# AGENDA

Meeting of the
**Scotts Valley City Council**
**In-Person and Remote Access**
**Date: June 3, 2026**
**Time: 6:00 PM**

| CONTACT INFORMATION | MEETING LOCATION | POSTING |
|---|---|---|
| City of Scotts Valley<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5600 | City Council Chambers<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>OR<br>Zoom Video Conference<br>https://us02web.zoom.us/j/83295730901 | Agenda posted on 5-29-2026 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvalley.gov |

| ELECTED OFFICIALS | CITY STAFF MEMBERS |
|---|---|
| Donna Lind, Mayor<br>Steve Clark, Vice Mayor<br>Krista Jett, Council Member<br>Derek Timm, Council Member<br>Greg Wimp, Council Member | Mali LaGoe, City Manager<br>Kirsten Powell, City Attorney<br>Cathie Simonovich, City Clerk |

## MEETING NOTICE AND AGENDA PACKET MATERIALS

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

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

**Public Participation:**
The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: https://www.youtube.com/@cityofscottsvalley
For those wishing to participate via Zoom you can join the following ways:
Zoom Webinar meeting link: https://us02web.zoom.us/j/83295730901
Or dial one of these numbers: (669) 900-9128 or (669) 444-9171
Webinar ID: 832 9573 0901

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

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

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

## CALL TO ORDER 6:00 PM

## PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

## ROLL CALL

## SPECIAL SET MATTER

1. Mayor's proclamation for Elder Abuse Awareness Month, June 2026

## COMMITTEE REPORTS

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

## CITY MANAGER REPORT

## PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvalley.gov.

| ALTERATIONS TO CONSENT AGENDA |
|---|
| Council can remove or add items to the Consent Agenda. |

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

1. Approve City Council minutes of May 20, 2026

2. Resolution Authorizing Placement of Delinquent Wastewater Service Charges on the Santa Cruz County Tax Roll as a Special Assessment

3. Adopt resolution establishing the FY 2026-27 Appropriations Limit

4. Adopt November 3, 2026 Election Resolutions

5. Approve policy for Removal of Individuals for Disruptive Behavior at City Council or Advisory Body meetings

6. Adopt Resolution No. 1555-SP-038.1 approving the City's Engineer Report for Skypark Open Space Maintenance Assessment District Fiscal Year 2026-2027, Declaring its Intent to Impose the Assessments and Setting the Public Hearing to Consider any Objections to the Imposition of the Assessments

7. Adopt Resolution No. 1213.40.1 approving the City's Engineer Report for Pinewood Estates Maintenance Assessment District Fiscal Year 2026-2027, Declaring its Intent to Impose the Assessments and Setting the Public Hearing to Consider any Objections to the Imposition of the Assessments

8. Adopt and approve annual budget items, including the Fiscal Year 2026-27 Budget

9. Annual review of the Investment Policy

## PUBLIC HEARINGS

1. Measure D Five-Year Plan (2026-2031)

2. SB1 Projects for Fiscal Year 2026-2027

## 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. Consideration of a Transient Occupancy Tax rate change ballot measure for the November 3, 2026 consolidated election

2. Future Council Agenda Items

## ADJOURNMENT

## ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5608 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

## PROCEDURAL INFORMATION FOR THE PUBLIC

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

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

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

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

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

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.

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# City of Scotts Valley
# Mayor's Proclamation
## Proclaiming June 2026 as Elder Abuse Awareness Month

**WHEREAS**, in Scotts Valley approximately 33% of the current population, roughly 4,000 people, are age 60 years and older. Based on the official county projections and the city's current age distribution, the City will likely see a 20-30% increase in its 60+ population by 2030; and

**WHEREAS**, Scotts Valley residents who are in this age demographic are valued members of our community, contributing wisdom, experience, and guidance that strengthen our social fabric; and

**WHEREAS**, elder abuse — in all its forms, including physical, emotional, financial, and neglect — is a serious and often hidden problem that affects the safety, dignity, and well-being of older persons; and

**WHEREAS**, raising public awareness is essential to preventing elder abuse, supporting victims, and ensuring that older adults can live free from harm, with respect and independence; and

**WHEREAS**, the month of June, culminating in World Elder Abuse Awareness Day on June 15, provides an opportunity for communities to unite in education, advocacy, and action to protect the rights of older adults; and

**WHEREAS**, we recognize the importance of partnerships among government agencies, community organizations, caregivers, and individuals in creating a safe and supportive environment for seniors; and

**WHEREAS**, where there is respect for human rights, equality, and justice there can be no abuse.

**NOW, THEREFORE**, I, Donna Lind, as Mayor of the City of Scotts Valley, on behalf of the entire City Council, do hereby proclaim June 2026 as Elder Abuse Awareness Month in the City of Scotts Valley, and encourage all residents to join in activities and initiatives that promote dignity, respect, and safety for older adults.

**Donna Lind, Mayor**

**Signed and sealed this 3rd day of June 2026**

CITY OF SCOTTS VALLEY CALIFORNIA 1966

# MINUTES

Meeting of the
**Scotts Valley City Council**
**Date: May 20, 2026**
**Time: 6:00 PM**

| CONTACT INFORMATION | MEETING LOCATION | POSTING |
|---|---|---|
| City of Scotts Valley<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5600 | City Council Chambers<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>OR<br>Zoom Video Conference<br>https://us02web.zoom.us/j/83295730901 | The agenda was posted on 5-15-2026at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.gov. |

## CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:01 PM.

## PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

## ROLL CALL

| ELECTED OFFICIALS PRESENT: | CITY STAFF MEMBERS PRESENT: |
|---|---|
| Donna Lind, Mayor<br>Steve Clark, Vice Mayor<br>Krista Jett, Council Member<br>Greg Wimp, Council Member<br>**ELECTED OFFICIAL ABSENT:**<br>Derek Timm, Council Member | Mali LaGoe, City Manager<br>Kirsten Powell, City Attorney<br>Jayson Rutherford, Police Chief<br>Rodolfo Onchi, Public Works Director<br>Stephanie Hill, Administrative Services Director<br>Taylor Bateman, Community Development Director<br>Cathie Simonovich, City Clerk |

## SPECIAL SET MATTER

1. Mayor's Proclamation declaring May 17 to May 23 as Public Works Week

Mayor Lind presented the proclamation to recognize Public Works Week, May 17 to May 23, 2026. Public Works Director Rodolfo Onchi accepted the proclamation.

## COMMITTEE REPORTS

CM Jett attended the Town Center Subcommittee meeting where they reviewed the proposals as a group, and they discussed the next steps in the process which will include interviews and site visits.

VM Clark attended a Regional Transportation Commission (RTC) meeting where they approved amending the RTC programming in the FY25/26 and FY26/27 budgets. The Commission drafted the unmet transit and paratransit needs, and they entered into an Administration, Coordination and License agreement with Santa Cruz County Coastal Rail. VM Clark noted that the Ribbon cutting ceremony of Panther Beach parking lot is postponed.

VM Clark attended an Area Agency on Aging meeting where they appointed two people to serve on the California Senior Legislature.

Mayor Lind attended a Santa Cruz Metropolitan Transit District (METRO) Board of Directors meeting where they reviewed the projected budget for 2027, and they reviewed cost-saving measures. They also held meetings for the purpose of labor negotiations.

Mayor Lind coordinated a meet and greet at Heron Power, a company new to Scotts Valley.

## CITY MANAGER REPORT

City Manager LaGoe thanked the Public Works Staff who have been working incredibly hard to catch up on maintenance needs. They have completed several capital projects this year and they have an ambitious plan for citywide improvements in the next year.

The City's two summer interns started today, and we’re excited to have them. Daniel and Maddie have returned home from their first year of college and will be working on a variety of projects, including updating some sections of our Municipal Code. They will present their work to the Council at the first meeting in August.

Citizens Academy wrapped up this week. City Manager LaGoe thanked Tanya Krause and David McNair for presenting on schools and water last week, and she thanked Mayor Lind for attending and answering the group’s questions this week. The participants expressed gratitude to all the staff who stayed late and prepared presentations for them, and they all found the experience very valuable. City Manager LaGoe also thanked City Clerk Simonovich who ran the program this year, and managed all communications and logistics to make the program a success.

The Police Department will be participating in the Special Olympics Torch Run tomorrow morning on West Cliff.

City Manager LaGoe thanked everyone who attended the Blue and Gold dinner on Friday honoring the Police and Fire employees of the year.

The Police Department will have extra DUI enforcement funded through the OTS grant on Memorial Day.

The Public Works staff is working on permits for a lot of work along Scotts Valley Drive and Mt Hermon Road. The work is related to developments, and extensive utility work is being planned for early this summer.

Through a CalRecycle grant, 13 new combination recycling and trash disposal units were installed in Skypark today. These are "crow proof" so it will cut down on a lot of the mess caused by birds getting into the receptacles.

The Public Works crew also improved pedestrian safety in the Skypark neighborhood today by painting the crosswalk and adding a stop stencil at the intersection of Sky Park Drive and Coast Range Drive, closest to the tennis courts. They used reflective paint to increase nighttime visibility.

The City Clerk and County Clerk will be hosting a Candidate Information Night on Tuesday, June 9th,at 5:30 PM here in the Council Chambers and online for anyone interested in running for City Council. More information will be posted on the City's website and social media channels.

City Manager LaGoe attended a Library Facility Financing Authority (LFFA) and Joint Powers Association (JPA) board meeting on May 7th where they reviewed the draft budget and adopted a new strategic plan. City Manager LaGoe shared that there's a new partnership between the Boys & Girls Club and the Library to provide youth programming on early release days, and it's going very well.

City Manager LaGoe participated in interviews for the 26/27 Cabrillo College Fellows program, and two Fellows were selected. Based on their interests, one will intern with the City of Watsonville, and a second will intern next summer with the Library system.

City Manager LaGoe attended the inaugural RING Executive Committee meeting last week where they received updates and appointed representatives to a subcommittee to work on a future JPA formation.

This afternoon City Manager LaGoe attended the quarterly meeting to review sales tax reporting. This meeting covered the data from October 2025 through December 2025 and, as expected, the results were lack luster. Some dips were offset by a few gains, but overall sales tax is flat, and projections keep it that way. This will be discussed more in the budget presentation later tonight.

Tomorrow, the City Staff will participate in an emergency preparedness exercise to practice the roles in responding to a natural disaster such as a wildfire.

City offices will be closed next Monday for Memorial Day.

Follow the City on Social Media and sign up to receive our newsletter!

## PUBLIC COMMENT TIME

Megan Range, PG&E's Government Relations Liaison, introduced herself.

All Council Members in attendance reported attending both the Chamber of Commerce Awards Gala and the Blue and Gold Dinner.

CM Wimp attended the Scotts Valley High School senior awards ceremony.

CM Wimp and VM Clark participated in the Heron Power tour.

VM Clark recognized the Public Works staff for their hard work and dedication.

Mayor Lind announced that the Kissed By An Angel ribbon cutting event is scheduled for May 28.

Mayor Lind attended a Chamber event for the Valley Women's Network.

Mayor Lind announced the upcoming Mission Springs 100-year anniversary event in June, and she announced that the next Food Truck Friday event at Skypark will be May 29.

## ALTERATIONS TO CONSENT AGENDA

**M/S: Clark/Jett**
**To approve the Consent Agenda with no alterations.**
**Carried 4/0/1 (AYES: Lind, Clark, Jett, Wimp; NOES: None; ABSENT: Timm)**

## CONSENT AGENDA

1. Approve City Council minutes of 05-06-2026

2. Road closure for City's 4th of July Parade

3. Monthly Treasurer's Report - March 2026

4. Pinewood Estates Maintenance Assessment District Request for Engineer's Report

5. Skypark Open Space Maintenance Assessment District Request for Engineer's Report

6. Second reading and adoption of Ordinance No. 203, an ordinance of the City Council of the City of Scotts Valley amending Section 15.20.030 of Title 15, Chapter 15.20 of the Scotts Valley Municipal Code to establish a Fire Facilities Impact Fee and providing for its adoption by resolution of the Scotts Valley Fire District Board of Directors

## ALTERATIONS TO REGULAR AGENDA

**M/S: Clark/Wimp**
**To approve the Regular Agenda with no alterations.**
**Carried 4/0/1 (AYES: Lind, Clark, Jett, Wimp; NOES: None; ABSENT: Timm)**

## REGULAR AGENDA

1. Five-Year Capital Improvement Plan for Fiscal Year 2026-2027 to Fiscal Year 2030-2031

Public Works Director Rodolfo Onchi presented this item and responded to questions from the Council.

**M/S: Jett/Clark**
**To direct staff to incorporate the Capital Improvement Plan into the proposed FY2026-27 budget for final consideration, with no additional direction.**
**Carried 4/0/1 (AYES: Lind, Clark, Jett, Wimp; NOES: None; ABSENT: Timm)**

2. Presentation of the Proposed Fiscal Year 2026-27 Budget and Long-Range Financial Forecast

City Manager LaGoe introduced this item and thanked the Finance staff for their continued hard work on the budget. Administrative Services Director Stephanie Hill presented this item and responded to questions from the Council. The Council provided feedback and the budget will be brought back to the Council on June 3, 2026.

3. Award Contract to VSS International, Inc. for the Scotts Valley Drive/Mt. Hermon Road Improvements Project No. P26-002 and Authorize the City Manager to Execute a Contract in an Amount Not to Exceed $1,536,211.00

Public Works Director Rodolfo Onchi presented this item and responded to questions from the Council.

Sue Draper asked a question about the improvements to Mt. Hermon Drive, specifically if they would be similar to the Scotts Valley Drive improvements.

**M/S: Clark/Jett**
**To adopt Resolution No. 2094 which awards contract for the Scotts Valley Drive/Mt. Hermon Road Improvements Project to VSS International, Inc. as the lowest responsive and responsible bidder in the amount of $1,536,211.00; authorize a 20% construction contingency in the amount of $307,242.20, for a**

**total project authorization not to exceed $1,843,453.20; and authorize the City Manager to execute the construction contract and approve change orders within the authorized contingency amount.**
**Carried 4/0/1 (AYES: Lind, Clark, Jett, Wimp; NOES: None; ABSENT: Timm)**

4. Future Council Agenda Items

None.

## CONVENE TO CLOSED SESSION

The City Council convened to closed session at 8:28 PM to discuss the following items:

## CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding liability claim
   Legal Authority: Government Code Section 54956.9
   Name of Case: Stacy Murphy Claim
   Staff Present: City Manager, City Attorney, Police Chief

2. Conference with legal counsel regarding real property negotiations
   Legal Authority: Government Code Section 54956.8
   Location: 251 Kings Village Road, Scotts Valley, CA 95066
   Staff Present: City Manager, City Attorney

## RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 8:57 PM.

## REPORT ON ACTION TAKEN DURING CLOSED SESSION

City Attorney Powell reported that the Council voted unanimously to deny the claim filed by Stacy Murphy.

## ADJOURNMENT

The meeting adjourned at 8:58 PM.

Approved: ___________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Stephanie Hill, Administrative Services Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Resolution Authorizing Placement of Delinquent Wastewater Service Charges on the Santa Cruz County Tax Roll as a Special Assessment**

## SUMMARY OF ISSUE

The City of Scotts Valley places annual wastewater service charges on the Santa Cruz County tax roll. However, a subset of customers are billed directly through the City's Utility Billing system. These customers primarily include commercial properties, as well as certain residential parcels that, due to account setup, service type, or timing of connection, are not included in the annual tax roll billing.

For these Utility Billing customers, wastewater charges are billed directly by the City on a recurring basis. When accounts become delinquent, the City's current collection methods include late fees, notices, and payment arrangements.

The current City Ordinance 79.18 does allow for collection on the tax roll. The County of Santa Cruz requires an adopted City Council resolution to establish this special assessment process. The attached resolution fulfills that requirement and authorizes staff to prepare and submit a report of delinquent charges annually. This process is separate from and in addition to the City's existing annual sewer charge assessment. It applies only to delinquent accounts billed through Utility Billing and does not modify the City's standard annual sewer tax roll process.

The City will continue to work with Utility Billing customers over the coming months to resolve delinquent accounts. Any that are not resolved will come as part of a public hearing to place on the tax roll at the August 5, 2026 City Council meeting.

## FISCAL IMPACT

There is no direct fiscal impact associated with adopting this resolution.

However, establishing the special assessment process will:

- Improve the City's collection rate on delinquent wastewater accounts;
- Reduce the volume of long-term outstanding receivables; and
- Provide a more reliable, consistent, and legally supported method for recovering unpaid sewer charges.

All revenue collected through these assessments will continue to be deposited in the Wastewater Enterprise Fund.

**STAFF RECOMMENDATION**

Staff recommend that the City Council adopt Resolution No. 2096 authorizing the placement of delinquent wastewater service charges on the Santa Cruz County secured property tax.

This action will establish the required framework for working with the County to recover delinquent wastewater balances and ensure equitable and consistent treatment of all sewer customers.

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**RESOLUTION NO. 2096**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AUTHORIZING THE PLACEMENT OF DELINQUENT WASTEWATER SERVICE CHARGES AS A SPECIAL ASSESSMENT ON THE COUNTY OF SANTA CRUZ PROPERTY TAX ROLL**

**WHEREAS**, the City of Scotts Valley ("City") provides wastewater (sewer) services to properties within the City, and collects charges and fees for such services pursuant to the Scotts Valley Municipal Code ("SVMC") Title 13, Chapter 13.04 (Wastewater Services) and other applicable provisions; and

**WHEREAS**, SVMC § 13.04.270 authorizes the City to collect delinquent sewer charges which remain unpaid for a period of sixty days as a special assessment or lien on the property tax roll; and

**WHEREAS**, Article 4 of Chapter 6, Part 3, Division 5 of the California Health and Safety Code (§§5470–5474.10) establishes the procedures for cities, counties, and special districts to collect sewer service charges on the tax roll; and

**WHEREAS**, the City desires to ensure the continued financial integrity of its wastewater system by providing for the collection of all delinquent wastewater service charges in a fair, consistent and legally compliant manner; and

**WHEREAS**, the City has determined it is appropriate to adopt this Resolution to authorize the placement of delinquent wastewater service charges as a special assessment on the County of Santa Cruz property tax roll in accordance with law; and

**WHEREAS**, the City will provide proper notice to affected property owners, offer payment plan arrangements, and will comply with all procedural requirements before submitting a list of delinquent charges for placement on the tax roll.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Scotts Valley that:

1. **Findings.** The City Council hereby finds and determines that the foregoing recitals are true and correct and are incorporated into this Resolution by this reference.
2. **Authorization of Placement on Tax Roll.** The City Council authorizes and directs the City's Administrative Services Department to prepare a report of delinquent wastewater service charges which meet the criteria set forth in SVMC § 13.04.270, and, subject to the requirements of California Health and Safety Code §§5470–5474.10, to file such report with the County of Santa Cruz for placement as a

special assessment on the secured property tax roll of the County by August 1st of each year.

3. **Payment Plans and Compliance.** The City shall offer reasonable payment arrangements to property owners in arrears. The final default payment date shall be set so that the tax roll submission occurs in the upcoming fiscal year. Any account that fails to enter into or comply with a payment plan by the date established by the City shall be included in the report of delinquent charges for tax roll placement.
4. **Notice to Property Owners.** Prior to placement on the tax roll, the City shall provide property owners with notice of the delinquent charges, the right to pay or enter a payment arrangement, the deadline for compliance, and the consequences of non-compliance (including tax roll placement) in accordance with SVMC § 13.04.270 and applicable law.
5. **Certification and Filing.** The City Manager is hereby authorized to certify the report of delinquent wastewater service charges, and to transmit the same, along with any required documentation, to the County of Santa Cruz Auditor-Controller for processing on the secured property tax roll.
6. **Severability.** If any section, sentence, clause or phrase of this Resolution is for any reason held to be invalid, unconstitutional or unenforceable by a court of competent jurisdiction, the remaining portions of this Resolution shall remain in full force and effect.
7. **Effective Date.** This Resolution shall become effective immediately upon its adoption by the City Council.

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 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Kendra Reed, Finance Manager

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Adopt resolution establishing the FY 2026-27 Appropriations Limit**

## SUMMARY OF ISSUE

On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Initiative, establishing Article XIIIB of the California State Constitution. This proposition mandated an appropriation (spending) limit on the amount of tax proceeds that the State and most local government jurisdictions may appropriate within a fiscal year. Charges for services, fees, grants, loans, donations, and other non-tax proceeds are excluded from the spending limitation.

The Initiative was later modified by two propositions: Proposition 98 in 1988 and Proposition 111 in 1990. Proposition 98 established the return of tax revenues exceeding appropriation limit levels to the State or citizens through a process of refunds, rebates, or other means. Proposition 111 allowed more flexibility in the appropriation calculation factors. Significant changes imposed by Proposition 111 include the following:

- The provision of a choice in methodologies for determining the annual inflation factor between 1) growth in California per capita income or 2) growth in non-residential assessed valuation due to new construction within the city.
- The provision of a choice in methodologies for determining the annual population growth factor between 1) city population growth or 2) county population growth.
- Regulations allowing the exclusion of “qualified capital outlay” expenditures from the calculation of the Limit.
- Provision of a process for avoiding tax refunds if a city falls sufficiently below the Limit in the next fiscal year. The revised language provides two years, beyond the second year, to refund any remaining excess during which jurisdictions can seek to obtain a successful override vote.

Staff calculated the FY 2026-27 Gann Appropriation Limit according to the calculation provisions above, set to be at $281,501,729, and posted it to the City's website on May 15, 2026.

## FISCAL IMPACT

There is no fiscal impact from this action.

## STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1007.39 containing the following:

1. Elect the per capita income index as the inflation factor for FY 2026-2027;

2. Elect the County population growth index as the population factor for FY 2026-2027; and

3. Establish the FY 2026-2027 Appropriation Limit at $281,501,729 compliance with Article XIIIB of the State of California Constitution.

The calculation of the FY 2026-27 Gann Appropriation Limit is as follows:

| County Population Factor | | Per Capita Income Factor | | Appropriation Factor | | FY 2025-26 Appropriation Limit | | FY 2026-27 Appropriation Limit |
|---|---|---|---|---|---|---|---|---|
| 0.994 | x | 1.050 | = | 1.043 | x | $269,843,673 | = | $281,501,729 |

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**RESOLUTION NO. 1007.39**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS MAKING CERTAIN FINDINGS AND DETERMINATIONS IN COMPLIANCE WITH SECTION XIII B OF THE CALIFORNIA CONSTITUTION (GANN INITIATIVE) AND SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-27**

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

1. That the appropriations limit under the Gann Initiative for FY 2025/2026 was $269,843,673; and

2. The change in population in the County of Santa Cruz in 2025, according to the State of California was -0.60%, and was selected as a factor; and

3. That during fiscal year 2025/2026, according to the State, the percentage change in per capita personal income in California was 4.95%, and was selected as a factor; and

4. That the appropriations limit under the Gann Initiative for FY 2026/2027 is $281,501,729; and

5. That the documentation for establishing the appropriations limit for 2026/2027 was prepared by the Administrative Services Department and presented to the City Council on June 3, 2026.

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

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:____________________________
Donna Lind, Mayor

Attest:____________________________
Cathie Simonovich, City Clerk

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 1, 2026

Dear Fiscal Officer:

**Price Factor and Population Information**

**Appropriations Limit**
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2026, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026–27. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2026–27 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2026**. Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

/s Erika Li
Attachment

**May 2026**
**Attachment A**

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2026–27 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|---|---|
| 2026-27 | 4.95 |

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026–27 appropriation limit.

**2026–27:**

Per Capita Cost of Living Change = 4.95 percent
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.95 + 100}{100} = 1.0495$

Population converted to a ratio: $\frac{-0.14 + 100}{100} = 0.9986$

Calculation of factor for FY 2026–27: 1.0495 x 0.9986 = 1.0480

# E-1: City/County/State Population Estimates with Annual Percent Change
## January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| **CALIFORNIA** | 39,646,907 | 39,592,978 | -0.1 |
| **Alameda** | 1,667,901 | 1,666,136 | -0.1 |
| Alameda | 80,085 | 80,023 | -0.1 |
| Albany | 20,614 | 20,564 | -0.2 |
| Berkeley | 127,123 | 127,654 | 0.4 |
| Dublin | 75,014 | 74,769 | -0.3 |
| Emeryville | 13,555 | 13,612 | 0.4 |
| Fremont | 233,428 | 233,974 | 0.2 |
| Hayward | 162,383 | 161,557 | -0.5 |
| Livermore | 86,447 | 86,118 | -0.4 |
| Newark | 49,156 | 48,962 | -0.4 |
| Oakland | 429,732 | 429,591 | 0.0 |
| Piedmont | 10,841 | 10,802 | -0.4 |
| Pleasanton | 76,659 | 76,149 | -0.7 |
| San Leandro | 87,387 | 87,431 | 0.1 |
| Union City | 67,036 | 66,665 | -0.6 |
| Unincorporated | 148,441 | 148,265 | -0.1 |
| **Alpine** | 1,182 | 1,183 | 0.1 |
| **Amador** | 40,041 | 39,618 | -1.1 |
| Amador | 184 | 183 | -0.5 |
| Ione | 8,975 | 8,632 | -3.8 |
| Jackson | 4,942 | 4,933 | -0.2 |
| Plymouth | 1,135 | 1,129 | -0.5 |
| Sutter Creek | 2,588 | 2,575 | -0.5 |
| Unincorporated | 22,217 | 22,166 | -0.2 |
| **Butte** | 208,597 | 208,941 | 0.2 |
| Biggs | 1,983 | 1,970 | -0.7 |
| Chico | 108,026 | 108,113 | 0.1 |
| Gridley | 7,433 | 7,384 | -0.7 |
| Oroville | 20,744 | 20,664 | -0.4 |
| Paradise | 9,686 | 10,581 | 9.2 |
| Unincorporated | 60,725 | 60,229 | -0.8 |
| **Calaveras** | 44,733 | 44,678 | -0.1 |
| Angels City | 3,524 | 3,513 | -0.3 |
| Unincorporated | 41,209 | 41,165 | -0.1 |
| **Colusa** | 22,067 | 22,003 | -0.3 |
| Colusa | 6,545 | 6,597 | 0.8 |
| Williams | 5,595 | 5,621 | 0.5 |
| Unincorporated | 9,927 | 9,785 | -1.4 |
| **Contra Costa** | 1,167,506 | 1,163,891 | -0.3 |
| Antioch | 118,756 | 118,440 | -0.3 |
| Brentwood | 66,332 | 66,070 | -0.4 |
| Clayton | 10,827 | 10,759 | -0.6 |
| Concord | 123,075 | 122,494 | -0.5 |
| Danville | 43,250 | 43,190 | -0.1 |
| El Cerrito | 26,280 | 26,166 | -0.4 |
| Hercules | 26,413 | 26,323 | -0.3 |
| Lafayette | 25,380 | 25,321 | -0.2 |
| Martinez | 36,774 | 36,521 | -0.7 |
| Moraga | 16,760 | 16,662 | -0.6 |
| Oakley | 47,100 | 47,039 | -0.1 |
| Orinda | 19,494 | 19,412 | -0.4 |
| Pinole | 18,468 | 18,891 | 2.3 |
| Pittsburg | 76,922 | 76,484 | -0.6 |
| Pleasant Hill | 33,646 | 33,853 | 0.6 |
| Richmond | 114,415 | 113,695 | -0.6 |
| San Pablo | 31,664 | 31,468 | -0.6 |
| San Ramon | 84,173 | 84,220 | 0.1 |
| Walnut Creek | 70,736 | 70,288 | -0.6 |
| Unincorporated | 177,041 | 176,595 | -0.3 |
| **Del Norte** | 26,526 | 26,339 | -0.7 |
| Crescent City | 6,035 | 6,407 | 6.2 |
| Unincorporated | 20,491 | 19,932 | -2.7 |
| **El Dorado** | 190,397 | 189,852 | -0.3 |
| Placerville | 10,490 | 10,428 | -0.6 |
| South Lake Tahoe | 21,537 | 21,472 | -0.3 |
| Unincorporated | 158,370 | 157,952 | -0.3 |
| **Fresno** | 1,041,996 | 1,041,676 | 0.0 |
| Clovis | 129,570 | 129,889 | 0.2 |
| Coalinga | 17,622 | 17,692 | 0.4 |
| Firebaugh | 8,703 | 8,869 | 1.9 |
| Fowler | 7,705 | 7,945 | 3.1 |
| Fresno | 560,474 | 560,948 | 0.1 |
| Huron | 6,957 | 6,888 | -1.0 |
| Kerman | 17,481 | 17,498 | 0.1 |
| Kingsburg | 13,358 | 13,347 | -0.1 |
| Mendota | 12,829 | 12,805 | -0.2 |
| Orange Cove | 9,752 | 9,678 | -0.8 |
| Parlier | 14,726 | 14,658 | -0.5 |
| Reedley | 26,690 | 26,845 | 0.6 |
| Sanger | 27,130 | 27,403 | 1.0 |
| San Joaquin | 3,672 | 3,636 | -1.0 |
| Selma | 24,593 | 24,484 | -0.4 |
| Unincorporated | 160,734 | 159,091 | -1.0 |
| **Glenn** | 29,200 | 29,031 | -0.6 |
| Orland | 8,658 | 8,632 | -0.3 |
| Willows | 6,439 | 6,388 | -0.8 |
| Unincorporated | 14,103 | 14,011 | -0.7 |
| **Humboldt** | 133,362 | 133,026 | -0.3 |

## E-1: City/County/State Population Estimates with Annual Percent Change
## January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| Arcata | 19,002 | 19,570 | 3.0 |
| Blue Lake | 1,158 | 1,149 | -0.8 |
| Eureka | 26,287 | 26,163 | -0.5 |
| Ferndale | 1,367 | 1,365 | -0.1 |
| Fortuna | 12,289 | 12,185 | -0.8 |
| Rio Dell | 3,257 | 3,224 | -1.0 |
| Trinidad | 294 | 291 | -1.0 |
| Unincorporated | 69,708 | 69,079 | -0.9 |
| **Imperial** | 186,378 | 185,961 | -0.2 |
| Brawley | 28,937 | 28,810 | -0.4 |
| Calexico | 40,062 | 39,881 | -0.5 |
| Calipatria | 5,916 | 6,002 | 1.5 |
| El Centro | 46,029 | 45,716 | -0.7 |
| Holtville | 5,685 | 5,610 | -1.3 |
| Imperial | 22,862 | 22,984 | 0.5 |
| Westmorland | 2,086 | 2,059 | -1.3 |
| Unincorporated | 34,801 | 34,899 | 0.3 |
| **Inyo** | 18,797 | 18,780 | -0.1 |
| Bishop | 3,849 | 3,852 | 0.1 |
| Unincorporated | 14,948 | 14,928 | -0.1 |
| **Kern** | 926,369 | 927,328 | 0.1 |
| Arvin | 19,937 | 19,795 | -0.7 |
| Bakersfield | 421,377 | 422,853 | 0.4 |
| California City | 13,243 | 13,141 | -0.8 |
| Delano | 52,376 | 52,384 | 0.0 |
| Maricopa | 1,023 | 1,015 | -0.8 |
| McFarland | 14,232 | 14,334 | 0.7 |
| Ridgecrest | 28,722 | 28,638 | -0.3 |
| Shafter | 23,326 | 24,545 | 5.2 |
| Taft | 6,922 | 6,896 | -0.4 |
| Tehachapi | 11,489 | 11,800 | 2.7 |
| Wasco | 25,993 | 25,806 | -0.7 |
| Unincorporated | 307,729 | 306,121 | -0.5 |
| **Kings** | 153,833 | 153,754 | -0.1 |
| Avenal | 13,309 | 13,142 | -1.3 |
| Corcoran | 21,585 | 21,504 | -0.4 |
| Hanford | 61,113 | 60,837 | -0.5 |
| Lemoore | 27,637 | 27,216 | -1.5 |
| Unincorporated | 30,189 | 31,055 | 2.9 |
| **Lake** | 67,002 | 66,793 | -0.3 |
| Clearlake | 16,701 | 16,642 | -0.4 |
| Lakeport | 4,942 | 4,923 | -0.4 |
| Unincorporated | 45,359 | 45,228 | -0.3 |
| **Lassen** | 27,848 | 27,318 | -1.9 |
| Susanville | 12,113 | 12,063 | -0.4 |

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| Unincorporated | 15,735 | 15,255 | -3.1 |
| **Los Angeles** | 9,900,914 | 9,837,286 | -0.6 |
| Agoura Hills | 19,682 | 19,565 | -0.6 |
| Alhambra | 82,728 | 82,544 | -0.2 |
| Arcadia | 56,329 | 57,095 | 1.4 |
| Artesia | 16,252 | 16,205 | -0.3 |
| Avalon | 3,461 | 3,447 | -0.4 |
| Azusa | 48,668 | 48,549 | -0.2 |
| Baldwin Park | 70,800 | 70,729 | -0.1 |
| Bell | 33,331 | 33,211 | -0.4 |
| Bellflower | 76,449 | 76,203 | -0.3 |
| Bell Gardens | 38,679 | 38,484 | -0.5 |
| Beverly Hills | 32,209 | 32,116 | -0.3 |
| Bradbury | 905 | 901 | -0.4 |
| Burbank | 105,713 | 106,229 | 0.5 |
| Calabasas | 22,882 | 22,763 | -0.5 |
| Carson | 92,206 | 91,790 | -0.5 |
| Cerritos | 47,831 | 47,554 | -0.6 |
| Claremont | 38,372 | 38,262 | -0.3 |
| Commerce | 12,183 | 12,145 | -0.3 |
| Compton | 94,182 | 93,937 | -0.3 |
| Covina | 51,066 | 50,918 | -0.3 |
| Cudahy | 22,232 | 22,234 | 0.0 |
| Culver City | 40,640 | 40,730 | 0.2 |
| Diamond Bar | 53,796 | 53,538 | -0.5 |
| Downey | 112,442 | 112,279 | -0.1 |
| Duarte | 23,637 | 24,841 | 5.1 |
| El Monte | 108,315 | 108,192 | -0.1 |
| El Segundo | 17,000 | 16,950 | -0.3 |
| Gardena | 60,644 | 61,187 | 0.9 |
| Glendale | 193,810 | 193,286 | -0.3 |
| Glendora | 51,300 | 51,232 | -0.1 |
| Hawaiian Gardens | 13,564 | 13,529 | -0.3 |
| Hawthorne | 85,865 | 85,515 | -0.4 |
| Hermosa Beach | 19,250 | 19,196 | -0.3 |
| Hidden Hills | 1,741 | 1,738 | -0.2 |
| Huntington Park | 53,182 | 52,961 | -0.4 |
| Industry | 420 | 420 | 0.0 |
| Inglewood | 106,645 | 105,986 | -0.6 |
| Irwindale | 1,511 | 1,502 | -0.6 |
| La Cañada Flintridge | 20,071 | 19,994 | -0.4 |
| La Habra Heights | 5,529 | 5,493 | -0.7 |
| Lakewood | 80,718 | 80,585 | -0.2 |
| La Mirada | 48,234 | 47,998 | -0.5 |
| Lancaster | 177,170 | 178,159 | 0.6 |
| La Puente | 37,388 | 37,237 | -0.4 |
| La Verne | 31,555 | 31,466 | -0.3 |
| Lawndale | 31,072 | 31,130 | 0.2 |
| Lomita | 20,510 | 20,450 | -0.3 |
| Long Beach | 462,968 | 462,193 | -0.2 |

# E-1: City/County/State Population Estimates with Annual Percent Change
## January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | Total Population 1/1/26 | Percent Change |
|---|---|---|---|
| Los Angeles | 3,839,536 | 3,806,201 | -0.9 |
| Lynwood | 66,675 | 66,901 | 0.3 |
| Malibu | 10,672 | 9,637 | -9.7 |
| Manhattan Beach | 34,508 | 34,333 | -0.5 |
| Maywood | 24,585 | 24,448 | -0.6 |
| Monrovia | 39,177 | 39,094 | -0.2 |
| Montebello | 62,619 | 62,994 | 0.6 |
| Monterey Park | 59,898 | 59,649 | -0.4 |
| Norwalk | 101,780 | 101,453 | -0.3 |
| Palmdale | 166,554 | 166,118 | -0.3 |
| Palos Verdes Estates | 13,079 | 13,016 | -0.5 |
| Paramount | 52,560 | 52,353 | -0.4 |
| Pasadena | 141,466 | 141,145 | -0.2 |
| Pico Rivera | 61,219 | 60,966 | -0.4 |
| Pomona | 154,762 | 154,680 | -0.1 |
| Rancho Palos Verdes | 41,111 | 40,893 | -0.5 |
| Redondo Beach | 68,528 | 68,460 | -0.1 |
| Rolling Hills | 1,681 | 1,677 | -0.2 |
| Rolling Hills Estates | 8,601 | 8,739 | 1.6 |
| Rosemead | 51,233 | 51,295 | 0.1 |
| San Dimas | 34,064 | 33,915 | -0.4 |
| San Fernando | 24,025 | 23,976 | -0.2 |
| San Gabriel | 39,393 | 39,838 | 1.1 |
| San Marino | 12,503 | 12,513 | 0.1 |
| Santa Clarita | 232,635 | 232,883 | 0.1 |
| Santa Fe Springs | 18,971 | 19,229 | 1.4 |
| Santa Monica | 93,876 | 94,237 | 0.4 |
| Sierra Madre | 10,989 | 10,899 | -0.8 |
| Signal Hill | 11,430 | 11,366 | -0.6 |
| South El Monte | 19,493 | 19,489 | 0.0 |
| South Gate | 93,411 | 93,467 | 0.1 |
| South Pasadena | 26,492 | 26,380 | -0.4 |
| Temple City | 36,567 | 36,584 | 0.0 |
| Torrance | 144,041 | 143,363 | -0.5 |
| Vernon | 205 | 204 | -0.5 |
| Walnut | 28,310 | 28,623 | 1.1 |
| West Covina | 109,546 | 108,937 | -0.6 |
| West Hollywood | 35,418 | 35,283 | -0.4 |
| Westlake Village | 8,219 | 8,167 | -0.6 |
| Whittier | 88,327 | 88,029 | -0.3 |
| Unincorporated | 1,007,618 | 983,184 | -2.4 |
| | | | |
| **Madera** | 165,277 | 166,407 | 0.7 |
| Chowchilla | 18,982 | 19,057 | 0.4 |
| Madera | 68,458 | 67,759 | -1.0 |
| Unincorporated | 77,837 | 79,591 | 2.3 |
| | | | |
| **Marin** | 253,171 | 250,823 | -0.9 |
| Belvedere | 2,073 | 2,058 | -0.7 |
| Corte Madera | 9,991 | 9,910 | -0.8 |
| Fairfax | 7,463 | 7,414 | -0.7 |
| Larkspur | 12,772 | 12,650 | -1.0 |
| Mill Valley | 13,803 | 13,694 | -0.8 |
| Novato | 52,198 | 51,638 | -1.1 |
| Ross | 2,315 | 2,324 | 0.4 |
| San Anselmo | 12,587 | 12,474 | -0.9 |
| San Rafael | 60,184 | 59,890 | -0.5 |
| Sausalito | 6,926 | 6,878 | -0.7 |
| Tiburon | 8,912 | 8,841 | -0.8 |
| Unincorporated | 63,947 | 63,052 | -1.4 |
| | | | |
| **Mariposa** | 16,920 | 16,846 | -0.4 |
| | | | |
| **Mendocino** | 89,325 | 88,591 | -0.8 |
| Fort Bragg | 7,207 | 7,142 | -0.9 |
| Point Arena | 455 | 450 | -1.1 |
| Ukiah | 16,290 | 16,138 | -0.9 |
| Willits | 4,841 | 4,800 | -0.8 |
| Unincorporated | 60,532 | 60,061 | -0.8 |
| | | | |
| **Merced** | 294,342 | 294,154 | -0.1 |
| Atwater | 31,993 | 31,806 | -0.6 |
| Dos Palos | 5,736 | 5,685 | -0.9 |
| Gustine | 6,005 | 5,955 | -0.8 |
| Livingston | 14,512 | 14,402 | -0.8 |
| Los Banos | 49,091 | 49,255 | 0.3 |
| Merced | 98,655 | 99,435 | 0.8 |
| Unincorporated | 88,350 | 87,616 | -0.8 |
| | | | |
| **Modoc** | 8,490 | 8,467 | -0.3 |
| Alturas | 2,772 | 2,769 | -0.1 |
| Unincorporated | 5,718 | 5,698 | -0.3 |
| | | | |
| **Mono** | 12,548 | 12,482 | -0.5 |
| Mammoth Lakes | 7,083 | 7,035 | -0.7 |
| Unincorporated | 5,465 | 5,447 | -0.3 |
| | | | |
| **Monterey** | 437,465 | 436,755 | -0.2 |
| Carmel-by-the-Sea | 3,115 | 3,102 | -0.4 |
| Del Rey Oaks | 1,546 | 1,539 | -0.5 |
| Gonzales | 8,423 | 8,398 | -0.3 |
| Greenfield | 20,552 | 20,918 | 1.8 |
| King City | 14,245 | 14,369 | 0.9 |
| Marina | 22,938 | 23,322 | 1.7 |
| Monterey | 27,198 | 27,504 | 1.1 |
| Pacific Grove | 14,974 | 14,894 | -0.5 |
| Salinas | 160,784 | 159,866 | -0.6 |
| Sand City | 384 | 381 | -0.8 |
| Seaside | 31,733 | 31,681 | -0.2 |
| Soledad | 27,378 | 27,065 | -1.1 |
| Unincorporated | 104,195 | 103,716 | -0.5 |

# E-1: City/County/State Population Estimates with Annual Percent Change
# January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | Total Population 1/1/26 | Percent Change |
|---|---|---|---|
| **Napa** | 136,620 | 136,374 | -0.2 |
| American Canyon | 22,588 | 22,619 | 0.1 |
| Calistoga | 5,162 | 5,282 | 2.3 |
| Napa | 78,045 | 77,803 | -0.3 |
| St. Helena | 5,339 | 5,317 | -0.4 |
| Yountville | 2,618 | 2,567 | -1.9 |
| Unincorporated | 22,868 | 22,786 | -0.4 |
| **Nevada** | 100,445 | 99,983 | -0.5 |
| Grass Valley | 13,326 | 13,238 | -0.7 |
| Nevada City | 3,318 | 3,325 | 0.2 |
| Truckee | 16,895 | 16,891 | 0.0 |
| Unincorporated | 66,906 | 66,529 | -0.6 |
| **Orange** | 3,175,509 | 3,163,696 | -0.4 |
| Aliso Viejo | 50,419 | 49,945 | -0.9 |
| Anaheim | 340,635 | 340,433 | -0.1 |
| Brea | 48,082 | 47,656 | -0.9 |
| Buena Park | 83,219 | 82,850 | -0.4 |
| Costa Mesa | 110,313 | 109,436 | -0.8 |
| Cypress | 49,826 | 49,495 | -0.7 |
| Dana Point | 32,539 | 32,268 | -0.8 |
| Fountain Valley | 56,769 | 56,596 | -0.3 |
| Fullerton | 140,901 | 140,224 | -0.5 |
| Garden Grove | 171,668 | 171,077 | -0.3 |
| Huntington Beach | 192,787 | 191,498 | -0.7 |
| Irvine | 317,652 | 317,744 | 0.0 |
| Laguna Beach | 22,549 | 22,440 | -0.5 |
| Laguna Hills | 30,547 | 30,275 | -0.9 |
| Laguna Niguel | 65,167 | 64,590 | -0.9 |
| Laguna Woods | 17,132 | 16,970 | -0.9 |
| La Habra | 61,524 | 61,269 | -0.4 |
| Lake Forest | 88,017 | 87,522 | -0.6 |
| La Palma | 15,184 | 15,045 | -0.9 |
| Los Alamitos | 12,030 | 11,951 | -0.7 |
| Mission Viejo | 91,219 | 90,401 | -0.9 |
| Newport Beach | 83,041 | 82,306 | -0.9 |
| Orange | 141,825 | 141,063 | -0.5 |
| Placentia | 53,723 | 53,613 | -0.2 |
| Rancho Santa Margarita | 46,657 | 46,217 | -0.9 |
| San Clemente | 63,133 | 62,636 | -0.8 |
| San Juan Capistrano | 35,491 | 35,331 | -0.5 |
| Santa Ana | 312,796 | 312,808 | 0.0 |
| Seal Beach | 24,696 | 24,496 | -0.8 |
| Stanton | 40,600 | 41,415 | 2.0 |
| Tustin | 79,650 | 79,175 | -0.6 |
| Villa Park | 5,757 | 5,741 | -0.3 |
| Westminster | 90,625 | 90,490 | -0.1 |
| Yorba Linda | 66,566 | 66,190 | -0.6 |

| JURISDICTION | Total Population 1/1/25 | Total Population 1/1/26 | Percent Change |
|---|---|---|---|
| Unincorporated | 132,770 | 132,530 | -0.2 |
| **Placer** | 428,880 | 434,823 | 1.4 |
| Auburn | 13,532 | 13,506 | -0.2 |
| Colfax | 2,031 | 2,020 | -0.5 |
| Lincoln | 55,431 | 56,494 | 1.9 |
| Loomis | 6,824 | 6,822 | 0.0 |
| Rocklin | 74,483 | 74,842 | 0.5 |
| Roseville | 161,162 | 165,455 | 2.7 |
| Unincorporated | 115,417 | 115,684 | 0.2 |
| **Plumas** | 18,703 | 18,471 | -1.2 |
| Portola | 2,121 | 2,087 | -1.6 |
| Unincorporated | 16,582 | 16,384 | -1.2 |
| **Riverside** | 2,497,829 | 2,506,824 | 0.4 |
| Banning | 31,532 | 32,323 | 2.5 |
| Beaumont | 59,710 | 59,896 | 0.3 |
| Blythe | 15,740 | 15,878 | 0.9 |
| Calimesa | 11,029 | 10,942 | -0.8 |
| Canyon Lake | 10,987 | 10,908 | -0.7 |
| Cathedral City | 51,715 | 51,458 | -0.5 |
| Coachella | 44,624 | 45,300 | 1.5 |
| Corona | 159,873 | 159,309 | -0.4 |
| Desert Hot Springs | 33,432 | 33,629 | 0.6 |
| Eastvale | 69,987 | 70,575 | 0.8 |
| Hemet | 91,839 | 91,479 | -0.4 |
| Indian Wells | 4,839 | 4,807 | -0.7 |
| Indio | 92,552 | 92,360 | -0.2 |
| Jurupa Valley | 106,178 | 105,349 | -0.8 |
| Lake Elsinore | 73,637 | 74,483 | 1.1 |
| La Quinta | 38,934 | 38,815 | -0.3 |
| Menifee | 115,813 | 117,847 | 1.8 |
| Moreno Valley | 210,740 | 211,365 | 0.3 |
| Murrieta | 111,951 | 112,315 | 0.3 |
| Norco | 25,050 | 23,276 | -7.1 |
| Palm Desert | 51,662 | 52,326 | 1.3 |
| Palm Springs | 44,120 | 43,893 | -0.5 |
| Perris | 81,100 | 81,027 | -0.1 |
| Rancho Mirage | 17,137 | 17,318 | 1.1 |
| Riverside | 321,263 | 321,884 | 0.2 |
| San Jacinto | 54,815 | 55,900 | 2.0 |
| Temecula | 112,662 | 113,618 | 0.8 |
| Wildomar | 37,373 | 38,841 | 3.9 |
| Unincorporated | 417,535 | 419,703 | 0.5 |
| **Sacramento** | 1,619,023 | 1,628,349 | 0.6 |
| Citrus Heights | 87,239 | 86,487 | -0.9 |
| Elk Grove | 184,495 | 188,319 | 2.1 |
| Folsom | 93,679 | 95,680 | 2.1 |
| Galt | 26,692 | 27,133 | 1.7 |
| Isleton | 772 | 764 | -1.0 |

## E-1: City/County/State Population Estimates with Annual Percent Change
## January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| Rancho Cordova | 85,789 | 87,312 | 1.8 |
| Sacramento | 532,956 | 539,765 | 1.3 |
| Unincorporated | 607,401 | 602,889 | -0.7 |
| | | | |
| **San Benito** | 67,641 | 68,111 | 0.7 |
| Hollister | 43,985 | 44,233 | 0.6 |
| San Juan Bautista | 2,085 | 2,081 | -0.2 |
| Unincorporated | 21,571 | 21,797 | 1.0 |
| | | | |
| **San Bernardino** | 2,215,490 | 2,216,685 | 0.1 |
| Adelanto | 37,298 | 36,652 | -1.7 |
| Apple Valley | 75,640 | 75,236 | -0.5 |
| Barstow | 24,969 | 24,727 | -1.0 |
| Big Bear Lake | 4,959 | 4,920 | -0.8 |
| Chino | 95,655 | 95,946 | 0.3 |
| Chino Hills | 77,626 | 77,191 | -0.6 |
| Colton | 53,219 | 52,844 | -0.7 |
| Fontana | 218,460 | 219,774 | 0.6 |
| Grand Terrace | 12,933 | 12,817 | -0.9 |
| Hesperia | 102,613 | 103,349 | 0.7 |
| Highland | 56,997 | 56,655 | -0.6 |
| Loma Linda | 25,445 | 25,400 | -0.2 |
| Montclair | 37,557 | 38,378 | 2.2 |
| Needles | 4,789 | 4,796 | 0.1 |
| Ontario | 185,346 | 187,863 | 1.4 |
| Rancho Cucamonga | 176,846 | 176,418 | -0.2 |
| Redlands | 74,013 | 73,811 | -0.3 |
| Rialto | 106,104 | 106,809 | 0.7 |
| San Bernardino | 223,313 | 222,292 | -0.5 |
| Twentynine Palms | 25,215 | 27,166 | 7.7 |
| Upland | 78,996 | 78,406 | -0.7 |
| Victorville | 141,098 | 139,680 | -1.0 |
| Yucaipa | 55,008 | 54,711 | -0.5 |
| Yucca Valley | 21,952 | 21,798 | -0.7 |
| Unincorporated | 299,439 | 299,046 | -0.1 |
| | | | |
| **San Diego** | 3,339,392 | 3,344,322 | 0.1 |
| Carlsbad | 116,022 | 115,867 | -0.1 |
| Chula Vista | 281,850 | 282,999 | 0.4 |
| Coronado | 22,687 | 23,796 | 4.9 |
| Del Mar | 3,937 | 3,917 | -0.5 |
| El Cajon | 105,449 | 104,932 | -0.5 |
| Encinitas | 62,392 | 62,193 | -0.3 |
| Escondido | 151,932 | 152,196 | 0.2 |
| Imperial Beach | 26,362 | 26,066 | -1.1 |
| La Mesa | 61,863 | 61,707 | -0.3 |
| Lemon Grove | 28,445 | 28,233 | -0.7 |
| National City | 58,649 | 58,701 | 0.1 |
| Oceanside | 175,193 | 174,027 | -0.7 |
| Poway | 50,699 | 50,263 | -0.9 |

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| San Diego | 1,409,429 | 1,419,531 | 0.7 |
| San Marcos | 97,647 | 97,554 | -0.1 |
| Santee | 60,044 | 59,812 | -0.4 |
| Solana Beach | 13,060 | 12,941 | -0.9 |
| Vista | 101,934 | 101,365 | -0.6 |
| Unincorporated | 511,798 | 508,222 | -0.7 |
| | | | |
| **San Francisco** | 844,394 | 845,658 | 0.1 |
| | | | |
| **San Joaquin** | 814,956 | 820,125 | 0.6 |
| Escalon | 7,359 | 7,304 | -0.7 |
| Lathrop | 38,791 | 40,942 | 5.5 |
| Lodi | 68,468 | 68,513 | 0.1 |
| Manteca | 94,951 | 96,511 | 1.6 |
| Mountain House | 29,048 | 30,687 | 5.6 |
| Ripon | 15,996 | 15,873 | -0.8 |
| Stockton | 323,077 | 322,436 | -0.2 |
| Tracy | 98,776 | 99,705 | 0.9 |
| Unincorporated | 138,490 | 138,154 | -0.2 |
| | | | |
| **San Luis Obispo** | 279,666 | 279,242 | -0.2 |
| Arroyo Grande | 17,922 | 17,780 | -0.8 |
| Atascadero | 30,223 | 30,184 | -0.1 |
| El Paso de Robles | 31,151 | 31,525 | 1.2 |
| Grover Beach | 12,541 | 12,502 | -0.3 |
| Morro Bay | 10,379 | 10,307 | -0.7 |
| Pismo Beach | 7,836 | 7,773 | -0.8 |
| San Luis Obispo | 49,849 | 50,165 | 0.6 |
| Unincorporated | 119,765 | 119,006 | -0.6 |
| | | | |
| **San Mateo** | 748,412 | 748,182 | 0.0 |
| Atherton | 7,012 | 7,086 | 1.1 |
| Belmont | 28,243 | 28,129 | -0.4 |
| Brisbane | 4,678 | 4,662 | -0.3 |
| Burlingame | 31,568 | 32,438 | 2.8 |
| Colma | 1,410 | 1,405 | -0.4 |
| Daly City | 102,215 | 101,898 | -0.3 |
| East Palo Alto | 29,148 | 29,462 | 1.1 |
| Foster City | 32,547 | 32,364 | -0.6 |
| Half Moon Bay | 11,309 | 11,406 | 0.9 |
| Hillsborough | 11,301 | 11,249 | -0.5 |
| Menlo Park | 33,326 | 33,785 | 1.4 |
| Millbrae | 23,171 | 23,062 | -0.5 |
| Pacifica | 37,246 | 37,073 | -0.5 |
| Portola Valley | 4,328 | 4,325 | -0.1 |
| Redwood City | 82,109 | 81,809 | -0.4 |
| San Bruno | 42,567 | 42,411 | -0.4 |
| San Carlos | 29,362 | 29,249 | -0.4 |
| San Mateo | 104,361 | 104,020 | -0.3 |
| South San Francisco | 65,431 | 65,239 | -0.3 |
| Woodside | 5,206 | 5,224 | 0.3 |

# E-1: City/County/State Population Estimates with Annual Percent Change
# January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | Total Population 1/1/26 | Percent Change |
|---|---|---|---|
| Unincorporated | 61,874 | 61,886 | 0.0 |
| | | | |
| **Santa Barbara** | 445,292 | 444,974 | -0.1 |
| Buellton | 5,077 | 5,353 | 5.4 |
| Carpinteria | 12,742 | 12,612 | -1.0 |
| Goleta | 32,725 | 32,409 | -1.0 |
| Guadalupe | 8,721 | 8,649 | -0.8 |
| Lompoc | 43,302 | 43,073 | -0.5 |
| Santa Barbara | 85,752 | 85,083 | -0.8 |
| Santa Maria | 111,356 | 113,041 | 1.5 |
| Solvang | 5,680 | 5,621 | -1.0 |
| Unincorporated | 139,937 | 139,133 | -0.6 |
| | | | |
| **Santa Clara** | 1,928,029 | 1,932,468 | 0.2 |
| Campbell | 43,262 | 43,195 | -0.2 |
| Cupertino | 59,962 | 59,765 | -0.3 |
| Gilroy | 62,312 | 62,193 | -0.2 |
| Los Altos | 31,972 | 31,921 | -0.2 |
| Los Altos Hills | 8,604 | 8,652 | 0.6 |
| Los Gatos | 33,440 | 33,293 | -0.4 |
| Milpitas | 81,821 | 82,107 | 0.3 |
| Monte Sereno | 3,642 | 3,642 | 0.0 |
| Morgan Hill | 46,901 | 47,074 | 0.4 |
| Mountain View | 86,944 | 88,533 | 1.8 |
| Palo Alto | 68,919 | 69,004 | 0.1 |
| San Jose | 983,264 | 980,434 | -0.3 |
| Santa Clara | 134,088 | 138,011 | 2.9 |
| Saratoga | 31,253 | 31,261 | 0.0 |
| Sunnyvale | 159,955 | 161,884 | 1.2 |
| Unincorporated | 91,690 | 91,499 | -0.2 |
| | | | |
| **Santa Cruz** | 262,693 | 261,069 | -0.6 |
| Capitola | 9,697 | 9,669 | -0.3 |
| Santa Cruz | 62,999 | 63,065 | 0.1 |
| Scotts Valley | 11,699 | 11,578 | -1.0 |
| Watsonville | 50,826 | 50,454 | -0.7 |
| Unincorporated | 127,472 | 126,303 | -0.9 |
| | | | |
| **Shasta** | 182,263 | 181,934 | -0.2 |
| Anderson | 11,081 | 11,050 | -0.3 |
| Redding | 94,240 | 94,294 | 0.1 |
| Shasta Lake | 10,238 | 10,195 | -0.4 |
| Unincorporated | 66,704 | 66,395 | -0.5 |
| | | | |
| **Sierra** | 3,167 | 3,153 | -0.4 |
| Loyalton | 763 | 756 | -0.9 |
| Unincorporated | 2,404 | 2,397 | -0.3 |
| | | | |
| **Siskiyou** | 43,300 | 43,153 | -0.3 |
| Dorris | 820 | 816 | -0.5 |
| Dunsmuir | 1,621 | 1,612 | -0.6 |

| JURISDICTION | Total Population 1/1/25 | Total Population 1/1/26 | Percent Change |
|---|---|---|---|
| Etna | 658 | 655 | -0.5 |
| Fort Jones | 663 | 659 | -0.6 |
| Montague | 1,179 | 1,173 | -0.5 |
| Mount Shasta | 3,145 | 3,130 | -0.5 |
| Tulelake | 859 | 854 | -0.6 |
| Weed | 2,704 | 2,693 | -0.4 |
| Yreka | 7,767 | 7,709 | -0.7 |
| Unincorporated | 23,884 | 23,852 | -0.1 |
| | | | |
| **Solano** | 453,579 | 452,050 | -0.3 |
| Benicia | 26,315 | 26,074 | -0.9 |
| Dixon | 20,380 | 20,567 | 0.9 |
| Fairfield | 122,063 | 121,389 | -0.6 |
| Rio Vista | 10,382 | 10,345 | -0.4 |
| Suisun City | 29,405 | 29,720 | 1.1 |
| Vacaville | 103,743 | 103,195 | -0.5 |
| Vallejo | 123,140 | 122,702 | -0.4 |
| Unincorporated | 18,151 | 18,058 | -0.5 |
| | | | |
| **Sonoma** | 484,764 | 484,022 | -0.2 |
| Cloverdale | 8,729 | 8,719 | -0.1 |
| Cotati | 7,325 | 7,264 | -0.8 |
| Healdsburg | 11,156 | 11,205 | 0.4 |
| Petaluma | 59,395 | 59,160 | -0.4 |
| Rohnert Park | 44,318 | 44,191 | -0.3 |
| Santa Rosa | 178,786 | 179,798 | 0.6 |
| Sebastopol | 7,407 | 7,350 | -0.8 |
| Sonoma | 10,575 | 10,528 | -0.4 |
| Windsor | 25,650 | 25,498 | -0.6 |
| Unincorporated | 131,423 | 130,309 | -0.8 |
| | | | |
| **Stanislaus** | 558,243 | 557,159 | -0.2 |
| Ceres | 49,318 | 49,075 | -0.5 |
| Hughson | 8,046 | 8,255 | 2.6 |
| Modesto | 220,526 | 220,048 | -0.2 |
| Newman | 12,442 | 12,362 | -0.6 |
| Oakdale | 23,367 | 23,489 | 0.5 |
| Patterson | 26,108 | 26,386 | 1.1 |
| Riverbank | 26,200 | 26,594 | 1.5 |
| Turlock | 72,727 | 72,592 | -0.2 |
| Waterford | 9,278 | 9,261 | -0.2 |
| Unincorporated | 110,231 | 109,097 | -1.0 |
| | | | |
| **Sutter** | 101,270 | 101,679 | 0.4 |
| Live Oak | 9,745 | 9,755 | 0.1 |
| Yuba City | 71,205 | 71,572 | 0.5 |
| Unincorporated | 20,320 | 20,352 | 0.2 |
| | | | |
| **Tehama** | 64,945 | 64,764 | -0.3 |
| Corning | 8,205 | 8,179 | -0.3 |
| Red Bluff | 14,428 | 14,422 | 0.0 |

# E-1: City/County/State Population Estimates with Annual Percent Change
## January 1, 2025 and 2026

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|
| Tehama | 425 | 423 | -0.5 |
| Unincorporated | 41,887 | 41,740 | -0.4 |
| **Trinity** | 15,890 | 15,844 | -0.3 |
| **Tulare** | 488,798 | 489,610 | 0.2 |
| Dinuba | 26,149 | 26,566 | 1.6 |
| Exeter | 10,305 | 10,287 | -0.2 |
| Farmersville | 10,406 | 10,338 | -0.7 |
| Lindsay | 12,823 | 12,712 | -0.9 |
| Porterville | 63,899 | 63,719 | -0.3 |
| Tulare | 72,495 | 72,936 | 0.6 |
| Visalia | 147,991 | 148,302 | 0.2 |
| Woodlake | 8,038 | 8,168 | 1.6 |
| Unincorporated | 136,692 | 136,582 | -0.1 |
| **Tuolumne** | 54,370 | 54,233 | -0.3 |
| Sonora | 5,253 | 5,280 | 0.5 |
| Unincorporated | 49,117 | 48,953 | -0.3 |
| **Ventura** | 828,983 | 824,306 | -0.6 |
| Camarillo | 68,973 | 68,764 | -0.3 |
| Fillmore | 17,125 | 16,992 | -0.8 |
| Moorpark | 34,573 | 34,161 | -1.2 |
| Ojai | 7,579 | 7,501 | -1.0 |
| Oxnard | 199,319 | 198,557 | -0.4 |
| Port Hueneme | 20,849 | 21,103 | 1.2 |
| San Buenaventura | 108,325 | 108,061 | -0.2 |
| Santa Paula | 31,738 | 31,976 | 0.7 |
| Simi Valley | 125,093 | 123,842 | -1.0 |
| Thousand Oaks | 122,688 | 121,286 | -1.1 |
| Unincorporated | 92,721 | 92,063 | -0.7 |
| **Yolo** | 225,554 | 225,904 | 0.2 |
| Davis | 65,712 | 66,002 | 0.4 |
| West Sacramento | 55,376 | 55,871 | 0.9 |
| Winters | 8,007 | 8,028 | 0.3 |
| Woodland | 61,693 | 61,324 | -0.6 |
| Unincorporated | 34,766 | 34,679 | -0.3 |
| **Yuba** | 86,620 | 87,692 | 1.2 |
| Marysville | 12,730 | 12,679 | -0.4 |
| Wheatland | 4,046 | 4,140 | 2.3 |
| Unincorporated | 69,844 | 70,873 | 1.5 |

| JURISDICTION | Total Population 1/1/25 | 1/1/26 | Percent Change |
|---|---|---|---|

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Cathie Simonovich, City Clerk

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Adopt November 3, 2026 Election Resolutions**

## SUMMARY OF ISSUE

In November of this year, terms will expire for City Council Members Derek Timm and Greg Wimp. In order to place these two City Council vacancies on the November 3, 2026 ballot, the City Council is required to approve the following resolutions:

1. Resolution No. 2095, requesting that the County Board of Supervisors approve consolidation of Scotts Valley's general election to fill three full-term Council seats, to be conducted by the County Elections Official, and also approve consolidation with any other jurisdiction that may wish to hold an election on November 3, 2026; and

2. Resolution No. 2095.1, officially calling for a general election in the City of Scotts Valley to fill two City Council member seats, setting a Candidate Statement of Qualifications and fee, and setting vote center hours.

In accordance with the Elections Code, the City Clerk will publish and post a "Notice of Election."

## FISCAL IMPACT

The estimated cost for the November 3, 2026, consolidated election is $55,000.

## STAFF RECOMMENDATION

It is recommended that the City Council approve the following resolutions:

1. Resolution No. 2095 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and

2. Resolution No. 2095.1 calling for a General Election for the election of members of the City Council, determining that costs of Candidate's Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will

be opened and closed.

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# RESOLUTION NO. 2095
# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AN ELECTION, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION

City of Scotts Valley

**WHEREAS**, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

**WHEREAS**, the resolution of the governing body of the city or district shall specify the services requested; and

**WHEREAS**, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

**WHEREAS**, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

**WHEREAS**, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

**WHEREAS**, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for the statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the Board of Supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

**WHEREAS**, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

**WHEREAS**, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

**WHEREAS**, various district, county, state and other political subdivision elections may be or have been called to be held on November 3, 2026;

**NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City Council of the City of Scotts Valley hereby orders an election be called and consolidated with any and all elections also called to be held on November 3, 2026, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Scotts Valley, and the City Council requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403 and 10418.

**BE IT FURTHER RESOLVED AND ORDERED** that the City Council of the City of Scotts Valley hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and

**BE IT FURTHER RESOLVED AND ORDERED** that the Santa Cruz County Elections Department conduct the election for the following offices on the November 3, 2026, ballot:

| Seats Open | Office | Term |
|---|---|---|
| Derek Timm | Council Member | 2026 – 2030 |
| Greg Wimp | Council Member | 2026 – 2030 |

The above and foregoing resolution was adopted at a duly held meeting of the City Council on the 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

# RESOLUTION NO. 2095.1

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY CALLING A GENERAL MUNICIPAL ELECTION FOR THE ELECTION OF MEMBERS OF THE CITY COUNCIL; DETERMINING THAT COSTS OF CANDIDATE'S STATEMENT OF QUALIFICATIONS SHALL BE PAID BY THE CANDIDATE AND ITS MAXIMUM NUMBER OF WORDS; AND SETTING HOURS THE VOTE CENTERS WILL BE OPEN AND CLOSED

City of Scotts Valley

**BE IT RESOLVED** by the City Council of the City of Scotts Valley as follows:

**Section 1.** A general municipal election for the election of two (2) City Council Members for four-year terms shall be held on November 3, 2026.

**Section 2.** Each candidate who avails themself of the services set forth in Elections Code Section 13307 shall be charged a $320 fee at the time their candidate's statement is filed - a sum not greater than the actual prorated costs of printing and handling the Candidate's Statement of Qualifications. This will cover the cost of including the Candidate's Statement Online only. If the Candidate wishes to have their Candidate's Statement printed in the county Voter Information Guide, the cost is estimated to be $593.

**Section 3.** Candidate's Statement of Qualifications shall be limited to two hundred (200) words.

**Section 4.** Vote centers shall be open from 7:00 AM to 8:00 PM.

The above and foregoing resolution was adopted at a duly held meeting of the City Council on the 3rd day of June 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Cathie Simonovich, City Clerk

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Approve policy for Removal of Individuals for Disruptive Behavior at City Council or Advisory Body meetings**

## SUMMARY OF ISSUE

The City Council of the City of Scotts Valley and its Advisory Bodies conducts its meetings in accordance with the Ralph M. Brown Act, which guarantees the public's right to attend and participate in local government meetings. In recent years, legislative updates—most notably Senate Bill 1100 (2022), Senate Bill 707 (2025), and Government Code §54957.95—have clarified the authority of local legislative bodies to address disruptive behavior during public meetings.
These laws establish a uniform statewide standard requiring:

- A clear warning before any removal
- A definition of "disruptive behavior" that focuses on conduct that actually impedes or renders infeasible the orderly conduct of the meeting
- Authority to remove individuals participating in person or remotely
- Protection for public criticism, which cannot be grounds for removal

While the City Council has historically relied on general rules of decorum, the adoption of a formal written policy will provide clarity for the public, consistency for staff, and legal alignment with current state requirements. The proposed policy outlines the process for issuing warnings, defines disruptive behavior, and establishes procedures for removal in both in-person and teleconferenced settings.

This policy is intended to support orderly, respectful, and accessible meetings while preserving the public's right to participate fully in the democratic process.

## FISCAL IMPACT

There is no fiscal impact associated with adopting this policy.

## STAFF RECOMMENDATION

It is recommended that the City Council adopt the Policy on Removal of Individuals for Disruptive Behavior as presented.

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**City of Scotts Valley**

**City Council Policy on Removal of Individuals for Disruptive Behavior**

## 1. Purpose

The purpose of this policy is to ensure that meetings of the Scotts Valley City Council or its Advisory Bodies are conducted in an orderly, safe, and respectful manner while preserving the public's right to participate in local government. This policy applies to both in-person and remote/teleconferenced Council or Advisory Body meetings.

## 2. Authority

This policy is adopted pursuant to the Ralph M. Brown Act, including Government Code §54957.95, which authorizes the presiding officer to remove individuals who engage in disruptive behavior during public meetings.

## 3. Definition of Disruptive Behavior

"Disruptive behavior" means conduct that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. Examples include, but are not limited to:

- Speaking out of turn after being asked to stop
- Continuing to exceed allotted speaking time
- Yelling, profanity, or personal threats
- Preventing others from speaking or addressing the Council
- Interfering with the Council's ability to conduct business
- Use or threat of physical force These standards apply equally to individuals participating in person or through remote/teleconferenced platforms.

## 4. Warning Requirement

Before an individual may be removed, the Mayor or presiding officer shall issue a clear warning that the behavior is disruptive and must cease immediately. For both in-person attendees and remote participants, the warning will be delivered verbally.

## 5. Removal Procedures

If the individual does not promptly cease the disruptive behavior after the warning, the presiding officer may order the individual removed from the meeting.

- **In-person:** The individual may be asked to leave the Council Chambers, or other meeting location. If necessary, law enforcement or security personnel may escort the individual out.
- **Remote:** The individual may be muted or be removed from the virtual meeting platform.

### 6. Protected Speech

Nothing in this policy shall be interpreted to limit or prohibit public criticism of the policies, procedures, programs, or services of the City of Scotts Valley, or of the acts or omissions of the City Council or its members.

### 7. Re-Entry

An individual who has been removed may be permitted to return to the meeting if the presiding officer determines that doing so will not disrupt the meeting.

### 8. Documentation

City staff may document warnings and removals for the administrative record.

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Rodolfo Onchi, Public Works Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Adopt Resolution No. 1555-SP-038.1 approving the City's Engineer Report for Skypark Open Space Maintenance Assessment District Fiscal Year 2026-2027, Declaring its Intent to Impose the Assessments and Setting the Public Hearing to Consider any Objections to the Imposition of the Assessments**

## SUMMARY OF ISSUE

In 1995, the City Council formed the Skypark Open Space Maintenance Assessment District No. 1 and subsequently authorized the levy and collection of an assessment to maintain the open space district. The revenue collected to maintain the district includes linear park, two greenbelt areas, and a self-insurance fund in the event of a slope failure. The assessment district is formed pursuant to the Landscaping and Lighting Act of 1972 and must be renewed annually.

Each year, an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. One May 20, 2026, the City Council adopted a resolution instructing the City's engineer to prepare and file a report with the City Clerk in accordance with the Landscaping and Lighting Act of 1972 for the 2026-2027 fiscal year. The City Council must review and approve the report.

In addition, the City Council must state its intention to impose the annual assessments and set a date for a public hearing to consider imposing the assessments. The public hearing will be on Wednesday, June 17, 2026, at the regularly scheduled City Council Meeting. At that meeting, the City Council will hold the public hearing and consider any protests to the imposition of the assessments. As required, all 190 owners will be notified before the public hearing scheduled for June 17th, 2026 via mail.

Revenue generated by the assessment covers expenses related to landscape services as described in the Engineers Report.

## FISCAL IMPACT

No fiscal impact is associated with this action.

## STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1555-SP-038.1 a resolution of the City Council of the City of Scotts Valley approving the City's Engineer Report as filed with the City Clerk in accordance with the Landscaping and Lighting Act of 1972, declaring its intent to impose the assessments and setting the public hearing to consider any objections to the imposition of the assessments.

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1. Resolution No. 1555-SP-038.1 Skypark Approve Engineers Report-Intent to Levy-PH Time-Place
2. 2026-27 Skypark Open Space Engineer Report

**RESOLUTION NO. 1555-SP-038.1**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE ENGINEER'S REPORT FOR THE SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT FOR FISCAL YEAR 2026-2027, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS UNDER THE SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT FOR FISCAL YEAR 2026-2027, AND SETTING A TIME AND PLACE FOR HEARING PROTESTS IN RELATION THERETO (PUBLIC HEARING: JUNE 17, 2026)**

**WHEREAS**, the City of Scotts Valley, California, previously established the Skypark Open Space Maintenance Assessment District; and

**WHEREAS**, on May 20, 2026, the City Council of the City of Scotts Valley adopted Resolution No. 1555-SP-038 directing the City Engineer to prepare and file a report according to the provisions of the "Landscaping and Lighting Act of 1972" of the State of California Streets and Highways Code, Division 15, Part 2, for assessments to be levied upon and collected through the Skypark Open Space Maintenance Assessment District for fiscal year 2026-2027; and

**WHEREAS**, the Engineer's Report bearing the date of May 27, 2026, was prepared and was filed in the office of the City Clerk; and

**WHEREAS**, the City Clerk has presented the Engineer's Report to the City Council, and said Council has examined and considered the Engineer's Report and is satisfied with all the items contained in Engineer's Report; and

**WHEREAS**, the City Council of the City of Scotts Valley proposes to levy and collect annual assessments according to the "Landscaping and Lighting Act of 1972" of the State of California Streets and Highways Code, Division 15, Part 2, for Fiscal Year 2026-2027.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** as follows:

**SECTION 1.** That the Engineer's Report bearing the date of May 27, 2026, was prepared and filed with the City Clerk in conformity with the provisions of the State of California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972.

**SECTION 2.** That the City Council approves the Engineer's Report as filed and sets a public hearing for Wednesday, June 17, 2026, in the Scotts Valley City Council Chambers, 1 Civic Center Drive, in the City of Scotts Valley, California, to consider the levy and collection of the assessment for the Skypark Open Space Maintenance Assessment District for Fiscal Year 2026-2027.

**SECTION 3.** That the City Clerk or designee is authorized and directed to give notice of the hearing in time, form, and manner as required by the California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972.

**SECTION 4.** That the City Council declares its intention to levy upon and collect assessments at the same rate as previously established through the Skypark Open Space Maintenance District for Fiscal Year 2026-2027.

**SECTION 5.** That the boundaries of the Skypark Open Space Maintenance Assessment District are described in Resolution No. 1555-SP-04.

**SECTION 6.** That the purposes of the District are those provided for in the Engineer's Report on file with the City Clerk.

**SECTION 7.** That this resolution shall be effective immediately.

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 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

**ENGINEER'S REPORT**
**Fiscal Year 2026-2027**

**SKYPARK OPEN SPACE**
**MAINTENANCE ASSESSMENT DISTRICT NO. 1**
**Tract No. 1380**

**CITY OF SCOTTS VALLEY**
**Santa Cruz County, California**

**Donna Lind**
**Mayor**

| | |
|---|---|
| **Steve Clark**<br>**Vice Mayor** | **Krista Jett**<br>**Council Member** |
| **Derek Timm**<br>**Council Member** | **Greg Wimp**<br>**Council Member** |

**Mali LaGoe**
**City Manager**

**Rodolfo Onchi, RCE 72157**
**Public Works Director / City Engineer**

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

**ASSESSMENT**

**Fiscal Year 2026-2027**

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

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

**NOW, THEREFORE**, I, **Rodolfo Onchi, RCE 72157**
Public Works Director / City Engineer of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto; to be paid by the assessment district for the fiscal year 2026-2027 is as follows:

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

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

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

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

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2026-2027 to the right of the parcel numbers and includes all of such parcels.

5/27/2026
Date

Rodolfo Onchi, RCE 72157
Public Works Director / City Engineer

## DESCRIPTION OF WORK

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

1. WEEDING - Mechanical and chemical methods of maintaining weeds, including hard and soft-scaped areas.
2. PRUNING - Prune all shrubs and trees up to 12” in diameter as required, thinning and shaping as necessary to present a maintained appearance.
3. FERTILIZER - Fertilize trees, shrubs, and ground cover twice a year with a complete slow-release fertilizer.
4. INSECT & PEST CONTROL - Control of minor insect and pest conditions as needed to support overall landscape health. This excludes treatment of major insect or pest infestations, including but not limited to grubs, gophers, moles, voles, and ground squirrels.
5. LAWN CARE: MOW AND EDGE - Mow and edge lawns up to twice per month during growing season and as needed during winter months to maintain a manicured appearance.
6. IRRIGATION SYSTEM: IRRIGATION CONTROLLERS - All irrigation controllers will be adjusted in the winter, spring, and summer to help maintain a lush landscape and to help prevent under or overwatering.
7. YEARLY SYSTEM CHECK - A full system inspection before the spring start-up to ensure the system is running properly and repaired as needed throughout the year.
8. DRIVEWAYS, STREETS AND DRAINS: LITTER REMOVAL - Litter will be removed from all landscaped areas, driveways and drains.
9. TRASH RECEPTACLES- All trash receptacles on pathway will be serviced weekly.
10. BLOWING - All walkways and parking lot curb lines.
11. DRAINAGE- Storm water run-off drain surface grates will be visually inspected.
12. DUMPING FEES HAULING- All green waste generated by the crew will be off-hauled.
13. The improvements referenced above are all within the boundaries of parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No. 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15 (hereinafter referred to as Final Maps).
14. The cost of slope subsidence/stability insurance or a self-insurance fund for any and all slope failures within the boundaries of parcels 14, 15, 16, 17, A and B as shown on the aforesaid Final Maps.

**SKYPARK OPEN SPACE**

**MAINTENANCE ASSESSMENT DISTRICT NO. 1**

**Engineer's Estimate**

**Fiscal Year 2026-2027**

**BENEFIT ASSESSMENT**

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2026-2027 is as follows:

**<u>MAINTENANCE</u>**

1. Maintenance contract

| | | |
|---|---|---|
| a. | Linear Trail Open Space | $ 19,000.00 |
| b. | Greenbelt Maintenance | $ 5,850.00 |
| b. | Water Cost - Greenbelts | $ 12,334.94 |
| c. | Utilities (PG&E) | $ 390.60 |
| | Subtotal | $ 37,575.54 |
| | Total maintenance cost (12-month period) | |

**<u>INSURANCE</u>**

| | | |
|---|---|---|
| 1. | Self-Insurance Fund for Park Slope/Bluff Area | $ 0.00 |

**<u>INCIDENTALS</u>**

| | | |
|---|---|---|
| 1. | City administration of Contracted Work (10% Overhead) | $ 4,175.06 |
| | Total Costs | $ 41,750.60 |
| | **BALANCE TO ASSESSMENT** | **$ 41,750.60** |

*For Fiscal Year 2025-2026, the budget reflects only the assessment revenue collected from property owners within the Skypark Open Space Maintenance Assessment District. While the need for ongoing maintenance and improvements exceeds the amount generated by the annual assessments, expenditures will be limited to available revenues. As such, maintenance activities will be prioritized and performed based on the funds collected, and no additional expenditures beyond the budgeted amount are anticipated.*

## RULES OF SPREADING ASSESSMENTS

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

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

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

## Certificates

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

___________________________________
Cathie Simonovich, City Clerk

I, Rodolfo Onchi, RCE , Acting City Engineer of the City of Scotts Valley, do hereby certify that the amounts set forth under the Engineer's Estimate on Page 1 of the Assessment, and the individual amounts on the foregoing pages of the Assessment have been computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1555-SP-038, duly adopted by said City Council on May 20, 2026.

___________________________________
Rodolfo Onchi, RCE 72157
Public Works Director / City Engineer

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

___________________________________
Cathie Simonovich, City Clerk

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

___________________________________
Cathie Simonovich, City Clerk

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

Public Works Director / City Engineer
Scotts Valley, Santa Cruz County, California

By ___________________________________
Rodolfo Onchi, RCE 72157

**SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1**

**ASSESSMENT ROLL**

| Assessment No. | Assessor's Parcel No. | Assessment Amount |
|---|---|---|
| 1001 | 22-691-01 | $219.74 |
| 1002 | 22-691-02 | $219.74 |
| 1003 | 22-691-03 | $219.74 |
| 1006 | 22-691-06 | $219.74 |
| 1007 | 22-691-07 | $219.74 |
| 1008 | 22-691-08 | $219.74 |
| 1009 | 22-691-09 | $219.74 |
| 1010 | 22-691-10 | $219.74 |
| 1011 | 22-691-11 | $219.74 |
| 1012 | 22-691-12 | $219.74 |
| 1013 | 22-691-13 | $219.74 |
| 1014 | 22-691-14 | $219.74 |
| 1015 | 22-691-15 | $219.74 |
| 1016 | 22-691-16 | $219.74 |
| 1017 | 22-691-17 | $219.74 |
| 1018 | 22-691-18 | $219.74 |
| 1004 | 22-691-20 | $219.74 |
| 1005 | 22-691-21 | $219.74 |
| 1144 | 22-692-01 | $219.74 |
| 1145 | 22-692-02 | $219.74 |
| 1146 | 22-692-03 | $219.74 |
| 1147 | 22-692-04 | $219.74 |
| 1148 | 22-692-05 | $219.74 |
| 1149 | 22-692-06 | $219.74 |
| 1150 | 22-692-07 | $219.74 |
| 1151 | 22-692-08 | $219.74 |
| 1152 | 22-692-09 | $219.74 |
| 1153 | 22-692-10 | $219.74 |
| 1154 | 22-692-11 | $219.74 |
| 1177 | 22-692-12 | $219.74 |
| 1178 | 22-692-13 | $219.74 |
| 1179 | 22-692-14 | $219.74 |
| 1180 | 22-692-15 | $219.74 |
| 1181 | 22-692-16 | $219.74 |

| | | |
|---|---|---|
| 1182 | 22-692-17 | $219.74 |
| 1183 | 22-692-18 | $219.74 |
| 1184 | 22-692-19 | $219.74 |
| 1185 | 22-692-20 | $219.74 |
| 1186 | 22-692-21 | $219.74 |
| 1187 | 22-692-22 | $219.74 |
| 1188 | 22-692-23 | $219.74 |
| 1189 | 22-692-24 | $219.74 |
| 1190 | 22-692-25 | $219.74 |
| 1107 | 22-693-01 | $219.74 |
| 1108 | 22-693-02 | $219.74 |
| 1109 | 22-693-03 | $219.74 |
| 1110 | 22-693-04 | $219.74 |
| 1137 | 22-693-05 | $219.74 |
| 1138 | 22-693-06 | $219.74 |
| 1139 | 22-693-07 | $219.74 |
| 1140 | 22-693-08 | $219.74 |
| 1141 | 22-693-09 | $219.74 |
| 1142 | 22-693-10 | $219.74 |
| 1143 | 22-693-11 | $219.74 |
| 1019 | 22-701-01 | $219.74 |
| 1020 | 22-701-02 | $219.74 |
| 1021 | 22-701-03 | $219.74 |
| 1022 | 22-701-04 | $219.74 |
| 1023 | 22-701-05 | $219.74 |
| 1024 | 22-701-06 | $219.74 |
| 1025 | 22-701-07 | $219.74 |
| 1026 | 22-701-08 | $219.74 |
| 1027 | 22-701-09 | $219.74 |
| 1028 | 22-701-10 | $219.74 |
| 1029 | 22-701-11 | $219.74 |
| 1030 | 22-701-12 | $219.74 |
| 1031 | 22-701-13 | $219.74 |
| 1032 | 22-701-14 | $219.74 |
| 1033 | 22-701-15 | $219.74 |
| 1176 | 22-702-01 | $219.74 |
| 1175 | 22-702-02 | $219.74 |
| 1174 | 22-702-03 | $219.74 |
| 1173 | 22-702-04 | $219.74 |
| 1172 | 22-702-05 | $219.74 |
| 1171 | 22-702-06 | $219.74 |
| 1170 | 22-702-07 | $219.74 |
| 1169 | 22-702-08 | $219.74 |

| | | |
|---|---|---|
| 1168 | 22-702-09 | $219.74 |
| 1167 | 22-702-10 | $219.74 |
| 1166 | 22-702-11 | $219.74 |
| 1165 | 22-702-12 | $219.74 |
| 1164 | 22-702-13 | $219.74 |
| 1163 | 22-702-14 | $219.74 |
| 1162 | 22-702-15 | $219.74 |
| 1161 | 22-702-16 | $219.74 |
| 1160 | 22-702-17 | $219.74 |
| 1159 | 22-702-18 | $219.74 |
| 1158 | 22-702-19 | $219.74 |
| 1157 | 22-702-20 | $219.74 |
| 1156 | 22-702-21 | $219.74 |
| 1155 | 22-702-22 | $219.74 |
| 1134 | 22-702-26 | $219.74 |
| 1133 | 22-702-27 | $219.74 |
| 1132 | 22-702-28 | $219.74 |
| 1131 | 22-702-29 | $219.74 |
| 1115 | 22-702-30 | $219.74 |
| 1114 | 22-702-31 | $219.74 |
| 1113 | 22-702-32 | $219.74 |
| 1112 | 22-702-33 | $219.74 |
| 1111 | 22-702-34 | $219.74 |
| 1135 | 22-702-36 | $219.74 |
| 1136 | 22-702-37 | $219.74 |
| 1105 | 22-703-01 | $219.74 |
| 1106 | 22-703-02 | $219.74 |
| 1073 | 22-703-03 | $219.74 |
| 1072 | 22-703-04 | $219.74 |
| 1129 | 22-711-01 | $219.74 |
| 1128 | 22-711-02 | $219.74 |
| 1127 | 22-711-03 | $219.74 |
| 1126 | 22-711-04 | $219.74 |
| 1125 | 22-711-05 | $219.74 |
| 1124 | 22-711-06 | $219.74 |
| 1123 | 22-711-07 | $219.74 |
| 1122 | 22-711-08 | $219.74 |
| 1121 | 22-711-09 | $219.74 |
| 1120 | 22-711-10 | $219.74 |
| 1119 | 22-711-11 | $219.74 |
| 1118 | 22-711-12 | $219.74 |
| 1117 | 22-711-13 | $219.74 |
| 1100 | 22-711-14 | $219.74 |

| | | |
|---|---|---|
| 1099 | 22-711-15 | $219.74 |
| 1098 | 22-711-16 | $219.74 |
| 1097 | 22-711-17 | $219.74 |
| 1096 | 22-711-18 | $219.74 |
| 1095 | 22-711-19 | $219.74 |
| 1094 | 22-711-20 | $219.74 |
| 1093 | 22-711-21 | $219.74 |
| 1092 | 22-711-22 | $219.74 |
| 1091 | 22-711-23 | $219.74 |
| 1090 | 22-711-24 | $219.74 |
| 1089 | 22-711-25 | $219.74 |
| 1088 | 22-711-26 | $219.74 |
| 1087 | 22-711-27 | $219.74 |
| 1086 | 22-711-28 | $219.74 |
| 1085 | 22-711-29 | $219.74 |
| 1084 | 22-711-30 | $219.74 |
| 1083 | 22-711-31 | $219.74 |
| 1082 | 22-711-32 | $219.74 |
| 1081 | 22-711-33 | $219.74 |
| 1080 | 22-711-34 | $219.74 |
| 1079 | 22-711-35 | $219.74 |
| 1078 | 22-711-36 | $219.74 |
| 1130 | 22-711-38 | $219.74 |
| 1116 | 22-711-39 | $219.74 |
| 1101 | 22-711-40 | $219.74 |
| 1102 | 22-711-41 | $219.74 |
| 1103 | 22-711-42 | $219.74 |
| 1104 | 22-711-43 | $219.74 |
| 1074 | 22-711-44 | $219.74 |
| 1075 | 22-711-45 | $219.74 |
| 1076 | 22-711-46 | $219.74 |
| 1077 | 22-711-47 | $219.74 |
| 1034 | 22-712-01 | $219.74 |
| 1035 | 22-712-02 | $219.74 |
| 1036 | 22-712-03 | $219.74 |
| 1037 | 22-712-04 | $219.74 |
| 1038 | 22-712-05 | $219.74 |
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| 1040 | 22-712-07 | $219.74 |
| 1041 | 22-712-08 | $219.74 |
| 1042 | 22-712-09 | $219.74 |
| 1043 | 22-712-10 | $219.74 |
| 1044 | 22-712-11 | $219.74 |

| | | |
|---|---|---|
| 1045 | 22-712-12 | $219.74 |
| 1046 | 22-712-13 | $219.74 |
| 1047 | 22-712-14 | $219.74 |
| 1048 | 22-712-15 | $219.74 |
| 1049 | 22-712-16 | $219.74 |
| 1050 | 22-712-17 | $219.74 |
| 1051 | 22-712-18 | $219.74 |
| 1052 | 22-712-19 | $219.74 |
| 1053 | 22-712-20 | $219.74 |
| 1054 | 22-712-21 | $219.74 |
| 1071 | 22-713-01 | $219.74 |
| 1070 | 22-713-02 | $219.74 |
| 1069 | 22-713-03 | $219.74 |
| 1068 | 22-713-04 | $219.74 |
| 1067 | 22-713-05 | $219.74 |
| 1066 | 22-713-06 | $219.74 |
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| 1064 | 22-713-08 | $219.74 |
| 1063 | 22-713-09 | $219.74 |
| 1062 | 22-713-10 | $219.74 |
| 1061 | 22-713-11 | $219.74 |
| 1060 | 22-713-12 | $219.74 |
| 1059 | 22-713-13 | $219.74 |
| 1058 | 22-713-14 | $219.74 |
| 1057 | 22-713-15 | $219.74 |
| 1056 | 22-713-16 | $219.74 |
| 1055 | 22-713-17 | $219.74 |

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Rodolfo Onchi, Public Works Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Adopt Resolution No. 1213.40.1 approving the City's Engineer Report for Pinewood Estates Maintenance Assessment District Fiscal Year 2026-2027, Declaring its Intent to Impose the Assessments and Setting the Public Hearing to Consider any Objections to the Imposition of the Assessments**

## SUMMARY OF ISSUE

On July 15, 1987, Resolution No. 1213 was adopted by City Council to form the referenced assessment district pursuant to the Landscape and Lighting Act of 1972. The District improvements, which generally consist of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds, were dedicated to the City by the developer of Pinewood Estates subdivision. These improvements were planted/constructed in the right-of-way of Lockewood Lane and in landscaping easements from the subdivision. The district participants are the twenty-five Pinewood Estates homeowners, who are being assessed for the cost of maintaining the improvements.

The District special fund is annually depleted and an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. One May 20, 2026, the City Council adopted a resolution instructing the City's engineer to prepare and file a report with the City Clerk in accordance with the Landscaping and Lighting Act of 1972 for the 2026-2027 fiscal year. The City Council must review and approve the report.

In addition, the City Council must state its intention to impose the annual assessments and set a date for a public hearing to consider imposing the assessments. The public hearing will be on Wednesday, June 17, 2026, at the regularly scheduled City Council Meeting. At that meeting, the City Council will hold the public hearing and consider any protests to the imposition of the assessments. As required, all 25 owners will be notified before the public hearing scheduled for June 17th, 2026 via mail.

## FISCAL IMPACT

No fiscal impact is associated with this action.

## STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1213.40.1 approving the City's Engineer Report as filed with the City Clerk, declaring its intent to impose the assessments and setting the public hearing to consider any objections to the imposition of the assessments in accordance with the Landscaping and Lighting Act of 1972.

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**ANNUAL ENGINEER'S REPORT**
**Fiscal Year 2026-2027**

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

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




**Rodolfo Onchi, RCE 72157**
**Public Works Director / City Engineer**

**ASSESSMENT**

**Fiscal Year 2026-2027**

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

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

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

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

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

**NOW, THEREFORE, I**, Rodolfo Onchi, RCE 72157, Public Works Director/City Engineer of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2026-2027 is as follows:

| | |
|---|---|
| **Engineer's Estimate:** | **$ 6,000.00** |
| **Amount to be Assessed:** | **$ 6,000.00** |

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

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

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

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2026-2027 to the right of the parcel numbers and includes all of such parcels.

Dated: 5/27/2026

Rodolfo Onchi, RCE 72157,
Public Works Director / City Engineer

## DESCRIPTION OF WORK

1. WEEDING - Mechanical and chemical methods of maintaining weeds, including hard and soft-scaped areas.
2. PRUNING - Prune all shrubs and trees up to 12” in diameter as required, thinning and shaping as necessary to present a maintained appearance.
3. FERTILIZER - Fertilize trees, shrubs, and ground cover twice a year with a complete slow-release fertilizer.
4. INSECT & PEST CONTROL - Control of minor insect and pest conditions as needed to support overall landscape health. This excludes treatment of major insect or pest infestations, including but not limited to grubs, gophers, moles, voles, and ground squirrels.
5. MOW AND EDGE - Mow and edge landscape up to once per week during growing season and as needed during winter months to maintain a manicured appearance.

## ESTIMATE OF COSTS

## ANNUAL MAINTENANCE COSTS

## Fiscal Year 2026-2027

Engineer's Estimate (City Engineer)

| | | |
|---|---|---|
| **Maintenance Expenses** | | |
| Maintenance and servicing | | $ 5,400.00 |
| | Subtotal | $ 5,400.00 |
| **Incidental Expenses** | | |
| City administration of Contracted Work (10% Overhead) | | $ 600.00 |
| | Subtotal | $ 600.00 |
| | Total Estimated Cost | $ 6,000.00 |
| | **Net Amount to be Assessed** | **$6,000.00** |

*For Fiscal Year 2026-2027, the budget reflects only the assessment revenue collected from property owners within the Pinewood Assessment District. While the need for ongoing maintenance and improvements exceeds the amount generated by the annual assessments, expenditures will be limited to available revenues. As such, maintenance activities will be prioritized and performed based on the funds collected, and no additional expenditures beyond the budgeted amount are anticipated.*

## RULES OF SPREADING ASSESSMENTS

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

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

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

## Certificates

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

____________________________
Cathie Simonovich, City Clerk

I, Rodolfo Onchi, Public Works Director / City Engineer for the City of Scotts Valley, do hereby certify that the amounts set forth have been re-computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1213.40, duly adopted by said City Council on May 20, 2026.

____________________________
Rodolfo Onchi, RCE 72157,
Public Works Director / City Engineer

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

____________________________
Cathie Simonovich, City Clerk

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

____________________________
Cathie Simonovich, City Clerk

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

Public Works Director / City Engineer
Scotts Valley, Santa Cruz County, California

By:________________________________
Rodolfo Onchi, RCE 72157

## City of Scotts Valley

## PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT

## ASSESSMENT ROLL

## 2026-2027

| Assessment Number | Assessor's Parcel No. | Assessment Amount |
|---|---|---|
| 1 | 021-172-01 | $240 |
| 2 | 021-172-02 | $240 |
| 3 | 021-172-03 | $240 |
| 4 | 021-172-04 | $240 |
| 5 | 021-172-05 | $240 |
| 6 | 021-172-06 | $240 |
| 7 | 021-172-07 | $240 |
| 8 | 021-172-08 | $240 |
| 9 | 021-172-09 | $240 |
| 10 | 021-172-10 | $240 |
| 11 | 021-172-11 | $240 |
| 12 | 021-172-12 | $240 |
| 13 | 021-172-13 | $240 |
| 14 | 021-172-14 | $240 |
| 15 | 021-301-01 | $240 |
| 16 | 021-301-02 | $240 |
| 17 | 021-301-03 | $240 |
| 18 | 021-301-04 | $240 |
| 19 | 021-301-05 | $240 |
| 20 | 021-301-07 | $240 |
| 21 | 021-301-08 | $240 |
| 22 | 021-301-09 | $240 |
| 23 | 021-301-10 | $240 |
| 24 | 021-301-11 | $240 |
| 25 | 021-301-12 | $240 |
| | **TOTAL ASSESSMENTS:** | **$ 6,000** |

**RESOLUTION NO. 1213.40.1**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE ENGINEER’S REPORT FOR THE PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT FOR FISCAL YEAR 2026-2027, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS UNDER THE PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT FOR FISCAL YEAR 2026-2027, AND SETTING A TIME AND PLACE FOR HEARING PROTESTS IN RELATION THERETO (PUBLIC HEARING: JUNE 17, 2026)**

**WHEREAS**, the City of Scotts Valley, California, previously established the Pinewood Estates Landscaping Maintenance District; and

**WHEREAS**, on May 20, 2026, the City Council of the City of Scotts Valley adopted Resolution No. 1213.40 directing the City Engineer to prepare and file a report according to the provisions of the “Landscaping and Lighting Act of 1972” of the State of California Streets and Highways Code, Division 15, Part 2, for assessments to be levied upon and collected through the Pinewood Estates Landscaping Maintenance District for fiscal year 2026-2027; and

**WHEREAS**, the Engineer’s Report bearing the date of May 27, 2026, was prepared and was filed in the office of the City Clerk; and

**WHEREAS**, the City Clerk has presented the Engineer's Report to the City Council, and said Council has examined and considered the Engineer's Report and is satisfied with all the items contained in Engineer's Report; and

**WHEREAS**, the City Council of the City of Scotts Valley proposes to levy and collect annual assessments according to the "Landscaping and Lighting Act of 1972" of the State of California Streets and Highways Code, Division 15, Part 2, for Fiscal Year 2026-2027.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** as follows:

**SECTION 1.** That the Engineer's Report bearing the date of May 27, 2026, was prepared and filed with the City Clerk in conformity with the provisions of the State of California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972.

**SECTION 2.** That the City Council approves the Engineer's Report as filed and sets a public hearing for Wednesday, June 17, 2026, in the Scotts Valley City Council Chambers, 1 Civic Center Drive, in the City of Scotts Valley, California, to consider the levy and collection of the assessment for the Pinewood Estates Landscaping Maintenance District for Fiscal Year 2026-2027.

**SECTION 3.** That the City Clerk or designee is authorized and directed to give notice of the hearing in time, form, and manner as required by the California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972.

**SECTION 4.** That the City Council declares its intention to levy upon and collect assessments at the same rate as previously established through the Pinewood Estates Landscaping Maintenance District for Fiscal Year 2026-2027.

**SECTION 5.** That the boundaries of the Pinewood Estates Landscaping Maintenance District are shown on the map entitled "Pinewood Estate Tract 1211".

**SECTION 6.** That the purposes of the District are those provided for in the Engineer's Report on file with the City Clerk.

**SECTION 7.** That this resolution shall be effective immediately.

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 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

| | |
|---|---|
| **DATE:** | 6/3/2026 |
| **TO:** | Honorable Mayor and City Council |
| **FROM:** | Stephanie Hill, Administrative Services Director |
| **APPROVED:** | Mali LaGoe, City Manager |
| **SUBJECT:** | **Adopt and approve annual budget items, including the Fiscal Year 2026-27 Budget** |

**SUMMARY OF ISSUE**

## Adoption of the Fiscal Year 2026-27 Annual Budget

The FY 2026-27 Final Proposed Budget is attached for City Council consideration. This budget includes a long-range financial forecast with a detailed focus on the City's General Fund, the primary funding source for City operations. It reflects Council priorities such as exploring new revenue sources, investing in service enhancements, and advancing development efforts, particularly for the Town Center.

The budget has been developed using the OpenGov platform, which enables residents, elected officials, and stakeholders to explore the City's budgets online. The platform provides real-time access to the budget and interactively displays current and historical revenues and expenditures by fund, department, and object level. This tool supports the City's ongoing commitment to transparency in local government.

The budget continues to highlight the need for long-term fiscal planning. While the City has experienced improved financial stability in recent years through voter-approved Measures Z (sales tax) and Measure X (business license modernization), long-range forecasts continue to identify structural financial challenges related to pension obligations, infrastructure investment needs, debt service obligations, and limited property tax growth. Measure Z and Measure X continue to provide fiscal stability. However, additional revenue measures may still be necessary to sustain existing service levels and future operational demands. Staff continues to monitor economic conditions and revenue trends, including sales tax performance and implementation results from Measure X.

The City is presenting a structurally balanced operating budget.

### Key Highlights

- General Government Revenue: $20.8 million

- Operating Expenses: $27.3 million
- Capital Projects: $9.4 million
- Wastewater Enterprise Revenue/Expenses: $6.5 million revenue / $6.9 million expenditures
  - Includes capital project funding that may require debt financing if all projects move forward in the same fiscal year.
- Transfers: $9.6 million (primarily supporting capital projects, debt smoothing, pension stabilization, and restricted program activities)
- Projected General Fund Ending Balance: $4.6 million, or approximately 21% of operating expenditures
- Continued monitoring of reimbursement timing associated with state and federal grant-funded infrastructure and emergency repair projects

The FY 2026-27 Budget was reviewed in detail by the City Council at the budget presentation on May 20, 2026. Staff incorporated Council direction received during the budget review process, including ongoing support for community priorities and strategic capital investments.

The full Online Budget Book will be accessible through the City's website shortly after the budget is adopted.

## Classification and Salary Schedules

As part of the current employee agreements, the Council previously adopted the FY 2024-25 through FY 2026-27 Classification and Salary Schedules. These schedules are incorporated into the proposed budget. Any future adjustments will be brought to Council for approval as needed.

## Transfers

Transfers represent the internal movement of funds between different City accounts. They help ensure balanced funding, support specific priorities such as capital projects or debt repayment, and do not constitute direct expenditures. Including these in the budget enhances transparency and supports strategic financial management.

For FY 2026-27, transfers continue to support the City's capital improvement program and long-term infrastructure planning.

## Economic Outlook and Inflation Assumptions

The FY 2026-27 Proposed Budget was developed using conservative revenue assumptions in response to continued economic uncertainty, inflationary pressures, interest rate volatility, and slowing regional revenue growth trends. Sales tax revenues are projected to remain relatively flat in the near term, while development-related revenues and charges for services are expected to remain moderately active.

The budget assumes continued inflationary impacts on labor, materials, utilities, insurance, and contracted services. Personnel cost increases reflect existing labor agreements, CalPERS pension obligations, healthcare cost trends, and competitive compensation needs necessary to support employee recruitment and retention.

While local economic activity in Scotts Valley has remained relatively stable compared to broader statewide trends, staff will continue to closely monitor revenue performance, inflationary conditions, and economic indicators throughout FY 2026-27 and will provide updates as part of the Mid-Year Budget Review process.

## Reserve Policy and Financial Stability

The City Council has established reserve policies intended to maintain fiscal stability, support operational continuity, and provide resources for economic uncertainty, emergencies, and long-term capital needs. The FY 2026-27 Proposed Budget includes a planned use of approximately $0.9 million in General Fund reserves while maintaining reserve levels above the City's minimum policy target.

The projected FY 2026-27 ending General Fund balance is approximately $4.6 million, or 21% of operating expenditures, which remains above the City's minimum reserve target of 17%. However, long-range forecasts project reserve levels declining below the minimum policy threshold beginning in FY 2027-28 if additional corrective actions or revenue enhancements are not implemented.

To support long-term financial sustainability and reduce future budget volatility, the City continues to evaluate operational efficiencies, revenue opportunities, capital funding strategies, and use of the Section 115 Pension Stabilization Trust to help offset future pension cost increases.

## Long-Range Financial Planning

The FY 2026-27 Proposed Budget includes a 10-year long-range forecast. While recent revenue measures and expenditure controls have improved the City's outlook, the long-term forecast continues to identify structural financial challenges that will require ongoing monitoring and policy decisions.

Planned Actions to Address the Structural Deficit

1. Continue monitoring results of Measure X business license tax modernization and evaluate long-term revenue performance.
2. Continue evaluation of a Transient Occupancy Tax (TOT) adjustment for a November 2026 ballot consideration.
3. Continue reviewing staffing levels, vacancies, and operational efficiencies prior to refilling positions.
4. Continue refinement of force accounting, internal service allocations, and utilization of special revenue funds to reduce pressure on the General Fund.
5. Strategically prioritize capital projects and infrastructure investments based on long-term funding capacity.
6. Utilize funds from the Section 115 Pension Stabilization Trust to offset projected pension cost increases and smooth future CalPERS unfunded accrued liability (UAL)

rate volatility.
7. Continue pursuing grant funding and reimbursement opportunities to support capital and infrastructure projects.

The FY 2026-27 long-range forecast assumes continued implementation of Measure X revenues and includes modeling associated with a potential future increase in the Transient Occupancy Tax from 11% to 12% beginning in 2027. The forecast also incorporates anticipated pension cost increases, debt service obligations, and long-term infrastructure investment needs. The City continues to evaluate operational efficiencies and strategic funding approaches, including use of the Section 115 Pension Stabilization Trust, to support long-term fiscal sustainability.

## Annual Adoption of the Utility Users Tax

In accordance with Ordinance No. 109.3 (SVMC §3.35.180), the City Council must annually authorize the continued collection of the Utility Users Tax on gas and electric service providers serving properties in Scotts Valley. The FY 2026-27 Proposed Budget assumes continued collection of this tax to support essential City services.

**FISCAL IMPACT**

The FY 2026-27 Proposed Budget anticipates total revenues of approximately $32.8 million and expenditures of approximately $38.0 million, including approximately $9.4 million in capital improvement projects. Fund transfers totaling approximately $9.6 million support capital projects, pension stabilization, debt smoothing, wastewater infrastructure improvements, recreation programming, and other restricted activities. The budget includes planned use of approximately $0.9 million in General Fund reserves and approximately $4.3 million from other funds to support operational and capital priorities while maintaining General Fund reserve levels above the City's minimum policy target for FY 2026-27.

**STAFF RECOMMENDATION**

It is recommended the City Council adopt the following resolutions:

1. Resolution No. 630.47 approving the FY 2026-27 Annual Budget and making related appropriations.
2. Resolution No. 1501.33 approving the continued collection of the Utility Users Tax for FY 2026-27.

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**RESOLUTION NO. 630.47**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CITY'S ANNUAL BUDGET FOR FISCAL YEAR 2026-27 AND MAKING APPROPRIATIONS FOR THE AMOUNTS BUDGETED**

**WHEREAS**, the City Manager is responsible for preparing and submitting a City budget for the operation and improvements of the community for City Council approval; and

**WHEREAS**, the City Council has reviewed and evaluated the proposed budget submitted by the City Manager; and

**WHEREAS**, the community has had an opportunity to review and make additional suggestions regarding the proposed annual budget to the City Council.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** as follows:

1. The City of Scotts Valley's FY 2026-27 Annual Budget for the fiscal year ending June 30, 2027 is hereby approved as set forth in the attached Exhibit A and incorporated herein.

2. The City Manager is hereby delegated responsibility for the administration of the budget and is authorized to transfer appropriations as necessary between departments, except that any transfers between funds must be approved by the City Council.

3. The City Manager is authorized to establish encumbrances from unexpended budget appropriations for operating and/or capital expenditures from the prior and current fiscal year, and shall not certify any encumbrance nor execute any payment in excess of approved department budget appropriations.

4. The City Manager or designee is hereby authorized to establish an operating reserve to accumulate receipts in excess of the estimated revenues as set forth in the budget document. Said reserve is established for the purpose of funding the budget of subsequent years and the receipts in this reserve are hereby appropriated for said purpose.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a special meeting held on the 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley Annual Budget

## FY 2026-2027

# FY 2026–27 BUDGET

## Table of Contents



# FY 2026–27 Proposed Budget

*Budget Highlights & City Council Strategic Goals*

## Budget Highlights

### $38.0 Million
Total expenditure budget including operations and capital improvements.

### $32.8 Million
Total FY 2026–27 revenues, including Measure Z and Measure X revenues.

### $9.4 Million CIP
Roadway, wastewater, and community infrastructure investments.

### $4.6 Million
Projected General Fund ending balance, equal to approximately 21% of operating expenditures.

### Community Investment
Continued investments in staffing, recreation, economic development, and Town Center planning.

### Long-Range Planning
Continued focus on pension stabilization, fiscal sustainability, and operational efficiencies.

## City Council Strategic Goals

**1.** Maximize citywide high performance through efficient use of resources, proactive revenue development, adaptability, and strategic thinking across all operational areas.

**2.** Promote safety across the City through improving road conditions, including safe routes for cyclists and pedestrians, preparing for and preventing wildfire impacts, and continuing proactive, community-based policing.

**3.** Support a thriving city through economic development, diverse and affordable housing, recreation programs, (protecting and) promoting the City's brand and supporting community building events.

**4.** Improve City facilities to meet the needs of a modern workforce and community services.

**5.** Invest in and continue planning the City's Town Center.

## City Manager Budget Message

May 20, 2026

**Honorable Mayor and Members of the City Council:**

With appreciation for the tremendous collective effort dedicated to its development, the FY 2026–27 City of Scotts Valley Preliminary Budget is presented to the City Council for consideration. As I reflect on this budget and the City's accomplishments over the last year, I am proud of the progress we've made toward restoring fully functional municipal services to the Scotts Valley community.

With full staffing in the Public Works Engineering Division, the City advanced an ambitious capital improvement program, with approximately $4.5 million in capital projects projected to be completed in FY 2025–26. Notable accomplishments include approximately $1.8 million invested in resurfacing 15 lane miles of roadway, as well as the completion of the new Skypark playground project, a $750,000 improvement that was fully grant funded. Building on this momentum, and with the addition of a new Engineering Tech position, the proposed FY 2026–27 Capital Improvement Program totals approximately $9.4 million. The City also continues to strengthen its long-term operational stability through initiatives such as a five-year technology equipment replacement plan designed to improve cybersecurity, modernize systems, and enhance workforce efficiency.

The City's workforce has also continued to stabilize following several years of recruitment and retention challenges. At the time of this report in April 2026, the City reported a 0% vacancy rate across all departments, reflecting substantial progress in organizational staffing and service capacity. For example, in the Police Department, under Chief Rutherford's leadership, positions have been restructured to create career paths to encourage emerging leaders to stay with Scotts Valley PD rather than leave the City for career advancement in another agency. These successes in hiring and retaining employees have positioned the organization to better deliver services, manage increasing workloads, and sustain long-term operational resilience.

Our administration team, although behind the scenes, has also accomplished great success in ensuring the city runs smoothly and public facing departments have the support they need, and in modernizing systems and minimizing risk. As a result, the City organization is more stable, productive and responsive to resident needs than it has been in many years.

We've accomplished these successes even though economic uncertainty continues to persist due to inflationary pressures, interest rate volatility, new tariffs, and shifting federal and state economic policies. Fortunately, the Scotts Valley economy has remained relatively stable, with sales tax revenues

## Fiscal Year 2026-2027 Budget

### $32.8 Million Revenue

- $4.3 Million Measure Z
- $1.2 Million Measure X

### $38.0 Million Expenses

- $27.3 Million Operating Expenses
- $9.4 Million Capital Projects

### Labor Force

- 66.5 Staff
- <2% Vacancy Rate

### Planned Use of Reserves

$0.9 Million General Fund

$4.3 Million Other Funds

remaining flat and only slight declines in hotel and utility users taxes, compared to other areas of California. Looking ahead, the City's economic outlook remains cautious, with sales tax projections anticipated to remain flat into the coming fiscal year. As a result, the City must continue making thoughtful and often difficult decisions to maintain quality service levels for our community while balancing the budget and planning for long-term financial stability.

Due to being a low-property tax City, Scotts Valley is highly dependent on local voter-approved revenue measures and much of our recent success is due to revenue generated by Measure Z, the City's 1.25% sales and use tax approved by voters in March 2020. In the current fiscal year, Measure Z provided approximately $4.3 million in revenue, allowing the City to address critical staffing needs across multiple departments. For the FY 2026–27 Preliminary Budget, Measure Z revenues are projected to remain flat. As one of the City's most significant revenue sources, sales tax performance will continue to be closely monitored as economic conditions evolve and market trends become clearer.

Measure X, approved overwhelmingly by Scotts Valley voters in November 2024, modernized the City's business license tax structure by transitioning from an employee-based model to a gross receipts-based system. FY 2026–27 represents the first full year of Measure X implementation, with total Business License Tax revenue estimated at approximately $1.2 million. The City recognizes that local businesses continue to face economic challenges, including inflationary pressures, rising operating costs, and broader economic uncertainty. As a result, the implementation and ongoing administration of Measure X remains an important area of focus and communication with the business community as they work to balance increasing expenses in a difficult economic climate. In addition, the City continues compliance efforts to identify businesses operating without a business license in order to promote fairness and ensure all businesses contribute equitably to City services.

**The City Council established the following priorities for the current and next fiscal years:**

1. *Maximize citywide high performance through efficient use of resources, proactive revenue development, adaptability, and strategic thinking across all operational areas.*
2. *Promote safety across the City through improving road conditions including safe routes for cyclists and pedestrians, preparing for and preventing wildfire impacts, and continuing proactive, community-based policing.*
3. *Support a thriving city through economic development, diverse and affordable housing, recreation programs, (protecting and) promoting the City's brand and supporting community building events.*
4. *Improve City facilities to meet the needs of a modern workforce and community services.*
5. *Invest in and continue planning the City's Town Center.*

These goals have been used to inform the proposed budget and are supported by strategies and tactics developed by staff. Quarterly reports track progress of each goal and are posted to the City's website.

### *Budget Overview*

The proposed FY 2026–27 Annual Budget reflects cautious revenue assumptions as the City and the broader region continue to navigate inflationary pressures and ongoing economic uncertainty. The Preliminary Budget includes total revenues of approximately $32.8 million, of which $16.6 million is generated from tax revenues, including Measures X and Z. Total expenditures are budgeted at approximately $38 million, including $27.3 million in operating expenditures and an ambitious $9.4 million Capital Improvement Program focused on maintaining and enhancing City infrastructure and services.

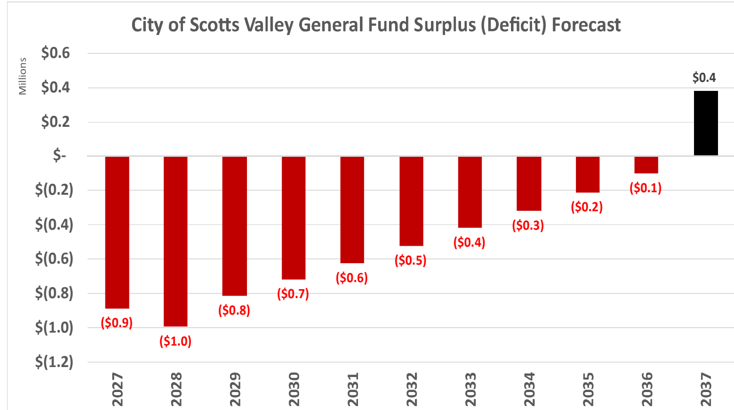
The budget includes the planned use of approximately $0.9 million in General Fund balance, along with an additional $4.3 million from other funds to support capital projects and recreation programming. As in prior years, it is unlikely that every capital project will be completed within the fiscal year or that all positions will remain fully staffed throughout the year, which historically has resulted in expenditure savings and reduced impacts to fund balance as the year progresses.

**Highlights from the proposed FY 2026-27 budget are as follows:**

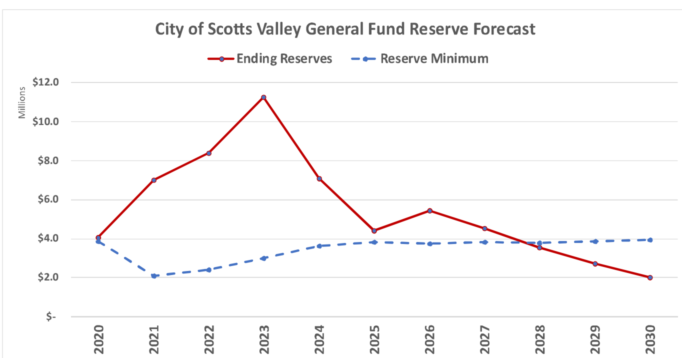
- The City's General Fund balance is above the minimum reserve levels for FY 2026-27. It is projected to decline below minimum reserve targets by the end of FY 2027–28 due to sluggish revenue growth, increasing pension obligations, and rising debt service payments in future years.
- In alignment with the City's fiscal policies, the proposed budget strategically relies on special revenue funds and other available funding sources to preserve General Fund reserves. A comprehensive review of allowable expenditures, expanded use of force accounting, and restructuring of the Capital Improvement Program (CIP) and capital outlay funding has eliminated the need for a General Fund transfer to the CIP Fund in FY 2026–27. These efforts are reflected in increased transfer activity between funds and a broader allocation of departmental expenses to eligible non-General Fund sources.
- The FY 2026–27 budget and long-range forecast assume placement of a 2026 ballot measure to increase the Transient Occupancy Tax (hotel tax) from 11% to 12%, beginning in 2027. Any variations to the rate and passage of the measure will be updated during the Mid-Year Budget review.
- Labor cost increases included in the budget reflect the City's current three-year labor agreements and the City's commitment to maintaining competitive compensation packages for employees. The largest personnel cost increases continue to occur within the Police Department. The proposed budget also includes the addition of one new Engineering Technician position to support the City's expanding Capital Improvement Program and increasing project needs. In addition, select programs and staffing assignments have been restructured to improve operational efficiency. Vacant positions will continue to be evaluated throughout the year to assess operational necessity and organizational efficiency prior to refilling.
- The School Resource Officer program continues to be funded entirely by the City's General Fund.
- The budget allocates $50,000 in General Fund support for the City's Community Grant Program. Additionally, two youth-focused programs are proposed to receive $12,000 from the Youth Programs Special Revenue Fund.
- The Economic Development budget continues to prioritize investments that support future Town Center development and long-term economic vitality. The City is also exploring additional economic development opportunities to assist local businesses with ADA improvements, green building enhancements, and similar investments intended to strengthen and support the local business community.
- The FY 2026–27 Capital Improvement Program emphasizes continued roadway improvements, including planned work along Scotts Valley Drive, as well as the initial phases of the new Shugart Park buildout.

## *Fiscal Reserves and Long-Range Forecast*

The City Council has established reserve policies intended to maintain fiscal stability for both operating and capital funds. The General Fund is projected to utilize approximately $0.9 million in reserves during FY 2026–27 as expenditures continue to outpace revenues in order to maintain core City services and deliver critical capital improvement projects. The projected ending General Fund balance for FY 2026–27 is approximately $4.6 million, or 21% of operating expenditures, which remains above the City's minimum reserve target of 17%. However, based on current projections, the General Fund balance is expected to fall below the minimum reserve target in FY 2027–28.

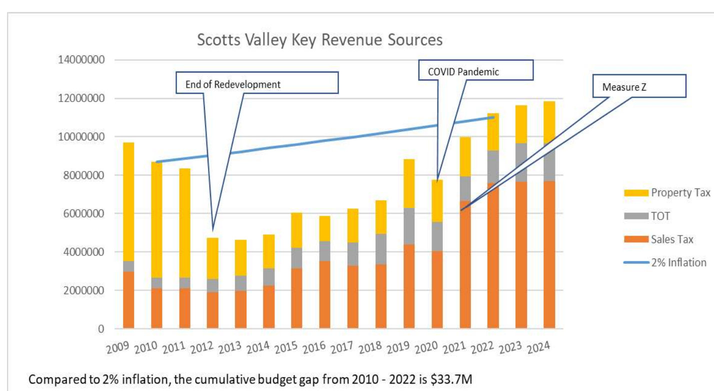



The City's long-range financial forecast incorporates the full implementation of Measure X as well as a proposed increase in the Transient Occupancy Tax (hotel tax) from 11% to 12% beginning in 2027. Even with these revenue assumptions, expenditures are projected to exceed revenues by approximately $1 million annually in the near term, with gradual improvement over time. While these projections present significant long-term challenges, they also provide the City time to closely monitor economic conditions, evaluate operational efficiencies, and consider future revenue and expenditure strategies.




The operating surpluses experienced between 2021 and 2023 were largely attributable to one-time federal American Rescue Plan Act (ARPA) funding, combined with reduced staffing levels and limited capital project activity during and following the pandemic period. In 2024, the City Council established a Section 115 Pension Trust Fund with an initial $2 million contribution to begin proactively addressing future pension obligations and long-term liabilities.

To fully understand the City's long-range financial outlook, it is important to recognize the lasting impacts of past fiscal challenges. The chart below illustrates the City's major tax revenue sources from 2009 through 2024. The loss of redevelopment revenue was not meaningfully offset for nearly a decade, leaving the City in a difficult financial position until the passage of Measure Z in 2020. When adjusted for inflation, the cumulative impact of those lost revenues exceeds $30 million. Today, property tax revenues generate approximately $2.1 million annually, representing only 9% of the City's governmental revenues, while Measure Z generates approximately $4.3 million annually, accounting for nearly 20% of total governmental revenue. This revenue structure



highlights the City's continued reliance on voter-approved local funding measures to maintain service levels and operational stability.

In addition, years of deferred maintenance on streets, parks, buildings, and other public infrastructure have left the City facing substantial reinvestment needs. The City continues to work through a costly period of catching up on long-deferred capital improvements and infrastructure modernization. Natural disasters requiring emergency road repairs exasperate the City's challenged infrastructure, and our engineering team's capacity to focus on planned CIP projects. The City's budget forecast cannot predict the unanticipated costs or the cashflow impacts of waiting for state or federal emergency funding reimbursements when natural disasters hit and the City does not currently have set aside reserves for emergencies.

To better understand and prioritize capital needs, Public Works has completed several long-range planning assessments, including the Citywide Parks Master Plan, Pavement Condition Assessment, and Facility Conditions Assessment. Currently underway are the Wastewater Master Plan and the Skypark Facility Master Plan, both of which are intended to guide efficient infrastructure investment and resource planning over the next decade and beyond. This budget also includes $50,000 for a future City Hall feasibility study, the first step in identifying a long-term solution to City's facility inadequacies. The projects identified through these planning efforts will continue to inform the City's long-range financial forecast and future Capital Improvement Program priorities.

I would be remiss to not dedicate a portion of this summary to the Town Center. Over the last three years, the City has made incredible progress toward making the Town Center a reality and FY 2026-27 will be no different as we negotiate a development agreement with a to-be-determined private development partner, based on the City's updated vision. The City has invested wisely to remove the prior barriers to development, and with market forces on our side, soon we will see the Town Center constructed!

### *In Closing*

Scotts Valley is not alone in facing financial challenges; however, our challenges are unique due to our low property tax rate. The City is on a path of modernization and renewal to bring back our streets, parks and services to a level that our staff and community can be proud of. I believe the team at the City is up to this task, but the community will need to continue to fund this important work for current and future generations.

Thank you to the City Council for your ongoing support and commitment to the Scotts Valley community. Thank you to Mayor Lind and Vice Mayor Clark, as the budget subcommittee, for your guidance and feedback as we prepared this budget; and a huge thank you to the finance team and the entire City staff for your incredibly hard work to help move our City forward.

Mali LaGoe
Mali LaGoe (May 14, 2026 12:46:26 PDT)

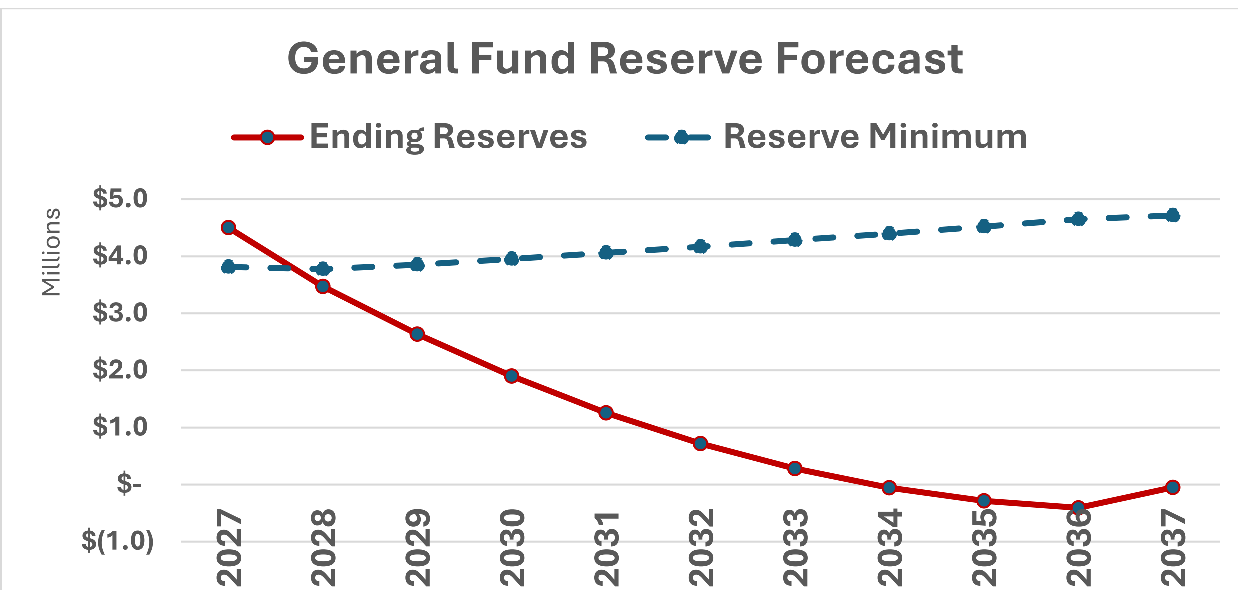
Mali LaGoe, City Manager

## Long-Range Financial Forecast

The City prepares a long-range financial forecast to support strategic decision-making, evaluate fiscal sustainability, and identify future financial challenges and opportunities. The forecast is intended to provide a planning framework rather than predict exact outcomes. It allows the City Council and community to better understand long-term trends affecting operations, capital investment needs, reserve levels, and service sustainability.

The General Fund forecast incorporates current revenue trends, projected operating expenditures, reserve policies, and anticipated capital and service needs over the next ten years. The model assumes the continuation of current service levels while also recognizing increasing costs associated with infrastructure maintenance, personnel obligations, and long-term liabilities.

The City Council has established reserve policies to maintain financial stability and ensure the City can respond to economic uncertainty and emergency needs. Under current projections, the General Fund is expected to utilize approximately $0.9 million in reserves during FY 2026/27 as expenditures continue to outpace revenues. The projected ending fund balance for FY 2026/27 is approximately $4.6 million, or 21% of operating expenditures, which remains above the City's minimum reserve target of 17%. However, based on current assumptions, reserve levels are projected to decline below the minimum policy target beginning in FY 2027/28.

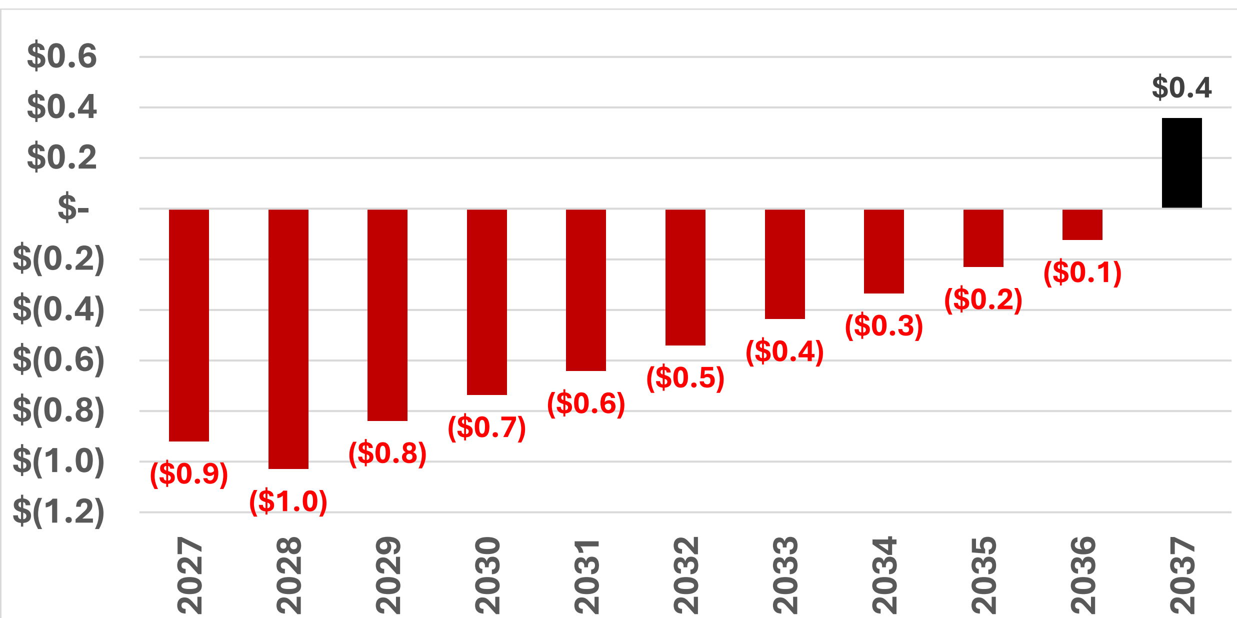



The long-range forecast assumes full implementation of Measure X and includes a proposed increase to the Transient Occupancy Tax (TOT) from 11% to 12% beginning in 2027. Even with these additional revenues, the City is projected to experience annual operating deficits in the near term, with gradual improvement occurring over the forecast period as revenues stabilize and expenditure growth moderates.

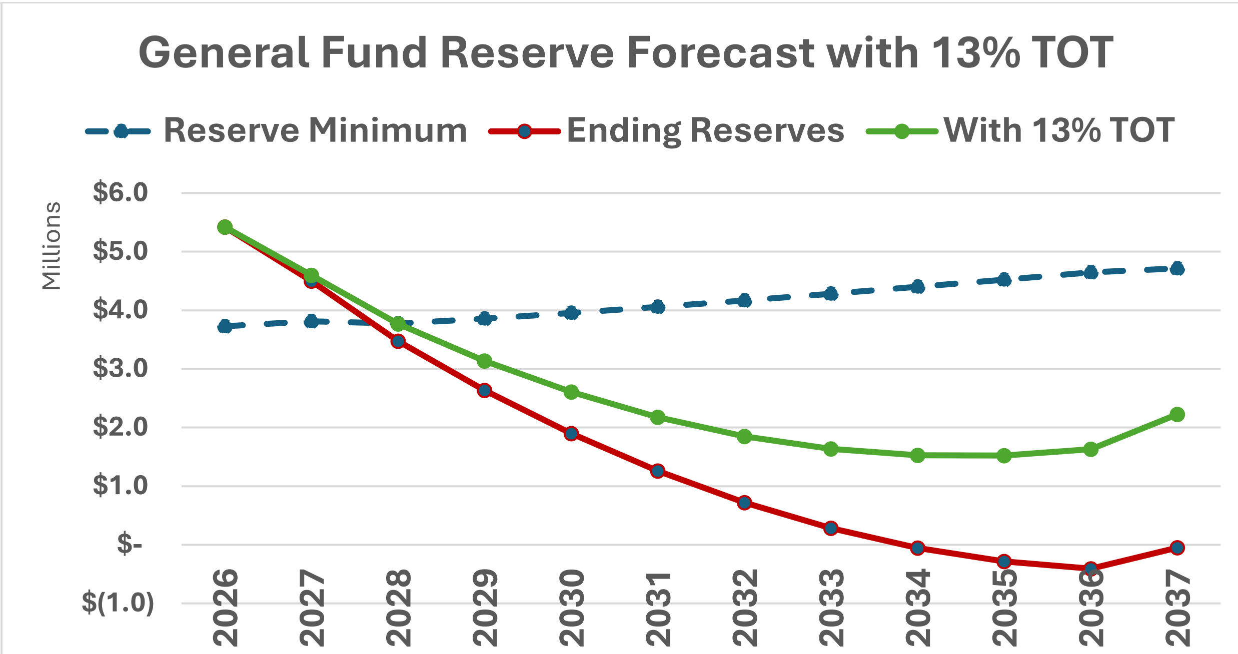
The City continues to face long-term financial pressures resulting from the loss of redevelopment funding, which was not substantially replaced for nearly a decade. While voter-approved local revenue measures have helped stabilize operations in recent years, the City remains heavily reliant on those sources to maintain current service levels. Property tax revenues currently generate approximately $2.1 million annually, representing only 9% of governmental revenues, while Measure Z generates approximately $4.3 million annually, accounting for nearly 20% of total governmental revenue.

In 2024, the City Council established a Section 115 Pension Trust Fund with an initial $2 million contribution to proactively address future pension obligations and reduce long-term unfunded liabilities. This action reflects the City's commitment to long-term financial planning and fiscal sustainability.

The forecast is based on several key assumptions, including steady growth in core revenues, continued inflationary pressures on labor and operating costs, and no major economic downturns during the forecast period. The model does not include speculative or unidentified revenue sources unless they have been formally approved or reasonably defined.




To evaluate potential alternatives for improving long-term fiscal sustainability, the forecast also includes a scenario analysis assuming an increase in the TOT from 12% to 13%. The current TOT rate is 11%, and the base forecast assumes a future voter-approved increase to 12% beginning in 2027. The alternative 13% scenario demonstrates the potential impact an additional percentage point could have on reserve preservation and long-term financial stability.




While the forecast shows gradual improvement over time, the City continues to face a structural imbalance between recurring revenues and expenditures under current assumptions. Maintaining long-term fiscal sustainability will require ongoing evaluation of revenues, operational efficiencies, service delivery models, and expenditure priorities.

City staff will continue to monitor economic conditions, tax revenues, and expenditure trends closely, including the performance of Measure X revenues approved by voters in November 2024. The long-range financial forecast will remain a living planning document and will be updated regularly, beginning with the FY 2026/27 Mid-Year Review, to ensure the City remains responsive to changing financial conditions and positioned for long-term fiscal resilience.

**City of Scotts Valley**
**Summary of Financial Resources and Requirements**
**FY 2026-27**

| Fund | Description | Projected Beginning Fund Balance 07/01/2026 | Estimated Revenues FY27 | Transfers In | Estimated Total Funds Available | Proposed Budget Expenditures FY27 | Transfers Out | Projected Ending Fund Balance 06/30/2027 |
|---|---|---|---|---|---|---|---|---|
| **General Funds** | | | | | | | | |
| 1 | General Fund | 4,694,332 | 20,344,115 | 1,141,250 | 26,179,697 | 21,670,000 | 571,927 | 3,937,770 |
| 6 | Equipment Replacement Reserve | 870,604 | 33,000 | - | 903,604 | - | 196,500 | 707,104 |
| | Recreation Funds (4, 28, 123) | - | 378,174 | 635,731 | 1,013,905 | 950,101 | 63,804 | - |
| **Subtotal General Funds** | | **5,564,936** | **20,755,289** | **1,776,981** | **28,097,206** | **22,620,101** | **832,231** | **4,644,874** |
| **Capital Improvement Projects** | | | | | | | | |
| 150 | Major Capital Projects | 793,873 | 682,000 | 5,354,150 | 6,830,023 | 6,713,150 | - | 116,873 |
| 151 | Capital Outlay Projects | 6,589 | - | 540,500 | 547,089 | 540,500 | - | 6,589 |
| **Subtotal Capital Improvement Projects** | | **800,462** | **682,000** | **5,894,650** | **7,377,112** | **7,253,650** | **-** | **123,462** |
| **Special Revenue Funds - Development Impact Fees** | | | | | | | | |
| 7 | Drainage Construction Impact Fees | 153,947 | 27,128 | - | 181,075 | 59 | - | 181,016 |
| 8 | Streets and Thoroughfares Impact Fees | 1,230,836 | 496,237 | - | 1,727,073 | 543 | 500,000 | 1,226,530 |
| 9 | Park & Recreation Facilities Impact Fees | 1,576,209 | 753,963 | - | 2,330,172 | 817 | 1,200,000 | 1,129,355 |
| 21 | General Facility Impact Fees | 8,702 | 57,236 | - | 65,938 | 61 | - | 65,877 |
| 27 | Police Facility Building Impact Fees | 430,308 | 144,714 | - | 575,022 | 194 | - | 574,828 |
| 86 | Library Impact Fees | 224,991 | 104,523 | - | 329,514 | 99 | - | 329,415 |
| **Subtotal Special Revenue Funds - Development Impact Fees** | | **3,624,994** | **1,583,801** | **-** | **5,208,795** | **1,773** | **1,700,000** | **3,507,022** |
| **Special Revenue Funds - Other** | | | | | - | | | |
| 2 | Recycling/Environment | 53,335 | 271,789 | - | 325,124 | 265,039 | 60,000 | 85 |
| 3 | Gas Tax (HUTA) | 778,539 | 391,949 | - | 1,170,488 | 587 | 830,333 | 339,568 |
| 5 | SMIP Fees | 5,722 | - | - | 5,722 | 200 | - | 5,522 |
| 17 | HOME Grant Program | 111,064 | 3,441 | - | 114,505 | 13 | - | 114,492 |
| 19 | Affordable Housing | 3,892,722 | 109,449 | - | 4,002,171 | 831,733 | - | 3,170,438 |
| 24 | Lennar Funds | 474,150 | - | - | 474,150 | - | 425,000 | 49,150 |
| 31 | STP Exchange Projects (RSTPX) | - | 1,148,000 | - | 1,148,000 | - | 1,148,000 | - |
| 33 | Tree Replacement | 59,416 | - | - | 59,416 | - | - | 59,416 |
| 35 | Green Building Funding | 599,455 | - | - | 599,455 | 59,000 | - | 540,455 |
| 36 | Disability Compliance | 25,919 | - | - | 25,919 | 5,000 | - | 20,919 |
| 50 | Pinewood Estates Maint. Dist. | 222 | 6,000 | - | 6,222 | 6,000 | - | 222 |
| 51 | Mt. Hermon Traffic Mitigation | 162,706 | 5,041 | - | 167,747 | - | - | 167,747 |
| 77 | Skypark Landscape Maint. Dist. | 0 | 41,750 | - | 41,750 | 41,750 | - | 0 |
| 78 | Skypark Landscape Maint. Dist. Insurance | 582,869 | 17,440 | - | 600,309 | 272 | - | 600,037 |
| 88 | Library Improvements (Measure S) | 140 | 1,878 | - | 2,018 | 6 | - | 2,012 |
| 89 | Library - Cty MOE Excess Distribution | 692,062 | 18,464 | - | 710,526 | 220 | - | 710,306 |
| 115 | Section 115 Set Aside - Pension | 2,370,164 | 126,000 | - | 2,496,164 | 7,210 | 270,000 | 2,218,954 |
| 155 | Measure D Sales Tax for Transportation | 895,320 | 407,612 | - | 1,302,932 | 398 | 475,000 | 827,534 |
| 156 | SB-1 (RMRA) | 966,464 | 378,203 | - | 1,344,667 | 432 | 1,005,817 | 338,418 |
| 200 | Quimby Act | 211,508 | 6,336 | - | 217,844 | 77 | - | 217,767 |
| 201 | Measure Q | 17,000 | 200,000 | - | 217,000 | - | 127,250 | 89,750 |
| 306 | Supplemental Law Enforcement Services | 191,585 | 106,530 | - | 298,115 | 77 | 148,000 | 150,038 |
| 313 | Youth Based Programs | 51,173 | 4,000 | - | 55,173 | 17,300 | - | 37,873 |
| 317 | EDG Revolving Loan | 487,689 | 14,646 | - | 502,335 | 229 | - | 502,106 |
| **Subtotal Special Revenue Funds - Other** | | **12,629,225** | **3,258,528** | **-** | **15,887,753** | **1,235,543** | **4,489,400** | **10,162,810** |
| **Debt Service Funds** | | | | | | | | |
| 66 | COP Debt Service Reserve | 769,878 | - | - | 769,878 | - | 650,000 | 119,878 |
| **Subtotal Debt Service Funds** | | **769,878** | **-** | **-** | **769,878** | **-** | **650,000** | **119,878** |
| **Total Governmental Funds** | | **23,389,495** | **26,279,618** | **7,671,631** | **57,340,744** | **31,111,067** | **7,671,631** | **18,558,046** |
| **Wastewater Enterprise Funds** *(funds are presented with working capital (current assets, less current liabilities)* | | | | | | | | |
| 10 | Wastewater Operations | 2,895,352 | 4,898,785 | - | 7,794,137 | 4,058,793 | 814,599 | 2,920,745 |
| 11 | Tertiary Operating | (262,632) | 352,000 | 595,849 | 685,217 | 685,217 | - | (0) |
| 12 | Waterwater Treatment Facility Fee (DIF) | 481,775 | 600,239 | - | 1,082,014 | 12,704 | 1,028,250 | 41,060 |
| 14 | Wastewater Capital Replacement Fund | 327,217 | 634,730 | 1,292,000 | 2,253,947 | 2,173,000 | - | 80,947 |
| **Subtotal Wastewater Enterprise Funds** | | **3,441,711** | **6,485,754** | **1,887,849** | **11,815,314** | **6,929,714** | **1,842,849** | **3,042,751** |
| **Total All Funds** | | **26,831,206** | **32,765,372** | **9,559,480** | **69,156,058** | **38,040,781** | **9,514,480** | **21,600,797** |
| | | | *42,324,852* | *Total revenues with transfers* | | *47,555,261* | *Total expenses with transfers* | |

## Financial Summary – City-Wide Category Review

The FY26/27 City-Wide Budget reflects moderate revenue growth alongside increasing operational and capital costs. Total revenues are projected at $32.8 million, a 6% increase over the FY25/26 budget, while total expenditures are budgeted at $38.0 million, increasing 5% year-over-year.

Taxes remain the City's largest revenue source at $16.6 million, increasing 4% from the prior year budget. The most significant growth is in Charges for Service, which increases 37% to $8.2 million, reflecting higher service and development activity. These gains are partially offset by declines in Other Revenues (-18%) and Investment Earnings (-19%) due to reduced one-time revenues and lower interest income projections.

Expenditures are primarily driven by increases in Salaries & Benefits (+7%) and Capital (+7%), reflecting rising labor costs and continued infrastructure investment. Services & Supplies remain stable with a slight 2% decrease, while Debt Service increases 43% due to scheduled repayment obligations.

Overall, the budget continues to prioritize core City services, infrastructure investment, and long-term financial stability while managing ongoing cost pressures and revenue variability.

**City-Wide Revenues**

| Category | Prior Year | FY25/26 Budget | FY26/27 Budget | *Diff to PY Budget* |
|---|---|---|---|---|
| Taxes | $15,279,636 | $15,887,813 | $16,563,553 | *4%* |
| Charges For Service | $6,373,284 | $5,961,000 | $8,162,345 | *37%* |
| Other Revenues | $10,195,874 | $6,104,870 | $4,997,630 | *-18%* |
| Franchise Fees | $1,370,685 | $1,345,000 | $1,385,000 | *3%* |
| Investment Earnings | $1,142,573 | $748,000 | $731,920 | *-2%* |
| Intergovernmental | $634,090 | $452,000 | $456,250 | *1%* |
| Recreation & Rental Fees | $523,862 | $398,400 | $436,174 | *9%* |
| Fines & Forfeitures | $47,360 | $29,000 | $32,500 | *12%* |
| **Total Revenues** | **$35,567,364** | **$30,926,083** | **$32,765,372** | ***6%*** |

**City-Wide Expenses**

| Category | Prior Year | FY25/26 Budget | FY26/27 Budget | Diff to PY Budget |
|---|---|---|---|---|
| Salaries & Benefits | $14,522,878 | $15,643,589 | $16,790,284 | *7%* |
| Services & Supplies | $10,320,922 | $11,091,482 | $10,884,098 | *-2%* |
| Capital | $9,763,669 | $8,643,800 | $9,236,650 | *7%* |
| Debt | $1,908,730 | $789,000 | $1,129,750 | *43%* |
| **Total Expenses** | **$36,516,199** | **$36,167,871** | **$38,040,782** | ***5%*** |

## Financial Summary – General Fund

The FY26/27 General Fund Budget reflects steady revenue growth alongside continued increases in departmental operating costs. Total General Fund revenues are projected at $20.8 million, an increase of 3% over the FY25/26 budget, while expenditures are budgeted at $22.6 million, increasing 5% year-over-year.

Taxes remain the General Fund's primary revenue source at $15.9 million, increasing 4% from the prior year budget. Charges for Service show significant growth of 26% to $1.5 million, reflecting increased service and development activity.

General Fund expenditures are primarily driven by increases in public safety, administration, and development-related services. The Police Department budget increases 7% to $8.9 million, while Community Development increases 10% to $2.1 million, reflecting staffing and operational needs. City Administration increases of 6% is mainly due to larger debt payments, while Public Works remains relatively flat and Recreation decreases slightly by 2%.

Overall, the FY26/27 General Fund Budget continues to prioritize essential City services, public safety, and operational stability while addressing rising personnel and service delivery costs amid changing revenue conditions.

### General Fund Revenues by Category

| Category | Prior Year | FY25/26 Budget | FY26/27 Budget | *Diff to PY Budget* |
|---|---|---|---|---|
| Taxes | $ 14,611,425 | $ 15,229,476 | $ 15,873,375 | *4%* |
| Charges For Service | $ 1,713,154 | $ 1,174,500 | $ 1,480,200 | *26%* |
| Franchise Fees | $ 1,370,685 | $ 1,345,000 | $ 1,385,000 | *3%* |
| Other Revenues | $ 959,922 | $ 1,345,000 | $ 1,288,150 | *-4%* |
| Recreation & Rental Fees | $ 523,862 | $ 398,400 | $ 436,174 | *9%* |
| Intergovernmental | $ 459,090 | $ 352,000 | $ 137,500 | *-61%* |
| Investment Earnings | $ 309,111 | $ 200,000 | $ 122,390 | *-39%* |
| Fines & Forfeitures | $ 47,360 | $ 29,000 | $ 32,500 | *12%* |
| **Total Revenues** | **$ 19,994,609** | **$ 20,073,376** | **$ 20,755,289** | ***3%*** |

### General Fund Expenses by Department

| Department | Prior Year | FY25/26 Budget | FY26/27 Budget | *Diff to PY Budget* |
|---|---|---|---|---|
| City Administration | $ 6,589,884 | $ 6,384,590 | $ 6,744,658 | *6%* |
| Community Development | $ 1,730,974 | $ 1,896,434 | $ 2,085,261 | *10%* |
| Police | $ 7,788,935 | $ 8,339,791 | $ 8,934,942 | *7%* |
| Recreation | $ 783,731 | $ 971,985 | $ 950,101 | *-2%* |
| Public Works | $ 4,055,263 | $ 3,919,968 | $ 3,905,139 | *0%* |
| **Total Expenses** | **$20,948,787** | **$21,512,768** | **$22,620,101** | ***5%*** |

## Financial Summary – Wastewater Enterprise Fund

The FY26/27 Wastewater Budget reflects stable operating revenues and continued investment in system operations and infrastructure. Total revenues are projected at $6.5 million, a 5% decrease from the FY25/26 budget, while total expenditures are budgeted at $6.9 million, increasing 3% year-over-year.

Wastewater revenues continue to be primarily supported by Charges for Service, which increase 11% to $5.2 million, with $550 thousand being in development impact fees. Overall revenue growth is limited because FY25/26 represented the final year of the current wastewater rate study increases, resulting in no additional scheduled rate increases in FY26/27. Other Revenues decrease significantly by 51% due to lower anticipated one-time revenues compared to the prior year budget, while Investment Earnings decline 44% as interest income projections moderate. The budget also includes $218,750 in intergovernmental revenue associated with a grant for the Wastewater Master Plan.

Expenditures are projected to increase modestly, driven primarily by personnel and capital-related costs. Salaries & Benefits increase 9% to $1.6 million, reflecting staff and benefit cost increases. Capital Outlay increases 3% to $2.0 million, supporting continued investment in wastewater infrastructure and system reliability. Services & Supplies remain essentially flat compared to the prior year budget.

Overall, the FY26/27 Wastewater Budget maintains a focus on operational stability, infrastructure investment, and long-term system maintenance while managing fluctuations in one-time revenues and preparing for future rate study considerations.

**Wastewater Revenues by Category**

| Category | Prior Year | FY25/26 Budget | FY26/27 Budget | *Diff to PY Budget* |
|---|---|---|---|---|
| Charges For Service | $4,297,471 | $4,701,000 | $5,216,100 | 11% |
| Other Revenues | $213,558 | $2,022,000 | $986,730 | -51% |
| Intergovernmental | $0 | $0 | $218,750 | 100% |
| Investment Earnings | $104,725 | $115,000 | $64,174 | -44% |
| **Total Revenues** | **$4,615,754** | **$6,838,000** | **$6,485,754** | **-5%** |

**Wastewater Expenses by Category**

| Category | Prior Year | FY25/26 Budget | FY26/27 Budget | *Diff to PY Budget* |
|---|---|---|---|---|
| Salaries & Benefits | $1,409,593 | $1,432,011 | $1,554,961 | 9% |
| Services & Supplies | $2,618,011 | $3,402,004 | $3,401,753 | 0% |
| Capital Outlay | $949,842 | $1,915,000 | $1,973,000 | 3% |
| **Total Expenses** | **$4,977,446** | **$6,749,015** | **$6,929,714** | **3%** |

## FY 2026-27 Budgeted Positions

The FY 2026–27 Budget includes a total of 66.50 Full-Time Equivalent (FTE) positions allocated across the City's major operating departments to support essential municipal services and organizational priorities. The Police Department represents the largest staffing allocation with 28.50 FTEs, reflecting the City's continued commitment to public safety, law enforcement, and emergency response services. FY 2026–27 staffing changes within the Police Department include the conversion of a temporary Administrative Analyst position to a permanent part-time position and a departmental reorganization transitioning to a 1 Captain / 2 Lieutenant management structure.

Public Works accounts for a combined 21.50 FTEs across General Fund and Wastewater operations and is responsible for maintaining the City's infrastructure, public facilities, streets, utilities, and environmental systems. FY 2026–27 includes the addition of 1.00 FTE for an Engineering Technician position to support increasing operational and capital improvement demands.

Administrative Services, which includes the City Manager's Office, Finance, and Human Resources functions, is allocated 7.00 FTEs to support citywide administrative and internal service operations. Community Development is allocated 6.00 FTEs to oversee planning, permitting, building, and economic development activities. The Recreation Department includes 3.50 FTEs dedicated to recreational programming, community services, and public amenities.

Overall, the staffing plan reflects a balanced approach that aligns personnel resources with operational needs, strategic priorities, and community expectations while maintaining long-term fiscal responsibility.

| Department | FTE Count |
|---|---|
| City Administration | 7 |
| Community Development | 6 |
| Police | 28.5 |
| Recreation | 3.5 |
| Public Works - General | 13.15 |
| Public Works - Wastewater | 8.35 |
| **Total FTE** | **66.5** |

## FY 2026-27 Budgeted Positions by Title

The following tables reflect the City's budgeted positions and authorized full-time equivalent (FTE) allocations for the fiscal year and are intended to present staffing levels included in the adopted budget, not necessarily the exact positions filled at any given time. Certain classifications are flexibly staffed in Level I/II/III series, allowing positions to be filled at varying levels depending on operational needs, employee promotions, vacancies, or recruitment conditions during the year. As a result, specific position titles and classification levels may change while remaining within the overall authorized staffing and budget framework. City Council approves the total personnel budget and overall authorized FTE allocations through the annual budget process but does not approve staffing at the individual position classification level. The City Manager, serving as the Personnel Officer, is authorized to administer staffing assignments and classification allocations within the adopted budget and authorized FTE limits.

| City Administration | FTE |
|---|---|
| Accountant I | 1 |
| Administrative Services Director | 1 |
| City Clerk | 1 |
| City Manager | 1 |
| Finance Manager | 1 |
| Human Resources Manager | 1 |
| Senior Accountant | 1 |
| **Dept. Total** | **7** |

| Community Development | FTE |
|---|---|
| Administrative Analyst II | 1 |
| Associate Planner | 1 |
| Building Official | 1 |
| Community Development Director | 1 |
| Senior Building Permit Technician | 1 |
| Senior Planner | 1 |
| **Dept. Total** | **6** |

| Police | FTE |
|---|---|
| Administrative Secretary/Analyst | 1 |
| Emergency Dispatch Clerk I/II | 5 |
| Emergency Dispatch Clerk III | 1 |
| Police Captain | 1 |
| Police Chief | 1 |
| Police Lieutenant | 2 |
| Police Officer | 12 |
| Police Sergeant | 4 |
| Senior Admin Analyst | 0.5 |
| Services Supervisor | 1 |
| **Dept. Total** | **28.5** |

| Recreation | FTE |
|---|---|
| Administrative Assistant III | 1 |
| Recreation Coordinator | 1.5 |
| Recreation Division Manager | 1 |
| **Dept. Total** | **3.5** |

| Public Works - General | FTE |
|---|---|
| Administrative Assistant III | 0.5 |
| Associate Civil Engineer | 1 |
| Engineering Technician | 1 |
| Laborer | 0.5 |
| Maintenance Division Manager | 1 |
| Maintenance Worker I/II | 4 |
| Maintenance Worker III | 2 |
| Project Manager | 1 |
| Public Works Director/City Eng | 0.65 |
| Senior Admin Analyst | 0.5 |
| Senior Civil Engineer | 1 |
| **Dept. Total** | **13.15** |

| Public Works - Wastewater | FTE |
|---|---|
| Administrative Assistant III | 0.5 |
| Chief Wastewater Plant Operator | 1 |
| Public Works Director/City Eng | 0.35 |
| Senior Admin Analyst | 0.5 |
| Wastewater Division Manager | 1 |
| Wastewater Plant Operator I/II | 5 |
| **Dept. Total** | **8.35** |

| City-wide FTE | 66.5 |
|---|---|

*Does not include temps*

## FY 2026-27 City-Wide 5-Year Capital Improvement Plan

| Priority | Description | Funding Source | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|---|---|---|---|---|---|---|---|
| **Wastewater** | | | | | | | |
| A | WWTP-Clarifier Struc/Wlkways | WWTP-C | - | 2,000,000 | 2,000,000 | - | - |
| A | Wastewater Master Plan | WWTP-C/WWDIF | 200,000 | - | - | - | - |
| A | Collection System Pipeline Upgrades | WWTP-C/WWDIF | 575,000 | 500,000 | - | - | - |
| A | MBR Upgrade | WWTP-C/WWDIF | 748,000 | 2,090,000 | - | - | - |
| A | WWTP Collection Lift Stations | WWTP-C | 300,000 | 200,000 | - | - | - |
| | | **Wastewater Total** | **1,823,000** | **4,790,000** | **2,000,000** | **-** | **-** |
| **Transportation** | | | | | | | |
| A | Annual St Resurface & Repair | Gas Tax/SB-1/Measure D | 1,000,000 | - | 1,000,000 | - | 666,667 |
| A | Mt Hermon Road Improvements | RTC/SB-1/Measure D | 759,150 | - | - | - | - |
| A | Scotts Valley Drive Cooridor Improvements | RTC/SB-1/Measure D/Gas Tax | 1,575,000 | - | - | - | - |
| A | Granite Creek Overpass | RTC/SB-1/Gas Tax/Unfunded | 125,000 | 3,000,000 | - | - | - |
| B | Janis Way Digout, Overlay, Sidewalk, Bike Lanes | Measure D | - | 250,000 | 500,000 | - | - |
| B | Lockwood Lane Street Improvements | Measure D | - | 100,000 | - | - | - |
| B | Scotts Valley Drive - Pedestrian Safety Street Lighting | CIP | - | - | 300,000 | - | - |
| A | Traffic Signal Upgrade | TDIF | 500,000 | - | - | 250,000 | - |
| B | Lockhart Gulch Pavement Rehab Project | Unfunded | - | - | 496,000 | - | - |
| B | Glen Canyon Carbonera Creek Overcrossing | Unfunded | - | 1,790,000 | - | - | - |
| | | **Transportation Total** | **3,959,150** | **5,140,000** | **2,296,000** | **250,000** | **666,667** |
| **Storm Drains** | | | | | | | |
| B | Hacienda Road Storm Drain Extension | CIP | - | 100,000 | - | - | - |
| A | Granite Creek Culvert | CIP | 300,000 | - | - | - | - |
| B | Pinecone Dr Draining Imprvmt | CIP | 327,000 | - | - | - | - |
| A | Storm Drain Trash Capture System | CIP/Fund 2 | 60,000 | - | 75,000 | - | - |
| A | N. Scotts Valley Drive (S. of Redwood Vista) - Drainage | CIP | 50,000 | 250,000 | - | - | - |
| A | Storm Water Master Plan | CIP/SDIF | - | 250,000 | - | - | - |
| | | **Storm Drains Total** | **737,000** | **600,000** | **75,000** | **-** | **-** |
| **Parks** | | | | | | | |
| A | Shugart Park Buildout | Parks DIF | 1,200,000 | 1,500,000 | - | - | - |
| B | Vern Hart (Fish Park) Creek Pathway | Unfunded | - | - | - | 500,000 | - |
| | | **Parks Total** | **1,200,000** | **1,500,000** | **-** | **500,000** | **-** |
| **General Facilities** | | | | | | | |
| A | PW Facility Improvements Design | CIP | - | - | 250,000 | 1,300,000 | - |
| A | Public Safety Answering Point Radio Equipment Upgrade | Grant | 682,000 | - | - | - | - |
| B | Siltanen Restroom Upgrade | Lennar | 135,000 | - | - | - | - |
| | | **General Facilities Total** | **817,000** | **-** | **250,000** | **1,300,000** | **-** |
| | | | | | | | |
| | | **Total Major Capital Projects** | **8,536,150** | **12,030,000** | **4,621,000** | **2,050,000** | **666,667** |

## FY 2026-27 Capital Outlay Projects

| Priority | Description | Funding Source | FY 2026-27 |
|---|---|---|---|
| **Wastewater Enterprise Funds** | | | |
| B | Dewatering Polymer Makedown System | WWTP-C | 75,000 |
| B | Belt Press Grinder Replacement | WWTP-C | 40,000 |
| A | Recycled Water Pump Replacement P501 | TTP Reserve | 45,000 |
| B | SCADA computer replacement | WWTP-C | 40,000 |
| A | Clarifier Scum Pump Replacement | WWTP-C | 25,000 |
| A | Grit Pump | WWTP-C | 65,000 |
| A | Grit Removal Equipment | WWTP-C | 60,000 |
| | | **Wastewater Total** | **350,000** |
| **Government Funds** | | | |
| B | Parks Lighting Project | Lennar | 65,000 |
| B | Parks Buildings Roofing | Lennar | 26,000 |
| A | Police Patrol Vehicle | Police SLES | 80,000 |
| B | Boom Truck for Tree Work | Equip. Replacement | 100,000 |
| A | New Arrow Board for Traffic Control | Equip. Replacement | 18,500 |
| B | New Gate for Corp Yard | Equip. Replacement | 22,000 |
| B | Striping Walk Behind | Equip. Replacement | 30,000 |
| B | Siltanen Snack Shack Roof & Gutters | Lennar | 25,000 |
| B | MacDorsa Sidewalk Repairs | Lennar | 40,000 |
| B | Hocus Pocus Sidewalk Repairs | Lennar | 30,000 |
| B | Senior Center Trash Enclosure | Lennar | 20,000 |
| B | Senior Center Siding & Paint | Lennar | 22,000 |
| B | Siltanen Parking Lot Resurfacing | Lennar | 22,000 |
| B | Skypark Parking Lot Resurfacing | Lennar | 40,000 |
| | | **Government Funds Total** | **540,500** |

**Total FY26/27 Major Capital & Capital Outlay 9,426,650**

# FY 2026/27 Transfer_Allocation Activity

In municipal budgeting, transfers refer to the movement of funds between different accounts or funds within the City's financial structure. These transfers are used to allocate resources where they are most needed, ensure balanced funding across operations, and support specific purposes such as capital projects, debt repayment, or special projects. Unlike direct expenditures for goods and services, transfers do not represent spending on external vendors but rather reflect internal reallocations of financial resources. By including these transfers in the budget package, the City provides transparency into how it strategically manages and prioritizes financial resources across departments and programs.

**Method:** The method determines if the funds are transferred based on actuals or the budget.
**Actuals:** If it is Special Revenue that is restricted to be used only as expended, it should be listed as the Actuals method.
**Budget:** For funds that Council can assign, it could be listed as the Budget method if the intention is to dedicate these funds regardless of if the full expense purpose has been recognized. This is to allow for future year continuity of fund balance assignments.

| Transfer From | Transfer To | Amount | Method | Purpose |
|---|---|---|---|---|
| 66 | 1 | $ 650,000 | Budget | Fund 66 debt smoothing |
| 115 | 1 | $ 270,000 | Budget | Section 115 Trust CalPERS UAL smoothing |
| 6 | 1 | $ 26,000 | Actuals | Computer Replacements |
| 306 | 1 | $ 68,000 | Budget | Axon Equipment |
| 6 | 151 | $ 170,500 | Actuals | Capital Outlay |
| 2 | 150 | $ 60,000 | Actuals | Capital - Storm Drain Trash Capture System |
| 3 | 150 | $ 333,333 | Actuals | Capital - Annual Street Resurfacing Project |
| 3 | 150 | $ 497,000 | Actuals | Capital - Scotts Valley Drive Corridor Improvements |
| 8 | 150 | $ 500,000 | Actuals | Capital - Traffic Signal Upgrade |
| 9 | 150 | $ 1,200,000 | Actuals | Capital - Shughart Park Buildout |
| 12 | 14 | $ 50,000 | Actuals | Capital - Wastewater Master Plan |
| 12 | 14 | $ 268,750 | Actuals | Capital - Wastewater Collection System Pipeline Upgrades |
| 12 | 14 | $ 709,500 | Actuals | Capital - Wastewater MBR Upgrade |
| 15 | 14 | $ 45,000 | Actuals | Capital Outlay - Wastewater - Recycled Water Pump Replacement |
| 24 | 151 | $ 65,000 | Actuals | Capital Outlay - Parks Lighting Project |
| 24 | 151 | $ 25,000 | Actuals | Capital Outlay - Siltanen Snack Shack Roof & Gutters |
| 24 | 151 | $ 40,000 | Actuals | Capital Outlay - MacDorsa Sidewalk Repairs |
| 24 | 151 | $ 30,000 | Actuals | Capital Outlay - Hocus Pocus Sidewalk Repairs |
| 24 | 151 | $ 20,000 | Actuals | Capital Outlay - Senior Center Trash Enclosure |
| 24 | 151 | $ 22,000 | Actuals | Capital Outlay - Senior Center Siding & Paint |
| 24 | 151 | $ 22,000 | Actuals | Capital Outlay - Siltanen Parking Lot Resurfacing |
| 24 | 151 | $ 40,000 | Actuals | Capital Outlay - Skypark Parking Lot Resurfacing |
| 24 | 150 | $ 135,000 | Actuals | Capital - Siltanen Restroom Upgrade |
| 24 | 151 | $ 26,000 | Actuals | Capital Outlay - Parks Buildings Roofing |
| 31 | 150 | $ 523,000 | Actuals | Capital - Mt Hermon Road Improvements |
| 31 | 150 | $ 500,000 | Actuals | Capital - Scotts Valley Drive Cooridor Improvements |
| 31 | 150 | $ 125,000 | Actuals | Capital - Granite Creek Overpass |
| 155 | 150 | $ 200,000 | Actuals | Capital - Mt Hermon Road Improvements |
| 155 | 150 | $ 275,000 | Actuals | Capital - Scotts Valley Drive Cooridor Improvements |
| 156 | 150 | $ 666,667 | Actuals | Capital - Annual Street Resurfacing Project |
| 156 | 150 | $ 36,150 | Actuals | Capital - Mt Hermon Road Improvements |
| 156 | 150 | $ 303,000 | Actuals | Capital - Scotts Valley Drive Cooridor Improvements |
| 306 | 151 | $ 80,000 | Actuals | Capital Outlay - Police Patrol Vehicle |
| 123 | 28 | $ 62,862 | Actuals | Recreation Activity Subsidy |
| 123 | 4 | $ 942 | Actuals | Recreation Activity Subsidy |
| 1 | 4 | $ 571,927 | Actuals | Recreation Activity Subsidy |
| 201 | 1 | $ 47,250 | Budget | Street Sweeping for Clean Drains |
| 201 | 1 | $ 80,000 | Budget | Parks maintenance, field treatments, Land Trust contract |
| 10 | 14 | $ 218,750 | Actuals | WW Master Plan Grant |
| 10 | 11 | $ 595,849 | Actuals | Tertiary |
| | | **$ 9,559,480** | | |

# RESOLUTION NO. 1501.33

## RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX FOR THE FISCAL YEAR 2026-27

**WHEREAS,** the City Council adopted Ordinance 109.3 in July 1992 imposing a utility users' tax subject to voter approval (Measure R); and

**WHEREAS**, Measure R was approved by the voters on November 5, 2002; and

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

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

**WHEREAS**, the proposed FY 2026-27 Annual Budget requires the continuation of the collection of the utilities users' tax.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2027.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a special meeting held on the 3rd day of June 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:___________________________
Donna Lind, Mayor

Attest:___________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Stephanie Hill, Administrative Services Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Annual review of the Investment Policy**

## SUMMARY OF ISSUE

The State of California Government Code Section 53646 states that a City Treasurer may submit the City Investment Policy to the City Council for review and approval. While not required, it is best practice to have the local governing body review and approve its investment policy.

The City's current Investment Policy is attached at the end of this Staff Report for your information. The City's Investment Policy affirms the City's fiduciary responsibility to safeguard public assets. A high priority is placed on ensuring the safety of the principal and that the City's liquidity needs for payroll and other City obligations are met prior to considering yield on the investment.

The investments authorized in the Investment Policy are typical governmental investments and are broadly recognized as reasonably safe investments. More risky investments, such as derivative investments or reverse repurchase agreements, have been categorically excluded from the City's Investment Policy. Currently, the City invests most of its cash, other than bond proceeds, in the State of California Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), which have proved to be safe investments with a good yield and highly liquid.

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

## FISCAL IMPACT

Reviewing and approving the continuance of the Investment Policy will have no fiscal impact.

## STAFF RECOMMENDATION

It is recommended that the City Council review and approve the continuance of the Investment Policy.

**TABLE OF CONTENTS**

# CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

| | |
|---|---|
| **TITLE:** INVESTMENT POLICY | **POLICY NUMBER:** 05-17 |
| **EFFECTIVE DATE:** 6/5/2019 | **PAGES:** 12 |
| **REVISED DATES:** 6/3/2020, 6/16/2021, 6/15/2022, 4/19/23, 6/12/2024 | |
| **APPROVED BY:** Randy Johnson, Mayor | |

## A. PURPOSE

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

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

## B. OBJECTIVES

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

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

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

## C. DELEGATION OF AUTHORITY

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

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

## D. ETHICS AND CONFLICT OF INTEREST

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

## E. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

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

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

## F. SCOPE

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

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

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

## G. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

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

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

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

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

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

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

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

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

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

   c. The institution must be located in California.

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

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

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

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

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

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

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

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

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

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

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

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

6. Repurchase agreements collateralized by any securities permitted under paragraphs 1. and 2. of this section of this policy (Treasury obligations or Agency obligations).

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

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

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

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

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

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

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

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

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

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

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

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

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

10. The State of California "Local Agency Investment Fund" ("LAIF"):.

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

    b. Annual review of LAIF's Pool Money Investment Board Annual Report will be conducted to continue to ensure LAIF's investment policy, standards, and rate of return are compatible with the City's risk tolerance.

11. Joint Powers Authority Pool (JPAP): Funds may be invested in a JPAP organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in Section 53601, subdivisions (a) to (q) where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

    a. Prior to investing, and on an annual basis thereafter, the City will request from each Joint Powers Authority Pool, documents which provide details on the operations of the fund. These documents, along with the other criteria below, including the rating restriction, will be used to determine the suitability to invest in the JPAP.

    b. Investment in JPAPs will be limited to the California Asset Management Program (CAMP) and the Investment Trust of California (CalTRUST).

    c. Ratings of a JPAP must be in a rating category of AAf/S-1+ for CalTrust or AAAm for CAMP, or its equivalent by Moody's, S&P or Fitch.

    d. There is no limit on the percent of the portfolio, excluding bond proceeds, that may be invested in JPAP's.

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

accounts may also be maintained for certain individual City funds.

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

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

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

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

1. **Safety**

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

2. **Liquidity**

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

3. **Yield**

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

**I. POLICY CONSTRAINTS**

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

## J. SELECTION OF INVESTMENT CONTACTS

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

## K. SAFEKEEPING

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

## L. INVESTMENT CONTROLS

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

## M. INVESTMENT REPORTS

1. The City Treasurer may annually render a Statement of Investment Policy to the City Council for their approval at a public meeting per California Government Code section 53646(a).

2. The City Treasurer may render to the City Manager and City Council a quarterly report within 45 days after the end of the quarter. Included in these types of reports are type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

## N. INVESTMENT AUDITS

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

## O. INVESTMENT PERFORMANCE EVALUATION

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

## P. RATING OF SECURITIES

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

## Q. INVESTMENT GUIDELINES

### 1. **Cash Availability Guidelines**

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

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

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

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

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

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

### 2. **Investing Guidelines**

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

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

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

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

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

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

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

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

(1) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.

(2) Receipt of positive audited financial statements.

(3) Being in business for a minimum of three years.

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

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

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

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

## GLOSSARY OF INVESTMENT SECURITIES

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

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

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

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

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

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

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

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

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

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

k. **Joint Powers Authority Pool (JPAP)** - Joint powers authorities in which local agencies may invest in the securities and obligations authorized in Section 53601, subdivisions (a) to (q) where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

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

## PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

| Investment Type | Percent of Portfolio | Maximum Life | Other Requirements |
|---|---|---|---|
| a. US Treasury | No Limit | 5 Years | No Strips |
| b. Agencies of US Government | No Limit | 5 Years | |
| c. Certificates of Deposit | 30% | 5 Years | Rated A1/P1 |
| d. Banker's Acceptances | 40% | 180 Days | Rated A1/P1 |
| e. Commercial Paper | 15% (30% if weighted dollar) | 270 Days (Average <31 days) | Rated A1/Pa US Corporations Assets >$500 M LTD Rated A |
| f. Repurchase Agreements | 15% | 30 Days | Collateralized Market >102% |
| g. Corporate Medium Term Notes | 30% | 5 Years | Rated A |
| h. Mortgage Pass-Through | 15% | 5 Years | US Government Only |
| i. Money Market Mutual Funds | 15% | N/A | Assets >$250M Invests only in a-h above. Highest rating possible. Registered Advisor |
| j. LAIF | LAIF Limit | N/A | |
| k. JPAP | No Limit | N/A | Rated AAf/S-1+ CalTrust Rated AAAm CAMP |
| k. Demand Deposits | No Limit | N/A | FDIC or collateralized |

**APPROVED AS TO FORM:**

______________________________

Kirsten Powell, City Attorney

AGENDA ITEM 1.
DATE: 6/3/2026

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

| | |
|---|---|
| **DATE:** | 6/3/2026 |
| **TO:** | Honorable Mayor and City Council |
| **FROM:** | Rodolfo Onchi, Public Works Director |
| **APPROVED:** | Mali LaGoe, City Manager |
| **SUBJECT:** | **Measure D Five-Year Plan (2026-2031)** |

## SUMMARY OF ISSUE

Passed in November 2016 by Santa Cruz County Voters, Measure D provides funding for efforts related to maintaining and improving local roads, including pavement, bicycle, and pedestrian infrastructure for a period of 30 years. As a part of the measure's accountability and transparency measures, each agency receiving funds is required to develop, update, hold a public hearing on, and adopt a five-year program of projects ("5-Year Plan") every year. 5-Year Plans are adjusted annually based on actual expenditures, updated revenue projections, proposed allowances to projects, updated project schedules, and updated cost estimates.

## FISCAL IMPACT

Measure D will fund or partially fund projects on the 5-Year Plan, and will be used to help leverage additional grant funding by serving as local match.

## STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1923.9 approving the list of Measure D Projects for FY26-27 through FY30-31.

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**RESOLUTION NO. 1923.9**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE FY 2026/27 TO FY 2030/31 FIVE-YEAR PROGRAM OF PROJECTS TO BE FUNDED WITH MEASURE D REVENUES**

**WHEREAS**, on November 8, 2016, the voters of Santa Cruz County adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure ("Measure D"), authorizing the Santa Cruz County Regional Transportation Commission ("RTC") to administer the proceeds from a retail transaction and use tax of one-half of one percent (0.5%); and

**WHEREAS**, sales tax proceeds from Measure D will be collected for 30 years beginning April 1, 2017, which are to be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance; and

**WHEREAS**, the Master Funding Agreement between RTC and the City of Scotts Valley articulates the terms and conditions of RTC's administration and direct allocation of proceeds to the City as authorized in the Measure D Expenditure Plan; and

**WHEREAS**, the Master Funding Agreement requires that the City Council annual adopt an annual report that includes a five-year program of projects including information about each of the projects to be funded with Measure D revenues after holding a public hearing; and

**WHEREAS**, the five-year program of projects is considered part of the City's Five-Year Capital Improvement Plan, which was published for public review on the City's website on May 21, 2026 and reviewed during a public hearing at the City Council's regular meeting on May 20, 2026; and

**WHEREAS**, the five-year program of projects, attached hereto and incorporated herein, lists the projects proposed by the City that are consistent with the Measure D Expenditure Plan.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the FY 2026/27 to FY 2030/31 Five-Year Program of Projects to be funded with Measure D revenues, attached hereto and incorporated herein, is approved.

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 3rd day of June 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

**Measure D Five Year Plan**
**Measure D:** 5-Year Program of Projects (FY26/27-FY30/31)
**Agency:** City of Scotts Valley
**Expenditure Plan Category:** Neighborhood Projects

**Measure D Revenues**

| FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 |
|---|---|---|---|---|
| $370,000 | $382,000 | $394,000 | $406,000 | $ 419,000 |

| | | | Amount of Measure D Funds to be Used | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name/Road/Limits | Description, Complete Streets Components | Total Measure D | Total Spent prior years | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 | Other Funds ($) | Other Fund Sources | Est. Construction Start Date | Major Project? (yes/no) |
| Scotts Valley Drive | Digouts, manholes, surface seal, ATP improvements | $ 300,000 | $25,000 | $275,000 | | | | | $1,300,000 | RTC Grant, SB1, Gas Tax | Summer 26/27 | yes |
| Mount Hermon Road Improvements | Digouts & crack seal & slurry & La Madronna intersection rework | $ 225,000 | $25,000 | $200,000 | | | | | $559,150 | RTC Grant, SB1 | Summer 26/27 | yes |
| Annual Street Maintenance | Annual street maintenance citywide consisting of surface seals, overlays and repairs | $ 833,333 | $500,000 | | | | $333,333 | | $2,333,333 | SB1, Gas Tax | Ongoing | yes |
| Janis Way Digout, Overlay, Sidewalk | Add full depth reclamation, storm water mitigation, and relocate utilities | $ 750,000 | | | $250,000 | $500,000 | | | | | Summer 28/29 | yes |
| Lockewood Lane *(250 Lockewood Lane to City limits)* | Digouts, surface seals, and striping | $ 100,000 | | | $100,000 | | | | | | Summer 28/29 | yes |

| | | | | | |
|---|---|---|---|---|---|
| Estimated Annual Measure D Expenditures | $ 550,000 | $ 475,000 | $ 350,000 | $ 500,000 | $ 333,333 | $ - |
| Carryover to next Fiscal Year | $ 855,320 | $ 829,050 | $ 898,050 | $ 827,972 | $ 933,758 | $ 1,390,108 |
| Annual Interest Earnings on Measure D Revenues | $ 41,730 | $ 37,000 | $ 35,922 | $ 33,119 | $ 37,350 | $ 55,604 |

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Rodolfo Onchi, Public Works Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **SB1 Projects for Fiscal Year 2026-2027**

## SUMMARY OF ISSUE

On April 28, 2017, the Governor signed Senate Bill (SB) 1, which is known as the Road Repair and Accountability Act of 2017. SB 1 was passed by the legislature as a means of providing additional funding for basic road maintenance, rehabilitation and critical safety needs on both state highways and local streets and road system. SB 1 increases per gallon fuel excise taxes, diesel fuel excise taxes and vehicle registration fees, and provides for adjustments for inflation in future years.

The California Transportation Commission (CTC) has set July 1st, 2026, as the deadline for cities to submit a list of projects to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds. The City expects to receive approximately $338,638 in FY 2026/27. As part of the proposed FY 2026/27 Capital Improvement Program (CIP), staff recommends the following projects be funded with RMRA funds:

| STREET NAME | LOCATION | TREATMENT |
|---|---|---|
| Granite Creek Overcrossing | Granite Creek Rd between Scotts Valley Drive and Santa's Village Rd | Granite Creek Overcrossing improvements; e.g. pavement, sidewalk, retaining wall, guardrail, and traffic signal modifications. |
| Annual Street Maintenance/ Resurfacing | Civic Center Drive, Tabor Way and Lundy Lane, Lockhart Gulch from Scotts Valley Drive to City limits | Repair damaged areas, crack seal, surface seal, re-stripe |

| | | |
|---|---|---|
| Scotts Valley Drive - Corridor Improvements | Scotts Valley Drive Mount Hermon Road to Bethany Drive | Pavement resurfacing and buffered bike lanes. |
| Glen Canyon/Carbonera Creek Overcrossing | 160 LF north of Sundridge Dr. | Repair failing sub-grade and settling asphalt |

These projects are selected based on the City's 2023 Pavement Management Report. The report lists the streets that need pavement preservation based on a PCI (pavement condition Index) classification. The PCI evaluates which streets are in the worst condition and allows staff to prioritize each location. These funds will provide funding for the streets addressed above as well as any shortfall in previously approved pavement projects.

The project list submitted to the CTC does not limit flexible use of funds, provided that funds are only used for eligible projects - the City can fund projects in a given year not on the project list or not fund projects that were on the project list. As required by SB1, the City will also prepare a report at the end of the fiscal year detailing the actual expenditure of SB1 funds during the year including the projects funded and the amount of funding expended.

## FISCAL IMPACT

SB1 will provide RMRA funds totaling approximately $338,638. Fund allocations in FY 2026/27 will be used for project construction. RMRA funds are supplemental to current City funding sources.

## STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1946.8, incorporating a list of projects to be funded by SB-1: The Road Repair and Accountability Act for Fiscal Year 2026/27.

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**RESOLUTION NO. 1946.8**

**RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2026/27 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

**WHEREAS**, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Scotts Valley are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

**WHEREAS**, the City of Scotts Valley must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

**WHEREAS**, the City of Scotts Valley, will receive an estimated $338,638 in RMRA funding in Fiscal Year 2026/27 from SB 1; and

**WHEREAS**, this is the 9th year in which the City of Scotts Valley is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

**WHEREAS,** the City of Scotts Valley has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

**WHEREAS,** the City of Scotts Valley used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

**WHEREAS,** the funding from SB 1 will help the City of Scotts Valley maintain and rehabilitate street and roads throughout the City this year and similar projects into the future; and

**WHEREAS,** the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at lower risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will keep our streets and roads in said condition; and

**WHEREAS**, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

**NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND** by the City Council of the City of Scotts Valley, as follows:

1. The foregoing recitals are true and correct.

2. The following list of newly proposed projects that will be funded in-part or solely with Fiscal Year 2026/27 Road Maintenance and Rehabilitation Account revenues:

   **Project Title:** Granite Creek Overcrossing
   **Project Description:** Granite Creek Overcrossing improvements; e.g. pavement, sidewalk, retaining wall, guardrail, and traffic signal modifications.
   **Project Location:** Granite Creek Rd between Scotts Valley Drive and Santa's Village Rd
   **Estimated Project Schedule:** Spring 2027 – Summer 2028

   **Project Title:** Annual Street Maintenance/Resurfacing – FY26/27
   **Project Description:** Repair damaged areas, crack seal, surface seal, re-stripe
   **Project Location:** Civic Center Drive, Tabor Way and Lundy Lane, Lockhart Gulch from Scotts Valley Drive to City limits.
   **Useful Life:** 8-10 Years
   **Estimated Project Schedule:** Summer 2027, Summer 2029, Summer 2031

   **Project Title:** Scotts Valley Drive – Corridor Improvements
   **Project Description:** Pavement resurfacing and buffered bike lanes.
   **Project Location:** Scotts Valley Drive Mount Hermon Road to Bethany Drive
   **Useful Life:** 7-10 Years
   **Estimated Project Schedule:** Summer 2026 – Fall 2026

   **Project Title:** Glen Canyon/Carbonera Creek Overcrossing
   **Project Description:** Pavement resurfacing and buffered bike lanes.
   **Project Location:** 160 LF north of Sundridge Drive
   **Useful Life:** 7-10 Years
   **Estimated Project Schedule:** Spring 2027 – Summer 2028

3. The following previously proposed and adopted projects may also utilize Fiscal Year 2026-2027 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City of Scotts Valley is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

   Both previously proposed and adopted projects were initially individual projects, which are now a part of the “Annual Street Maintenance/Resurfacing” project above.

The above and foregoing resolution as duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 3rd day of June, 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:__________________________
Donna Lind, Mayor

Attest:

______________________________
Cathie Simonovich, City Clerk

# City of Scotts Valley
# CITY COUNCIL STAFF REPORT

**DATE:** 6/3/2026

**TO:** Honorable Mayor and City Council

**FROM:** Mali LaGoe, City Manager

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **Consideration of a Transient Occupancy Tax rate change ballot measure for the November 3, 2026 consolidated election**

## SUMMARY OF ISSUE

Scotts Valley faces a unique structural revenue challenge compared to neighboring jurisdictions. While residents expect the same level of public safety, infrastructure maintenance, parks, recreation, and municipal services provided in surrounding cities, Scotts Valley receives significantly less ongoing property tax revenue to fund those services. Under California's property tax allocation structure, Scotts Valley receives approximately 6.5% of the 1% property tax levy, substantially below neighboring jurisdictions such as Santa Cruz and Capitola, which receive allocations exceeding 10%. This lower allocation creates a long-term structural disadvantage in the City's General Fund revenue base. As a result, Scotts Valley must rely more heavily on economically efficient visitor-based revenues such as the Transient Occupancy Tax (TOT) in order to maintain service levels expected by the community.

Unlike property taxes or sales taxes borne primarily by residents, TOT is paid largely by visitors staying in local hotels. This makes TOT one of the least direct financial impacts on Scotts Valley households while still supporting core municipal operations. The City currently collects 11% Transient Occupancy Tax (TOT) as approved by voters in 2018. This tax accounts for $2.2 million per year, 10% of the City's general fund revenue. The proposed increase from 11% to 13% is expected to generate an additional $400,000 per year of General Fund revenue that can support:

- staffing stability,
- public safety services,
- infrastructure maintenance,
- operational sustainability,
- and protection against future service reductions.

### Analysis of potential impacts on hotels

In meeting with local hotel operators, some concerns were raised about raising the TOT level above the rest of Santa Cruz County jurisdictions which charge 12% TOT at hotels (Note: Santa Cruz City and County charge short-term rentals 14%). Given this concern, staff conducted a competitive analysis of hotel room rates in Scotts Valley compared to Santa Cruz. We found that Scotts Valley's hotel market operates in a materially different segment than Santa Cruz despite geographic proximity. Scotts Valley properties primarily serve business travelers, Highway 17 commuters, contractors, regional visitors, and longer-stay guests seeking value-oriented accommodations with convenient access and lower room rates. By contrast, Santa Cruz hotels command a substantial coastal tourism premium associated with beachfront access, downtown proximity, and leisure travel demand. Due to this difference, nightly rates are significantly lower in Scotts Valley as shown below:

| **Market Segment** | **Scotts Valley Hotels** | **Est. Mid-Week Rate** | **Comparable Santa Cruz Hotels** | **Est. Mid-Week Rate** |
|---|---|---|---|---|
| Premium Business / Conference | Hilton Santa Cruz/Scotts Valley | ~$165–$240 | Courtyard by Marriott Santa Cruz | ~$260–$340 |
| Upper Midscale Business | Four Points by Sheraton Santa Cruz Scotts Valley | ~$155–$195 | Hyatt Place Santa Cruz | ~$240–$300 |
| Value-Oriented Chain | Best Western Plus Scotts Valley | ~$145–$180 | Hampton Inn Santa Cruz | ~$210–$260 |

A review of current market pricing shows Scotts Valley hotels typically average approximately **$145–$240 per night**, while comparable Santa Cruz properties generally range from **$210–$340 per night**, particularly during weekends and peak tourism periods. This represents an average pricing differential of approximately **$65–$100 per night** in favor of Scotts Valley.

Under the City's current 11% TOT structure, a $160 Scotts Valley room generates approximately $17.60 in TOT. Increasing the rate to 13% would increase TOT collections to approximately $20.80 — a difference of roughly **$3.20 per room night**. By comparison, even after a TOT increase, Scotts Valley hotels would remain significantly less expensive than comparable Santa Cruz accommodations due to the underlying room rate differential. A visitor paying $160/night in Scotts Valley at 13% TOT would pay $20.80 TOT while a visitor paying

$260/night in Santa Cruz at 12% TOT would pay $31.20 per night.

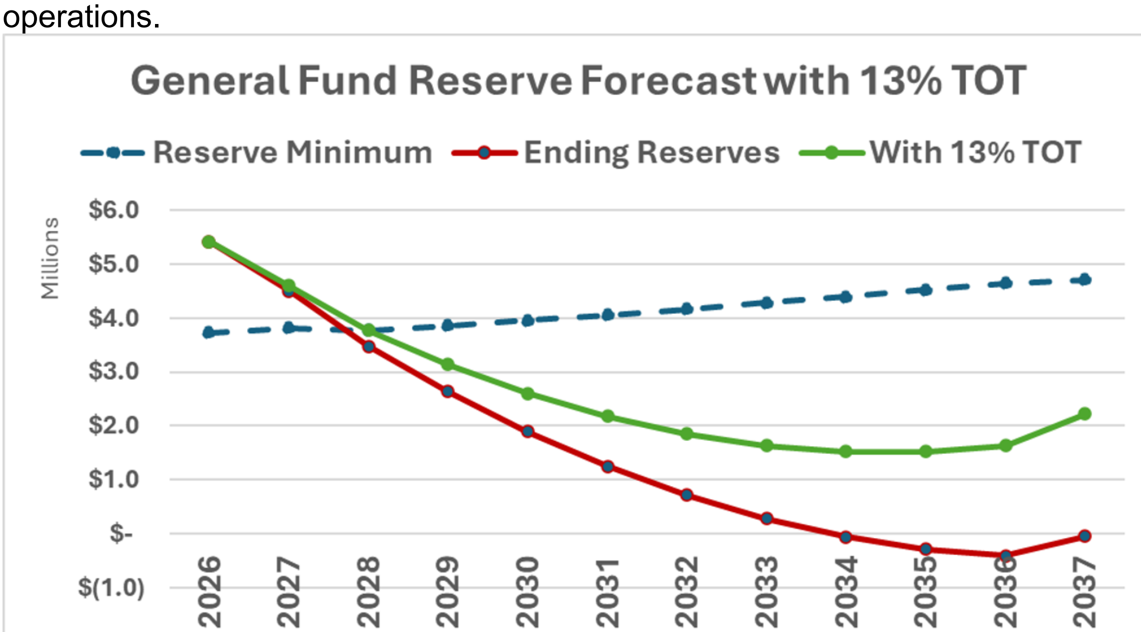
As a result of this analysis, Scotts Valley hotels are expected to remain competitively priced relative to Santa Cruz, even at a 13% TOT rate. Hotel room rates in Scotts Valley are typically substantially lower than coastal Santa Cruz properties, meaning the modest increase in occupancy tax is unlikely to materially alter traveler behavior.

**Analysis of impact on City Revenues**

Ultimately, the proposed TOT adjustment reflects Scotts Valley's fiscal reality: the City must generate sufficient revenue to maintain essential services despite receiving a comparatively smaller share of traditional property tax funding than neighboring communities. The City Council directed staff to analyze a phased approach increasing TOT to 12% in 2027 and 13% in 2029 as well as the impact of a direct increase to 13% in 2027. The phased approach would delay realization of approximately $400,000 in near-term General Fund revenue. Given the City's ongoing structural fiscal pressures and current discussions regarding staffing and service-level needs, postponing revenue implementation may require the City to either:

- defer staffing investments,
- reduce operational flexibility,
- or identify alternative revenue sources.

The City is making strong progress catching up on deferred maintenance, stabilizing staffing and ultimately improving services to the Scotts Valley Community. A TOT increase from 11% to 13% is the next needed step in right-sizing the City's budget to match community needs. This increase in revenue has a profound impact on the City's long-term financial forecast, finally turning the corner on achieving a balanced, sustainable budget that efficiently delivers on the City's responsibilities to provide municipal services to Scotts Valley residents. The chart below shows the annual General Fund reserve projections with 12% TOT (red line) and 13% TOT (green line). The blue line shows the minimal reserve target for maintaining stable operations.



**Conclusion**

Staff and the City Council have diligently focused on balancing the City's budget for several years. Starting with Measure Z in 2020, continuing with Measure X in 2024 and now a potential TOT ballot measure in 2026, the City's hard work is finally showing the returns the City needs to sustain municipal services. The Scotts Valley voters overwhelmingly passed the previous TOT measure in 2018 (Measure N) as well as subsequent measures which have thoughtfully and prudently been presented for their consideration. Based on the analysis of the impacts on hotels and on the City's revenue, staff recommends the City Council consider the 13% TOT measure. This option continues the positive momentum and prevents potential service delivery reductions in order to balance future budget years.

## FISCAL IMPACT

Placing a measure on the November 2026 ballot is anticipated to cost the City approximately $55,000 in election-related costs. The potential revenue from a 13% TOT starting in January 2027 would generate an additional $200,000 in FY26/27 (compared to the current 11% rate) and $400,000 in future (full) budget years.

## STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 2095.2, calling a municipal election for November 3, 2026, requesting that the County consolidate the municipal election with the general election on November 3, 2026, and submitting the qualified electors of the City of Scotts Valley at the November 3, 2026, consolidated General Election a local ballot measure regarding an increase in the City's Transient Occupancy Tax.

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# RESOLUTION NO. 2095.2

# RESOLUTION CALLING A MUNICIPAL ELECTION FOR NOVEMBER 3, 2026, REQUESTING THAT THE COUNTY CONSOLIDATE THE MUNICIPAL ELECTION WITH THE GENERAL ELECTION ON NOVEMBER 3, 2026, AND SUBMITTING THE QUALIFIED ELECTORS OF THE CITY OF SCOTTS VALLEY AT THE NOVEMBER 3, 2026, CONSOLIDATED GENERAL ELECTION A LOCAL BALLOT MEASURE REGARDING AN INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX

**WHEREAS,** the City Council has approved Resolution No. 2095 and Resolution No. 2095.1 ordering an election, requesting county elections to conduct the election, and requesting consolidation of the General Municipal Election in the City of Scotts Valley on Tuesday, November 3, 2026; and

**WHEREAS,** the Election is a regularly scheduled general election for members of the City Council; and

**WHEREAS,** the City imposes a transient occupancy tax upon hotels conducting business in the City; and

**WHEREAS,** the transient occupancy tax is imposed to raise revenue and not for regulation and constitutes a general tax; and

**WHEREAS,** the ordinance attached hereto as Attachment A and incorporated herein by reference (the "Ordinance") would update the existing ordinance to increase the transient occupancy tax rate from 11% to 13%; and

**WHEREAS,** Elections Code Section 9222 authorizes the City council to submit an ordinance directly to the voters; and

**WHEREAS,** a statewide general election is scheduled for November 3, 2026, and the City Council wishes to call a municipal election for the City to be held on November 3, 2026, and to request the County of Santa Cruz to consolidate the municipal election with the statewide general election and conduct the election to include a ballot measure to increase the City's Transient Occupancy Tax.

**NOW, THEREFORE IT IS HEREBY RESOLVED AND ORDERED** by the City Council of the City of Scotts Valley, as follows:

**Section 1. Findings**. The City Council finds and determines that each of the findings set forth above are true and correct.

**Section 2. Calling the Election**. The City Council calls for a municipal election to be held on November 3, 2026 ("the Election").

**Section 3. Measure**. Pursuant to Government Code Section 53724 and Elections Code 9222, the City Council hereby submits the Ordinance attached hereto as Attachment A to the voters at the Election and orders the following question to be submitted to the voters at the Election:

| Shall the City of Scotts Valley adopt an ordinance amending Section 3.24.030 of the Municipal Code raising the transient occupancy tax rate from 11% to 13%? | YES | NO |
|---|---|---|
| | | |

This question requires the approval of a majority of those casting votes.

**Section 4. Notice of Election**. Notice of the time and place of holding the election is hereby given, and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.

**Section 5. Impartial Analysis**. Pursuant to California Elections Code Section 9280, the City Council hereby directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk on or before 3:00 p.m. on August 13, 2026.

**Section 6. Ballot Arguments**. Pursuant to Elections Code Section 9286 et. seq., August 13, 2026, at 3:00 p.m. shall be the deadline for submission of arguments in favor of, and arguments against, this measure. Arguments in favor or against the measure shall not exceed 300 words in length. The Mayor, or his designee(s), is hereby authorized to prepare a written argument in favor of the proposed measure on behalf of the City Council. At the Mayor’s discretion, the Argument may also be signed by bona fide associations or by individual voters who are eligible to vote in the City of Scotts Valley. Each argument shall be signed, filed with the City Clerk, and include the printed name(s) and signature(s) of the author(s) submitting the argument. If more than one argument for or against is received, the priorities established by Elections Code Section 9287 shall control.

**Section 7. Rebuttal Arguments**. Subdivision (a) of section 9285 of the Elections Code shall apply to the Election and shall control the submission of any rebuttal arguments for this measure. If an argument in favor and an argument against the measure have been selected to be printed in the voter information guide, the Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against the measure and a copy of an argument against the measure to the authors of the argument in favor of the measure. The rebuttal authors or persons designated by them may prepare and submit rebuttal arguments not to exceed 250 words in length. Rebuttal arguments must be submitted not later than August 20, 2026, by 3:00 p.m.

**Section 8. Consolidation Request.** The City Council of the City of Scotts Valley requests that the Board of Supervisors of Santa Cruz County consolidate the municipal election and the election on this measure with the November 3, 2026, statewide general election. The Council further requests that the Board of Supervisors of Santa Cruz County include on the ballots and sample ballots all qualified measures submitted by the City Council to be submitted to the qualified electors of the City of Scotts Valley. The City Council acknowledges that the election will be held and conducted according to procedures in the Elections Code, including Section 10418.

**Section 9. Request for County Services**. Pursuant to Section 10002 of the California Elections Code, the City Council of the City of Scotts Valley hereby requests the Board of Supervisors of Santa Cruz County to permit the Registrar of Voters to render services to the City of Scotts Valley relating to the conduct of the City's Municipal and Special Elections which are called to be held on Tuesday, November 3, 2026. The services shall be of the type normally performed by the Registrar of Voters in assisting the clerks of municipalities in the conduct of elections including, but not limited to, checking registrations, mailing ballots, hiring election officers, and arranging for polling places, receiving absentee voter ballot applications, mailing and receiving absent voter ballots, and opening and counting ballots, providing and distributing election supplies, and furnishing voting machines.

**Section 10. Transmittal of Resolution**. The City Clerk is hereby directed to submit forthwith an original copy of this resolution including the measure attached hereto as Attachment A to the Santa Cruz County Clerk.

**Section 11. Placement on the Ballot**. The County Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and to mail with the sample ballots to the electors printed copies of the full text of the Ordinance, together with the primary arguments and supporters for and against the measure, and to provide absent voter ballots for the election for use by qualified electors of the City who are entitled thereto in the manner provided by law.

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 3rd day of June 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ____________________________
Donna Lind, Mayor

Attest:____________________________
Cathie Simonovich, City Clerk

**EXHIBIT A**

Measure to be voted on: November 3, 2026

**ORDINANCE NO.**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING SECTION 3.24.030 OF CHAPTER 3.24 OF TITLE 3 OF THE SCOTTS VALLEY MUNICIPAL CODE PERTAINING TO THE CITY OF SCOTTS VALLEY'S TRANSIENT OCCUPANCY TAX**

**THE PEOPLE OF THE CITY OF SCOTTS VALLEY, CALIFORNIA, DO ORDAIN AS FOLLOWS:**

**WHEREAS,** it is the purpose of this Ordinance to ,amend the City of Scotts Valley Municipal Code Section 3.24.030 entitled Tax Imposed, to increase the Transient Occupancy Tax from 11% to 13%; and

**WHEREAS,** this Ordinance shall be known as the City of Scotts Valley Transient Occupancy Tax increase. The City of Scotts Valley hereinafter shall be call "City". This Ordinance shall be applicable in the incorporated territory of the City; and,

**WHEREAS,** the increase in the TOT rate, if approved, will produce the additional benefit of helping to recoup costs associated with the impacts travelers and visitors have on the City's many amenities, such as, but not limited to, police services, traffic circulation, parks and recreation and public roads. It also will reduce the per capita cost of general municipal program and services paid by local residents and businesses.

**NOW THEREFORE BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:**

**SECTION 1.** Section 3.24.030 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.030 - Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of ~~**eleven percent (11%)**~~ **thirteen percent (13%)** of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the city finance director may require that such tax shall be paid directly to the city finance director."

**SECTION 2.** It is the purpose of this Ordinance to amend the City of Scotts Valley Municipal Code Section 3.24.030 entitled Tax Imposed, of Chapter 3.24 entitled Uniform Transient Occupancy Tax, to increase the Transient Occupancy Tax from 11% to 13%.

**SECTION 3.** This Ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect on January 1, 2027.

**SECTION 4.** City Council Approval. The City Council of the City of Scotts Valley approved this Ordinance for placement on the November 3, 2026 ballot by Resolution ________ adopted by a four-fifths vote of all members.

This Ordinance was introduced by the City Council of the City of Scotts Valley on the 3rd day of June, 2026, and was submitted to the People of the City of Scotts Valley at the November 3, 2026 election. It was adopted by the following vote of the People:

YES: ________________________

NO: ________________________

Adopted as an Ordinance of the City of Scotts Valley at a regular meeting of the City Council held the ____ day of December, 2026, by Declaration of the results of the November 3, 2026, by the following vote of the City Council of the City of Scotts Valley:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:______________________________

Donna Lind, Mayor

ATTEST:

______________________________

Cathie Simonovich, City Clerk

APPROVED AS TO FORM:

______________________________

Kirsten Powell, City Attorney