding at any given time. However, it is the practice of the City of Scotts Valley that aggregate debt service payments funded from General Fund sources shall be no greater than 10% of current General Fund revenues. Payments on bonds that are tied to a specified revenue stream other than General Fund sources (e.g. enterprise revenue bonds, tax allocation bonds and assessment bonds) are not subject to this 10% limit. Each proposed financing will be individually assessed by the Finance Division and subject to the approval policies contained herein.

DEBT STRUCTURE FEATURES

- **Debt Repayment** – The City will structure its debt issues so that the maturity of the debt is consistent with the economic or useful life of the capital project to be financed.

- **Credit Quality** – The City seeks to obtain and maintain the highest possible credit ratings when required for issuing long-term and short-term debt.

- **Fixed-rate Debt** – Fixed-rate debt shall be the desired method of pricing

- **Variable-rate Debt** – The City may choose to issue debt that pays a rate of interest that varies according to a pre-determined formula or index. There may be situations in which the City will benefit from variable rate debt. It must be noted that variable-rate debt influences future City Council decisions due to unknown obligations.

- **Derivatives** – Derivative products may have application to certain City borrowing programs. In certain circumstances these products can reduce borrowing cost and assist in managing interest rate risk. However, these products carry with them certain risks not faced in standard debt instruments. The Administrative Services Director shall evaluate the use of derivative products on a case-by-case basis to determine whether the potential benefits are sufficient to offset any potential costs.

DEBT ADMINISTRATION AND DISCLOSURE

The City Finance Division shall maintain written directives and procedures detailing required actions to certify compliance with local, state and federal regulations. The City is committed to full and complete financial disclosure in accordance with the requirements established by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The City is also committed to fully supporting requests from rating agencies, institutional and individual investors, other governmental entities, and to the general public to share clear, timely and correct financial information.

All investments of bond proceeds shall adhere to the City's Investment Policy, approved annually by the City Council, federal tax requirements, and with the requirements contained in the bond documents. Investments shall not allow security types or credit standards less than those of the City's Investment Policy.

Agenda Item 1
Date: October 19, 2016

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT **CONSIDERATION OF A RESOLUTION AFFIRMING THE CITY'S INTENT TO PARTICIPATE IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY**

SUMMARY OF ISSUE

Community Choice Energy (CCE) programs allow local governments to purchase electricity and invest in energy projects, while also establishing programs that can benefit local residents and businesses. Energy transmission, distribution, repair, and customer service would remain the responsibility of the utility provider, Pacific Gas and Electric (PG&E).

On March 6, 2013, the City Council authorized the City to participate in a technical and financial feasibility study to establish a regional, tri-county CCE program. Subsequent to this action, the City staff served on the Monterey Bay Community Power (MBCP) Project Development Advisory Committee (PDAC), made up of representatives from 21 local government agencies in the Monterey Bay region.

In May 2016, the feasibility study was completed and concluded that a Monterey Bay CCE program is technically and financially viable. The also study found a regional CCE could provide electricity at general rate parity with PG&E while increasing renewable energy generation, decreasing greenhouse gas emissions, and providing regional economic benefits. The feasibility study and other project documents can be reviewed on the Monterey Bay CCE website at www.montereybaycca.org.

City Council later directed the City Manager to participate in an ad-hoc subcommittee to discuss and develop a recommended governance structure, start-up and financing options, and other CCE administrative processes. The attached resolution outlines the proposed JPA governance framework and financing and affirms the City's intent to participate in the proposed CCE JPA. It is anticipated that the JPA will be formed in early 2017 and provide electricity to customers by Spring 2018. Should Council adopt the attached resolution, a subsequent CCE Ordinance will be agendized for Council consideration prior to January 31, 2017 to formally join the JPA.

The proposed JPA would be comprised of participating jurisdictions within Santa Cruz, Monterey, and San Benito Counties and operate with a policy board of elected officials and an operations board of city managers and county administrators. The policy board would make decisions related to the budget, customer rates, strategic planning, and large capital Expenditures, and meet 2-3 times per year. The operations board would oversee and support the Chief Executive Officer and focus on routine agency operations, electricity service, and procurement matters. The operations board would meet between 8-12 times per year.

Each JPA member would be allocated one policy and operations board seat respectively, unless the number of participating agencies exceed 11. If the JPA has more than 11 member agencies, the board composition would shift. Agencies with a population of 50,000 or more would each have one seat, whereas agencies with less than 50,000 residents would share a rotating seat on a sub-regional basis.

It is anticipated that more than 11 agencies will join the JPA; in that case the governance would be based on the second model as described earlier. Under that model, Scotts Valley's representative would rotate seats with Capitola's representative. Financial participation for JPA members is proposed as a pro-rata share of credit to guarantee a seed capital loan of up to $3 million for start-up costs. Any loan or capital contributions made by a member agency would be fully reimbursable through ratepayer revenues.

FISCAL IMPACT

While the City would not be responsible for contributing any of the startup funding for the JPA, it may be called upon to guarantee its pro-rata share of a startup loan. Whether or not it will be necessary for the City to provide a share of the startup loan guarantee will be determined over the next two months as part of the final JPA formation negotiations with interested parties.

The required amount of startup funds depends on the number of jurisdictions that adopt the attached resolution of intent. If all 21 jurisdictions do so, approximately $2.5 million in start up funds would be required and repaid with ratepayer revenues within a relatively short amount of time. The startup loans used by the established CCE-JPAs in the State were repaid quickly through rate payer revenues; it is anticipated that Monterey Bay Community Power will do the same within two years of commencing operations. The final JPA formation agreement for Council consideration will have a precise number of any pro rata share loan guarantee if it is needed, giving the Council and the community full visibility before any legal obligation has been made.

STAFF RECOMMENDATION

It is recommended that Council consider approving Resolution No. 1924 affirming the City's intent to participate in the Monterey Bay Community Power Joint Powers Authority (JPA).

TABLE OF CONTENTS **PAGE**

Resolution No. 1924……………………………………………………………………………. 3

RESOLUTION NO. 1924

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AFFIRMING SCOTTS VALLEY'S INTENT TO PARTICIPATE IN GOVERNANCE AND FINANCING DISCUSSIONS FOR THE PROPOSED MONTEREY BAY COMMUNITY POWER (MBCP) JOINT POWERS AUTHORITY (JPA)

WHEREAS, Representatives from various jurisdictions in Santa Cruz, Monterey, and San Benito counties have been meeting for the last several years to discuss forming a JPA, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.), to form a community choice aggregation program through which to purchase, supply, and aggregate the electrical load of their municipal, residential and commercial customer accounts.

WHEREAS, In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce green-house gas emissions; and

WHEREAS, The purposes for forming the JPA include:

A. Jointly administering a community choice aggregation (CCA) program for jurisdictions in the Monterey, Santa Cruz and San Benito County region;
B. Reducing greenhouse gas emissions related to the use of power in the Monterey, Santa Cruz, and San Benito County region;
C. Providing electric power and other forms of energy to customers at a competitive cost;
D. Carrying out programs to reduce energy consumption;
E. Stimulating and sustaining the local economy by developing local jobs in renewable energy and other energy related initiatives; and
F. Promoting long-term electric rate stability, energy security, and reliability for residents through local control of electric generation resources.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Scotts Valley affirms its intent to participate in governance and financing discussions for the Monterey Bay Community Power Joint Powers Authority (JPA) under the following general terms:

(1) The Monterey Bay Community Power JPA is planned to be formed in early 2017, and the JPA expected to begin providing electrical service to customers by spring 2018.

(2) The Monterey Bay Community Power JPA will be composed of jurisdictions within the region of Monterey, Santa Cruz and San Benito Counties choosing to participate by passage of a JPA Agreement resolution and CCA ordinance as required by State statute. The target deadline for passage of said resolution and ordinance is January 31, 2017.

(3) The proposed Governing Board structure of Monterey Bay Community Power JPA seeks to:

(a) Represent the interests of a large geographical area while keeping the Board size to a manageable level
(b) Reserve important policy-level decisions for elected officials through creation of a Policy Board that would meet 2-3 times per year or as requested by the Chief Executive Officer
(c) Reserve Agency operational decisions for administrative managers (City managers and county administrators) through the creation of an Operations Board that would meet 8-12 times per year
(d) Provide fair and equitable representation to Agency members based on population size (number of ratepayers) rather than electrical load size (volume of electric usage).

(4) The proposed MBCP Board seats would be allocated as follows:
(a) Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by January 30, 2017) which will remain in place unless the number of member jurisdictions exceeds 11
(b) Once the JPA reaches more than 11 member agencies, the Policy and Operations Boards' composition shall shift to a regional allocation based on population size.
(c) This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis.
(d) Under current population estimates, the Board seats in the Tri-County area would be allocated as follows:
i. 1 seat for Santa Cruz County
ii. 1 seat for Monterey County
iii. 1 seat for the City of Santa Cruz
iv. 1 seat for the City of Salinas
v. 1 seat for the City of Watsonville
vi. 1 shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee
vii. 1 shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee
viii. 1 shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee
ix. 1 shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee
x. 1 shared seat for San Benito County and cities selected by the City Selection Committee

(e) It is proposed that the member of the Policy Board and Operations Board shall be from the same jurisdiction.

(f) The Policy Board of elected officials would meet three times per year with the option for special meetings as determined by the Chief Executive

Officer. It is proposed that the Policy Board would provide guidance/approval in the following areas:

i. Strategic planning and goal setting
ii. Passage of Agency budget and customer rates
iii. Large capital expenditures outside the typical power procurement required to provide electrical service

(g) The Operations Board of appointed County Administrative Officers or City Managers from participating jurisdictions would meet no less than 8 times per year and would focus on the routine operations of the Agency and provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region.

(5) Financial participation contemplated for members of MBCP JPA is proposed as a pro-rata share of credit support to guarantee a seed capital loan of up to $3M to implement the program and cover the costs of Agency start up.

(a) The County of Santa Cruz on behalf of the proposed MBCP will issue an RFP for banking and credit services to solicit credit and terms associated with provision of said capital

(b) The final amount of required credit and the level of guarantee to cover pre-revenue expenses will be confirmed once ordinances are passed and the size of the program is known

(c) Should the program fail to launch and the Agency were to default on the loan, the city/County would be required to fund its portion of any outstanding loan balance

(6) Any loan or capital contribution made by a member Agency to the JPA is fully reimbursable through ratepayer revenues at terms mutually agreeable by the jurisdiction and JPA

(7) Passage of this resolution authorizes staff of the City of Scotts Valley to participate in discussions in anticipation of MBCP JPA formation. It does not, however, bind the City of Scotts Valley to membership in the JPA, allocation of general funds, or participation in a future CCA program. If the City of Scotts Valley chooses to move forward, it will be required to pass a resolution for JPA membership, authorize a pro-rata share of credit support, and pass a CCA ordinance by January 31, 2017.

* *

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 19th day of October, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna R. Lind, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

Agenda No. 2
Date: 10-19-16

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **SENIOR CENTER ANNUAL PRESENTATION**

This item is an oral presentation with no accompanying staff report.

Agenda No. 3
Date: 10-19-16

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 19, 2016

TO: Honorable Mayor and City Council

FROM: John Wilson, Police Lieutenant

APPROVED: Jenny Haruyama, City Manager

SUBJECT: **MODIFICATION OF SECTION10.08.010 AND 10.08.020 TO TITLE 10 OF THE SCOTTS VALLEY MUNICIPAL CODE (SVMC) ADDING PRIVATE STREETS SUBJECT TO VEHICLE CODE ENFORCEMENT**

SUMMARY OF ISSUES

Section 10.08.010 Scotts Valley Vehicle Municipal Code (SVMC) prohibits the storage of vehicles “upon any public street or highway in the city for a period of seventy-two or more consecutive hours.” However, there are many streets which are privately owned and maintained that are open to and used by the public for vehicular travel. Section 10.18.010B SVMC declares “that it is in the public interest to provide vehicle code enforcement on private streets…regularly used by the public.” Private streets that are currently subject to vehicle code enforcement are listed in Section 10.18.020 SVMC.

However, under the current ordinance language, enforcement regarding the storage of vehicles for 72 hours or more does not apply to the private streets listed in Section 10.18.020 SVMC (over 100 streets). Including the phrase “or any street designated in Section 10.18.020” to Section 10.08.010 SVMC would resolve this oversight. Additionally, there are several streets, both public and private that need to be removed and/or added to Section 10.18.020 SVMC.

FISCAL IMPACT

There is no fiscal impact to the City.

RECOMMENDATION

It is recommended that City Council approve first reading and introduction of the Ordinance No. 110.6, modifying Sections 10.08.010 and 10.08.020 of Title 10 of the Scotts Valley Municipal Code (SVMC).

TABLE OF CONTENTS PAGE

1. Proposed Ordinance No. 110.6………………………………………… 3
2. Redline of Existing SVMC …………………………………..…… 5
3. Existing Municipal Codes Referenced………………………………… 6

ORDINANCE NO. 110.6

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS MODIFYING SECTIONS 10.08.010 AND 10.08.020 OF CHAPTER 10.08 OF TITLE 10 OF THE SCOTTS VALLEY MUNICIPAL CODE REGARDING PRIVATE STREETS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. Section 10.08.010 A of Chapter 10.08 of Title 10 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"10.08.010 - Storage of vehicles on streets prohibited.

A. No person or business who owns or has possession, custody or control of any vehicle shall park or leave standing, or cause to be left parked or left standing, such vehicle upon any public street, public highway, or any street designated in section 10.18.020, in the city for a period of seventy-two (72) or more consecutive hours."

SECTION 2. Section 10.08.020 of Title 10 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"10.18.020 - Private streets subject to Vehicle Code enforcement.

The following streets shall be subject to the Vehicle Code enforcement:

Acorn Court, Appaloosa Court, Arabian Way, Ball Drive, Baymonte Christian School, Bel Air Court, Bel Air Drive, Blake Lane, Blossom Way, Cadillac Drive, Camp Evers Lane, Canham Road, Carriage Lane, Casa Way, Castle Ridge Way, Cathy Lane, Club Drive, Coopers Hawk Court, Country Lane, Crescent Court, Crescent Drive, Cubre Lane, Dana Court, Deer Trail Way, Dell Way, Dunn Lane, Dunslee Way, Elderberry Court, El Carlo Drive, Elzer Drive, Falcon Ridge Road, Flora Lane, Forest Hill, Fox Sparrow Court, Frapwell Court, Fred Court, Gaston Circle, Gold Court, Golden Eagle Court, Grace Way, Green Valley Road, Greenwood Court, Greenwood Street, Harvest Lane, Hidden Drive, Horseshoe Court, Johnston Way, Jolley Way, K Street, Kelly Way, Kelsey Court, Kent Court, Kings Drive, Kings Canyon Court, La Escuela, Lassen Park Court, Locke Way, Lockhart Gulch, Lucinda Street, MacLeod Way, Meadow Way, Milano Court, Mill Site Road, Morgan Court, Nashua Drive, Old Coach Road, Orchard Run, Pioneer Lane, Pippin Way, Quarter Horse Court, Quien Sabe Road, Ray Way, Ridgecrest Lane, Saddleback Ridge Road, San Augustine Way, Sandraya Heights, Sawbuck Court, Sawyer Circle, Sawyer Court, Scott Court, Scotts Valley High School, Scotts Valley Middle School, Scotts Valley Square Shopping Center, Scotts Village Shopping Center, Shadow Court, Shasta Park Court, Sherman Court, Sherman Drive, Sidesaddle Circle, Sidesaddle Court, Silverwood Drive, Silver Birch Lane, Single Spur Court, Siri Lane, South Navarra Drive, Southwood Drive, Spring Lakes Drive, Sramek

Lane, Sucinto Drive, Sunridge Drive, Sunridge Court, Sunset Terrace, Tankers Run, Terrace View Court, Terrace View Drive, Timber Ridge Court, Thompson Lane, Trammel Way, Tuscany Court, Twin Pines Drive, Venice Way, Viki Court, Vine Hill School, Wells Road, Willis Road, Windward Place, Woodhill Drive, Woodside Court, York Road."

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. This Ordinance shall take effect thirty (30) days after the date of its adoption. Prior to the expiration of fifteen (15) days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This Ordinance was introduced on the 19th day of October, 2016 and passed and adopted by the City Council of the City of Scotts Valley on the ____ day of __________________, 2016, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:________________________________
Donna R. Lind, Mayor

ATTEST: __________________________________
Tracy A. Ferrara, City Clerk

APPROVED
AS TO FORM: ______________________________
Kirsten Powell, City Attorney

10.08.010 - Storage of vehicles on streets prohibited.

A. No person or business who owns or has possession, custody or control of any vehicle shall park or leave standing, or cause to be left parked or left standing, such vehicle upon any public street, public highway, or any street designated in section 10.18.020, in the city for a period of seventy-two (72) or more consecutive hours.

10.18.020 - Private streets subject to Vehicle Code enforcement.

The following streets shall be subject to the Vehicle Code enforcement:

Acorn Court, ~~Airstream Court,~~ Appaloosa Court, Arabian Way, ~~Aviator Court,~~ Ball Drive, Baymonte Christian School, Bel Air Court, Bel Air Drive, Blake Lane, Blossom Way, ~~Blue Hill Court,~~ Cadillac Drive, Camp Evers Lane, Canham Road, Carriage Lane, Casa Way, Castle Ridge Way, Cathy Lane, Club Drive, ~~Coast Range Drive,~~ Coopers Hawk Court, Country Lane, Crescent Court, Crescent Drive, Cubre Lane, Dana Court, Deer Trail Way, Dell Way, Dunn Lane, Dunslee Way, Elderberry Court, El Carlo Drive, Elzer Drive, Falcon Ridge Road, Flora Lane, Forest Hill, Fox Sparrow Court, Frapwell Court, Fred Court, Gaston Circle, Gold Court, Golden Eagle Court, Grace Way, Green Valley Road, Greenwood Court, Greenwood Street, Harvest Lane, Hidden Drive, Horseshoe Court, Johnston Way, Jolley Way, K Street, Kelly Way, Kelsey Court, Kent Court, Kings Drive, Kings Canyon Court, La Escuela, Lassen Park ~~Road~~ Court, Locke Way, Lockhart Gulch, Lucinda Street, MacLeod Way, Meadow Way, Milano Court, Mill Site Road, Morgan Court, Nashua Drive, ~~Navigator Drive,~~ Old Coach Road, Orchard Run, ~~Piper Cub Court,~~ Pioneer Lane, Pippin Way, Quarter Horse Court, Quien Sabe Road, Ray Way, Ridgecrest Lane, ~~Rosellen Circle,~~ Saddleback Ridge Road, San Augustine Way, Sandraya Heights, Sawbuck Court, Sawyer Circle, Sawyer Court, Scott Court, Scotts Valley High School, Scotts Valley Middle School, Scotts Valley Square Shopping Center, Scotts Village Shopping Center, Shadow Court, Shasta Park Court, Sherman Court, Sherman Drive, Sidesaddle Circle, Sidesaddle Court, Silverwood Drive, Silver Birch Lane, Single Spur Court, Siri Lane, ~~Skypark Drive,~~ South Navarra Drive, Southwood Drive, Spring Lakes Drive, Sramek Lane, Sucinto Drive, Sunridge Drive, Sunridge Court, Sunset Terrace, Tankers Run, Terrace View Court, Terrace View Drive, Timber Ridge Court, Thompson Lane, Trammel Way, Tuscany Court, Twin Pines Drive, Venice Way, Viki Court, Vine Hill School, Wells Road, Willis Road, Windward Place, Woodhill Drive, Woodside Court, York ~~Lane~~ Road.

EXISTING MUNICIPAL CODES REFERENCED

- **10.08.010 - Storage of vehicles on streets prohibited.**

A. No person or business who owns or has possession, custody or control of any vehicle shall park or leave standing, or cause to be left parked or left standing, such vehicle upon any public street or highway in the city for a period of seventy-two or more consecutive hours.

B. No person or business which as part of its business operation maintains and operates a fleet of vehicles comprised or three or more vehicles shall use city streets or alleys, in lieu of private property, to store or park those vehicles when not in use by the business. Pursuant to this subsection, a vehicle shall not be considered to be in use by the business during those hours of the day when the business is not open to the public, including those hours when the business may only be contacted by a voice mail telephone answering system, a telephone answering service, email or facsimile. Pursuant to this subsection a vehicle shall not be considered in use by the business after ten p.m. This subsection shall not prohibit a person from parking a single business-owned vehicle on a city street or alley within one block of his or her residence when that person is an employee of the business and the business requires that person to drive a business-owned vehicle to and from that person's place of employment.

(Ord. 33 § 1, 1969; Ord. 181, § 1, 11-19-08)

- **10.18.010 - Declaration—Private streets used by the public.**

A. The city council finds and declares that there are privately owned and maintained streets, as set out in Section 10.18.020 of this chapter, within the city which are held open for use by the public for purposes of vehicular travel.

B. The city council further finds and declares that it is in the public interest to provide Vehicle Code enforcement on private streets open to and regularly used by the public.

(Ord. 110.2 § 2 (part), 1995)

- **10.18.020 - Private streets subject to Vehicle Code enforcement.**

The following streets shall be subject to the Vehicle Code enforcement:

Acorn Court, Airstream Court, Appaloosa Court, Arabian Way, Aviator Court, Ball Drive, Baymonte Christian School, Bel Air Court, Bel Air Drive, Blake Lane, Blossom Way, Blue Hill Court, Cadillac Drive, Camp Evers Lane, Canham Road, Carriage Lane, Casa Way, Cathy Lane, Club Drive, Coast Range Drive, Coopers Hawk Court, Country Lane, Crescent Court, Crescent Drive, Cubre Lane, Dana Court, Deer Trail Way, Dell Way, Dunslee Way, Elderberry Court, El Carlo Drive, Elzer Drive, Flora Lane, Fox Sparrow Court, Fred Court, Gaston Circle, Golden Eagle Court, Grace Way, Green Valley Road, Hidden Drive, Horseshoe Court, Johnston Way, Jolley Way, K Street, Kelly Way, Kelsey Court, Kent Court, Kings Drive, Kings Canyon Court, La Escuela, Lassen Park Road, Locke Way, Lockhart Gulch, Lucinda Street, MacLeod Way, Meadow Way, Milano Court, Mill Site Road, Morgan Court, Nashua Drive, Navigator Drive, Old Coach Road, Orchard Run, Piper Cub Court, Pippin Way, Quarter Horse Court, Ray Way, Rosellen Circle, Saddleback Ridge Road, San Augustine Way, Sandraya Heights, Sawbuck Court, Sawyer Circle, Sawyer Court, Scott Court, Scotts Valley High School, Scotts Valley Middle School, Scotts Valley Square Shopping Center, Scotts Village Shopping Center, Shadow Court, Shasta Park Court, Sherman Drive, Sidesaddle Circle, Sidesaddle Court, Silverwood Drive, Silver Birch Lane, Single Spur Court, Skypark Drive, Southwood Drive, Sramek Lane, Sucinto Drive, Sunridge Drive, Sunridge Court, Sunset Terrace, Tankers Run, Terrace View Court, Terrace View Drive, Trammel Way, Tuscany Court, Venice Way, Viki Court, Vine Hill School, Wells Road, Willis Road, Windward Place, Woodhill Drive, York Lane.

(Ord. 110.2 § 2 (part), 1995; Ord. 110.3 § 1, 1998; Ord. 110.4 § 1, 1999; Ord. 110.5, § 1, 6-17-09)