A G E N D A

Meeting of the
Scotts Valley City Council

Date: June 21, 2017
Time: 6:00 p.m.

CITY OF SCOTTS VALLEY	**MEETING LOCATION**	**POSTING**: The agenda was posted 6-16-17 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org.
1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	

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

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

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

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

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER (1) Presentation of Mayor's Proclamation to Vision Recycling
(2) Introduction of new Police Department employee and volunteers

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

CITY MANAGER REPORT

PUBLIC COMMENT TIME
(This is the opportunity for individuals to make and/or submit written or oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda.

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

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

A. Approve City Council meeting minutes 5-17-17, 6-7-17

B. Approve check register – 6-9-17, 5-26-17

C. Approve amendment to the Joint Powers Agreement (JPA) for the Santa Cruz County Animal Services Authority and authorize the City Manager to execute the agreement

D. Approve the appointment of Council Member Stephany E. Aguilar as the Voting Delegate, and City Manager Jenny Haruyama as the Alternate Voting Delegate, to represent the City of Scotts Valley at the League of California Cities Annual Business Meeting on September 15, 2017 at the Sacramento Convention Center

E. Approve Resolution No. 1007.30 making certain findings and determinations in compliance with Section XIII B of the California Constitution (Gann Initiative) and setting the appropriations limit of $186,050,598 for fiscal year 2017/2018

F. Approve Resolution No. 1139.21 adopting the City of Scotts Valley Investment Policy (Council Policy 05-17)

G. Approve Resolution No. 630.37.1 approving the City's Pay Plan for Fiscal Year 2017/18

H. Approve request from Kiwanis of the Valleys, a non-profit 501(c)(3) organization, for non-collection of fees in the amount of $3,600 associated with the use of Skypark Park on July 30, August 27, and September 24, 2017 for Music at Skypark

I. Approve and designate income levels of the inclusionary units of "The Terrace of Scotts Valley" Planned Development on Scotts Valley Drive, APN's 022-162-69 & -74 as follows: One (1) low-income unit, one (1) moderate-income unit, and the application of the in-lieu fees to the low-income unit, and authorize the City Manager to enter into an agreement with the developer

J. Approve the Shared Responsibility for Credit Support Agreement for Monterey Bay Community Power (MBCP) by and among the County of Santa Cruz and the Cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, and authorize the Mayor to execute the agreement

K. Approve the appointment of Council Member Lind as the representative, and Council Member Dilles as the Alternate, to serve on the Santa Margarita Groundwater Agency Joint Powers Authority (SMGA JPA), terminate the City of Scotts Valley's participation in the Santa Margarita Groundwater Basin Advisory Committee, and consent to dissolve the Committee

L. Authorize the City Manager to over hire an Emergency Dispatch Clerk I (EDCI) during FY 2017/18

ALTERATIONS TO REGULAR AGENDA
(Council can remove or add items to the Regular Agenda.)

REGULAR AGENDA
(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.)

1. Consider wastewater rate model as presented by Bartle Wells Associates (BWA) and provide policy direction on rate increases for FY 2017/18 to 2021/22 (City Manager Haruyama / Public Works Director Hamby / BWA Consultant)

PUBLIC HEARING (To be heard at 6:30 p.m.)

2. Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.31; Annual Engineer's Report Pinewood
(Public Works Director Hamby)

   - Open public hearing
   - Close public hearing
   - Approve Resolution No. 1213.31

3. Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP- 029; Annual Engineer's Report Skypark
(Public Works Director Hamby)

   - Open public hearing
   - Close public hearing
   - Approve Resolution No. 1555-SP-029

REGULAR AGENDA
(For Regular Agenda items following the public hearing. Regularly scheduled subjects of discussion on the Regular Agenda include:)

4. Presentation of the Scotts Valley Police Department 2016 Annual Report
(Police Chief Walpole)

5. Consider approval of Santa Cruz County Regional Transportation Commission, Measure D Master Funding Agreement and Five-Year Program of Projects
(Public Works Civil Engineer Kahn)

6. Consideration of City of Scotts Valley Final FY 2017/18 Annual Budget and approval of the following documents:

   (1) Resolution No. 630.37 approving the final FY 2017/18 Annual Budget and making appropriations for the amounts budgeted.
   (2) Resolution No.1931 approving a fund balance policy under the provisions of GASB 54 for FY 2016/17 and 2017/18 (Council Policy No. 03-17).
   (3) Resolution No. 1932 approving a minimum reserve policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds (Council Policy No. 04-17).
   (4) Resolution No. 1501.24 approving the continued collections of the utility users' tax for FY 2017/18.

   (City Manager Haruyama / Budget and Financial Consultant Toler)

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

CONVENE TO CLOSED SESSION

CLOSED SESSION

SUBJECT: Conference with legal counsel regarding potential litigation – 1 case.

Legal Authority:	Government Code Section 54956.9
Name of Case:	N/A
Staff Present:	City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKE DURING CLOSED SESSION

ADJOURNMENT

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

PROCEDURAL INFORMATION FOR THE PUBLIC

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

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

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

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

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

Unless otherwise determined by the presiding officer of the meeting:

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

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AGENDA ITEM A
DATE: 6-21-2017

M I N U T E S

Meeting of the Scotts Valley City Council

Date: June 7, 2017

POSTING:
The agenda was posted on 6-2-17 at City Hall, the SV Senior Center, and the SV Library, by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and **MOMENT OF SILENCE**

ROLL CALL

Present:	Mayor Johnson	City Manager Haruyama
	Vice Mayor Reed	City Attorney Powell
	Council Member Aguilar	Interim Police Chief Walpole
	Council Member Dilles	Public Wks Director Hamby
	Council Member Lind	Acting Community Development Director Bateman
		Financial and Budget Consultant Steve Toler
		Civil Engineer Kahn
		Recreation Division Manager Ard
		City Clerk Ferrara

COMMITTEE REPORTS

CM Dilles reported that he attended the General Plan Advisory Committee (GPAC) community workshop on Saturday, June 3, 2017.

CM Aguilar reported that she attended a Homeless Action Partnership meeting, where they discussed the framework and structure that they are trying to put together to address homelessness in Santa Cruz County.

CM Lind reported that she attended the Criminal Justice Council Forum where they discussed some of the affects of some of the recent propositions on prison reform.

CM Lind reported that she attended the LAFCO Board of Directors where they approved the sphere of influence on the Soquel Water District and a study on the possible consolidation of Central Fire with Aptos and La Selva Fire. She reported that they also approved the designation of a District for Santa Cruz Municipal Water.

CM Lind reported that she attended the Santa Cruz Metropolitan Transit District Board of Directors meeting where they are continuing to work on their budget.

CM Lind reported that the Santa Margarita JPA will be holding a meeting on June 14, 2017 at the Scotts Valley Water District.

Mayor Johnson reported that he and Vice Mayor Reed participated in the General Plan Advisory Committee (GPAC) Community Workshop meeting that was held at the Scotts Valley Community Center on Saturday, June 3, 2017 from 11:00 am to 2:00 pm.

Mayor Johnson reported that he attended the Santa Cruz Regional Transportation Commission meeting where the discussed Measure D funding.

CITY MANAGER REPORT

General Plan Update Community Workshop:

- Special thanks to the General Plan Advisory Committee members and staff (Planning staff in particular) for coordinating the General Plan Update Workshop and making it a successful event.

General Plan Update Community Survey:

- Part of the workshop also encouraged residents to complete a GP update survey to help us define a common vision for the future of our city. This will provide guidance for many important issues related to land use, mobility, housing, recreation, and public facilities and services.
- Complete the survey at: www.scottsvalleygeneralplanupdate.com

General Plan Advisory Committee (GPAC):

- The next GPAC meeting is scheduled for Monday, June 26, 2017 at 6 pm in the Council Chambers.

Flame of Hope Torch Run:

- More than 5000 Law Enforcement personnel from federal, military, state, county and local agencies will be running the Special Olympics, "Flame of Hope," through Northern California from June 9 through June 23. The Special Olympics Summer Games brings together more than 700 Special Olympics athletes from throughout Northern California to compete in aquatics, bocce, tennis and track & field.
- On Wednesday, June 14 – The torch begins its journey in Watsonville at 08:00 AM before heading through Aptos, Capitola, Santa Cruz, and ending the day in Scotts Valley. Torch runners from the Scotts Valley Police Department will receive the torch on at approximately 2:00 p.m. at the Scotts Valley Hilton Hotel. Scotts Valley Police personnel will proceed down Mt Hermon Road to Scotts Valley Drive, up Glenwood Dr. to the city limits.

Scotts Valley Theater Guild:

- As you know, the SV Theater Guild held a successful fundraising event last Friday and announced that it will begin construction shortly as they now have their building permit.

PUBLIC COMMENT

No one came forward.

ALTERATIONS TO CONSENT AGENDA

M/S: Reed/Aguilar
To approve the Consent Agenda.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

Consent Agenda:

A. Approve check register – 5-12-17, 5-19-17
B. Approve the Agreement for Professional Services with HD Builders for ADA improvements at City Hall, Hocus Pocus Park and Siltanen Park and authorize the City Manager to sign the Agreement
C. Approve and ratify Council Member Donna Lind's appointment of Emilie Erickson to the ADA Accessibility Committee to fill the vacancy left by Tom Pohle
D. Approve the updated Santa Cruz County Anti Crime Team (SCCACT) Memorandum of Understanding (MOU) and authorize the Chief of Police to execute the MOU
E. Approve amendments to Memorandum of Understanding (MOU) between the City of Scotts Valley and Collection Bargaining Groups:
   (1) Approve Amendment to MOU between City of Scotts Valley and Scotts Valley Municipal Employees, SEIU Local 521
   (2) Approve Amendment to MOU between City of Scotts Valley and Scotts Valley Mid-Management Association

ALTERATIONS TO REGULAR AGENDA

M/S: Aguilar/Reed
To approve the Regular Agenda.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

REGULAR AGENDA

1. **Consideration of community service and outside agency funding requests**

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

   CM Aguilar questioned if Assisted Living Project, an agency in Scotts Valley who provides support to people with traumatic brain injuries, had submitted a request.

   Karen Delaney, Executive Director of the Volunteer Center, and Chair of the Human Care Alliance (HCA), spoke on behalf of the HCA and the submitted requests.

The following HCA agency representatives spoke regarding their specific agencies:

Dave Bianchi, Family Services Agency Executive Director
Dr. Cynthia FitzGerald, Director of the Cabrillo College Stroke and Disability Center and Allied Health Program
Lisa Berkowitz, Meals on Wheels Program Director
Brenda Moss, Senior Network Services Executive Director
Jan Shirchild, Program Coordinator for Project Scout
Tim Brattan, Grey Bears Executive Director
Karen Delaney, Volunteer Center Executive Director

Deanna Zachary, Marketing and Program Director for the Arts Council of Santa Cruz County, spoke about the importance of arts and their positive impact on society and the economy, gave an overview of the services provided and supported by the Arts Council of Santa Cruz County, and thanked the Council for their support over the years. She stated that the Arts Council is requesting an increase in funding this year from $1,000 to $2,000.

CM Aguilar recommended approving the HCA funding with COLA and ¼ percent of their new funding request for one year.

VM Reed stated that he respected the work of the Human Care Alliance, however, due to budget constraints, he could not vote in favor of funding.

M/S: Aguilar/Dilles
To approve funding at $49,564, with a 3.4% COLA ($1,685) and a one-time approval of new funding requests at ¼ percent of the request ($3,280.50), for a total of $54,529.50 for the HCA requests, and $1,000 for the Arts Council.
Carried 4/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

M/S: Aguilar/Dilles
To include funding for Assisted Living Project at the same level as 2016, $1087 plus the 3.4% COLA, if they submit an application for 2017 funding.
Carried 4/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

2. **Hold Public Meeting Regarding Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-029; Annual Engineer's Report Skypark**

Vice Mayor Reed recused himself from this item as he lives in Skypark.

PWD Hamby presented the written staff report and responded to questions from Council. PWD Hamby stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1555-SP-029 at the public hearing set for July 21, 2017.

3. **Hold Public Meeting Regarding Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.31; Annual Engineer's Report Pinewood**

PWD Hamby presented the written staff report and responded to questions from Council. PWD Hamby stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1213.31 at the public hearing set for July 21, 2017.

4. **Discuss and provide policy direction for proposed FY 2017/18 Annual Budget**

CM Haruyama presented the written staff report and a PowerPoint slideshow, and responded to questions from Council.

After discussion, the City Council directed staff to establish a 17% reserve policy and a 25% OPEB funding level.

CM Aguilar requested that staff analyze the cost of bringing sewer billing back to the City instead of having it included on the property tax bills through the County.

PUBLIC HEARINGS

5. **Consider approval of master fees and charges schedule for FY 2017/18 for City Planning, Building, Public Works, Police, and Administrative fees**

CM Haruyama presented the written staff report and a PowerPoint slideshow, and responded to questions from Council.

PUBLIC HEARING OPENED – 8:25 PM

No one came forward.

PUBLIC HEARING CLOSED – 8:25 PM

M/S: Aguilar/Dilles
To approve Resolution No. 1198.67 approving the Master Fees and Charges Schedule for FY 2017/18 for City Planning, Building, Public Works, Police, and Administrative fees.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

6. **Consider approval of master fees and charges schedule for FY 2017/18 for Recreation Programs and Services**

CM Haruyama and Financial Consultant Toler presented the written staff report and a PowerPoint slideshow, and responded to questions from Council.

CM Dilles stated that he would not vote in favor of staff recommendation due to questions about reasonable costs and revenues.

PUBLIC HEARING OPENED – 9:03 PM

No one came forward.

PUBLIC HEARING CLOSED – 9:03 PM

M/S: Lind/Aguilar
To approve Resolution No. 1593.20 approving the Master Fees and Charges Schedule for FY 2017/18 for Recreation programs and services.
Carried 4/1 (AYES: Aguilar, Johnson, Lind, Reed; NOES: Dilles)

REGULAR AGENDA
(Resumed)

7. **Future Council agenda items**

CM Lind requested a future agenda item to look at lighting night games at Siltanen Park on Friday and Saturday nights.

VM Reed requested a future agenda item regarding whether the City's TOT is applicable to Airbnb's and vacation rentals in Scotts Valley.

CM Dilles requested a future agenda regarding the status of the Glenwood Trails.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 9:08 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54957, the City Council met in closed session for City Manager Performance Evaluation.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 9:45 p.m.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Johnson announced that there was nothing to report.

ADJOURNMENT The meeting adjourned at 9:45 p.m.

Approved: ______________________________
Randy Johnson, Mayor

Attest:_________________________________
Tracy A. Ferrara, City Clerk

AGENDA ITEM B
DATE: 6-21-2017

Report Selection:

RUN GROUP... 060917   COMMENT... A/P AS OF JUNE 9 2017

DATA-JE-ID	DATA COMMENT
W-06092017-416	A/P AS OF JUNE 9 2017

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
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BANK	VENDOR	CHECK#	DATE	AMOUNT
BA GENERAL CHECKING ACCOUNT				
003527	A-1 MOBILE SERVICE,INC	110552	06/09/17	157.50
003497	ALVAREZ INDUSTRIES, INC	110553	06/09/17	1,323.00
000097	AT&T	110554	06/09/17	9.31
001319	BALL/DAVE	110555	06/09/17	169.73
000614	BATTERIES PLUS	110556	06/09/17	236.51
001593	BENEDICT DDS/NANETTE	110557	06/09/17	326.50
003603	BLAVIN/AMBER	110558	06/09/17	720.30
003010	BREWER DDS/DEAN	110559	06/09/17	287.20
001015	CALIFORNIA POLICE CHIEF'	110560	06/09/17	564.00
000773	CENTRAL COAST LANDSCAPE	110561	06/09/17	383.00
003005	CHALLENGER SPORTS CORPOR	110562	06/09/17	554.22
001051	COASTAL EVERGREEN CORP	110563	06/09/17	1,675.00
002091	COMCAST	110564	06/09/17	274.57
002091	COMCAST	110565	06/09/17	159.83
001906	COSTCO MEMBERSHIP	110566	06/09/17	400.44
001546	CRAIG/ROBERT J	110567	06/09/17	125.00
003134	CRIME SCENE CLEANERS,INC	110568	06/09/17	75.00
000037	CRYSTAL SPRINGS WATER CO	110569	06/09/17	36.75
001362	DUNCAN AUTO TECH	110570	06/09/17	84.13
003248	EARTHWORKS	110571	06/09/17	36,000.00
003354	ELITE MARTIAL ARTS, INC	110572	06/09/17	84.00
000426	ENTENMANN-ROVIN CO	110573	06/09/17	112.11
001597	ENVIRONMENTAL INNOVATION	110574	06/09/17	1,575.00
000054	EWING IRRIGATION PRODUCT	110575	06/09/17	430.44
001991	FASTENAL	110576	06/09/17	182.80
001316	FODGE/MICHELLE	110577	06/09/17	49.03
000057	HACH COMPANY	110578	06/09/17	1,797.38
003598	HARDWICK/JENNIFER	110579	06/09/17	44.10
000615	HOHMANN/PATRICK J.	110580	06/09/17	100.52
003592	KAHN/JESSICA	110581	06/09/17	24.50
002078	METRO MOBILE COMMUNICATI	110582	06/09/17	2,141.61
002078	METRO MOBILE COMMUNICATI	110583	06/09/17	32.70
002078	METRO MOBILE COMMUNICATI	110584	06/09/17	45.78
003171	MICHALAK/GENE	110585	06/09/17	110.00
000218	MID VALLEY SUPPLY	110586	06/09/17	909.11
001418	MONTEREY REGIONAL	110587	06/09/17	3,798.30
000939	NATIONAL COMTEL NETWORK	110588	06/09/17	15.07
001872	NORTH CENTRAL LABORATORI	110589	06/09/17	366.81
001802	ONTRAC	110590	06/09/17	53.59
000101	PACIFIC GAS & ELECTRIC C	110591	06/09/17	181.44
000723	PIED PIPER INC./THE	110592	06/09/17	250.50
000102	PITNEY BOWES	110593	06/09/17	147.44
003410	PRODUCTIVITY PLUS ACCOUN	110594	06/09/17	1,131.83
003604	QUALIFICATION TARGETS,IN	110595	06/09/17	667.41
001585	RAFFO DMD/MICHAEL J	110596	06/09/17	378.10
000135	SAN LORENZO VALLEY WATER	110597	06/09/17	34.00
003055	SANTA CRUZ CHILDREN'S	110598	06/09/17	56.60
000820	SANTA CRUZ/COUNTY OF	110599	06/09/17	15.00

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
000319	SCOTTS VALLEY CAR WASH	110600	06/09/17	63.90	
000405	SILVERSTEIN/THOMAS	110601	06/09/17	2,954.50	
000143	SUMMIT UNIFORMS	110602	06/09/17	1,293.52	
.15194	TARGET SPECIALTY PRODUCT	110603	06/09/17	431.98	
001366	U.S. BANCORP OFFICE	110604	06/09/17	1,260.35	
000154	WINCHESTER AUTO STORES	110605	06/09/17	415.77	
001625	YOSHIDA DDS/NOREEN	110606	06/09/17	161.25	
001880	ZUMAR INDUSTRIES INC	110607	06/09/17	662.68	
	GENERAL CHECKING ACCOUNT			65,541.11	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				65,541.11

RECORDS PRINTED - 000087

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	14,298.38
002	RECYCLING/ENVIRONMENTAL	15.00
003	GAS TAX - SPECIAL STATE TRST	36,000.00
004	RECREATION	4,782.32
010	WASTEWATER OPERATIONS	7,526.11
028	SENIOR CENTER	443.15
050	PINEWOOD EST LNDSCP MAINT DT	417.00
077	SKYPARK MAINT ASSESS DIST	825.00
112	DENTAL INS INTERNAL SERV	1,234.15
TOTAL ALL FUNDS		65,541.11

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	65,541.11
TOTAL ALL BANKS		65,541.11

Report Selection:

RUN GROUP... 052617 COMMENT... A/P AS OF MAY 26 2017

DATA-JE-ID	DATA COMMENT
W-05262017-399	A/P AS OF MAY 26 2017

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
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BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
001219	ALHAMBRA	110432	05/26/17	56.04	
001219	ALHAMBRA	110433	05/26/17	192.03	
000001	AMERICAN PLANNING ASSOCI	110434	05/26/17	190.00	
000998	ASSOCIATED SERVICES CO.	110435	05/26/17	98.61	
001670	AT &T	110436	05/26/17	3,407.54	
001593	BENEDICT DDS/NANETTE	110437	05/26/17	581.60	
001911	BOARDWALK BOWL	110438	05/26/17	445.21	
000021	BOWMAN & WILLIAMS	110439	05/26/17	3,550.00	
000018	BRINK'S TROPHY SHOPPE	110440	05/26/17	78.21	
001566	BUSINESS WITH PLEASURE	110441	05/26/17	735.00	
001216	C & N TRACTORS	110442	05/26/17	63.48	
003088	CALIFORNIA COAST UNIFORM	110443	05/26/17	367.82	
003345	COASTAL TRACTOR	110444	05/26/17	1,131.83	
002091	COMCAST	110445	05/26/17	136.20	
001546	CRAIG/ROBERT J	110446	05/26/17	312.50	
003564	CREATIVE SECURITY COMPAN	110447	05/26/17	3,501.88	
003464	DANIELS/JASON	110448	05/26/17	230.00	
003500	ECOFERT,INC	110449	05/26/17	850.00	
000202	FEDERAL EXPRESS	110450	05/26/17	63.31	
003035	FELTON DENTAL CENTER	110451	05/26/17	572.00	
001316	FODGE/MICHELLE	110452	05/26/17	913.84	
.15190	GUITIERREZ/MICHAEL	110453	05/26/17	38.80	
003449	HOSPICE OF SANTA CRUZ CO	110454	05/26/17	539.00	
000666	HOUSING AUTHORITY OF SC	110455	05/26/17	2,746.00	
000430	INTERSTATE BATTERIES	110456	05/26/17	976.06	
001308	JOHNSON DDS/BRETT	110457	05/26/17	243.84	
001903	JONES/KIMARIE	110458	05/26/17	120.00	
000066	KING'S PAINT & PAPER	110459	05/26/17	426.47	
.15188	LCG PENCE CONSTRUCTION	110460	05/26/17	4.00	
.15191	MALAFRONTE/RILEY	110461	05/26/17	38.80	
003403	MAR-KEN INTERNATIONAL PO	110462	05/26/17	715.00	
001971	MONTEREY REGIONAL WATER	110463	05/26/17	585.00	
.15192	MORSE/MICHAEL	110464	05/26/17	1,092.00	
001779	MUSICAL ME, INC	110465	05/26/17	2,376.00	
000723	PIED PIPER INC./THE	110466	05/26/17	57.50	
001233	PORTER DDS MS/BRENT J	110467	05/26/17	20.10	
.15189	RAYMOND/TAYLOR	110468	05/26/17	38.80	
000134	S.V. WATER DISTRICT	110469	05/26/17	754.94	
001586	SCOTTS VALLEY CLEANERS	110470	05/26/17	232.00	
001535	SKIP'S TIRE & AUTO CENTE	110471	05/26/17	731.61	
003221	SKYLIGHT PLACE INC./THE	110472	05/26/17	57.77	
002053	STEPFORD	110473	05/26/17	5,240.00	
003590	VARGAS ACADEMY OF GYMNAS	110474	05/26/17	1,330.00	
001211	WALNUT AVE WOMEN'S CENTE	110475	05/26/17	1,098.00	
001625	YOSHIDA DDS/NOREEN	110476	05/26/17	132.00	
002021	ZOOM	110477	05/26/17	19.30	
	GENERAL CHECKING ACCOUNT			37,090.09	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				37,090.09

RECORDS PRINTED - 000078

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	29,284.59
004	RECREATION	4,599.78
006	EQUIPT REPLACEMENT RESERVE	143.00
010	WASTEWATER OPERATIONS	1,187.40
028	SENIOR CENTER	167.86
112	DENTAL INS INTERNAL SERV	1,669.54
123	COMMUNITY FACILITY CENTER	37.92
TOTAL ALL FUNDS		37,090.09

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	37,090.09
TOTAL ALL BANKS		37,090.09

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Steve Walpole, Chief of Police

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **APPROVE AMENDMENT TO THE JOINT POWERS AGREEMENT (JPA) FOR THE SANTA CRUZ COUNTY ANIMAL SERVICES AUTHORITY AND AUTHORIZE CITY MANAGER TO SIGN THE AGREEMENT**

SUMMARY OF ISSUE

The Animal Services Authority (ASA) is a Joint Powers Agreement (JPA) in Santa Cruz County which was formed in 2002 to provide residents of the member agencies with a humane, efficient and economical animal control and care services. The City of Scotts Valley was a founding member of the ASA and has continuously been a member agency with the ASA for the past 15 years.

On July 1, 2007, the City of Capitola resigned as a member agency to the agreement. They provided their own animal services for almost ten years until May 11, 2017, when the Capitola City Council voted to once again join the ASA as a member agency.

On May 15, 2017, the ASA Board adopted a new cost sharing formula which includes Capitola and current member agencies, and takes into account key demographics, including member agency population, animal impounds, and calls for service. The previous formula only took the population of the member agencies into consideration. The recommended formula results in a savings of approximately $32,000 over a 4 year period for the City of Scotts Valley.

Attached for Council consideration is an amendment that reflects the addition of Capitola as a new member and changes to the cost sharing formula. All changes to the JPA must be authorized by all of the member agencies.

FISCAL IMPACT

The inclusion of the City of Capitola, along with the new funding formula, significantly reduces the City of Scotts Valley’s annual financial obligation to the ASA. In the current fiscal year, the City of Scotts Valley paid $117,216; however, the cost will go down each year for the next four years. It is anticipated by fiscal year 2020-2021 the City of Scotts Valley will only be paying $84,674 for the same level of service.

STAFF RECOMMENDATION

It is recommended that the City Council approve the attached amendment to the ASA JPA and authorize the City Manager to sign the agreement.

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THIRD AMENDMENT TO THE
JOINT POWERS AGREEMENT FOR
THE ANIMAL SERVICES AUTHORITY FOR THE COUNTY OF SANTA CRUZ

This third amendment to Joint Powers Agreement ("Agreement") is made and entered into this _____ day of __________ 2017 (the "Amendment"), by and between the County of Santa Cruz ("County"), the City of Santa Cruz, the City of Scotts Valley, and the City of Watsonville (collectively the "Member Agencies"), each of which is a public agency authorized and empowered to contract for the joint exercise of powers under Title I, Division 7, Chapter 5, Article I (Sections 6500, *et seq*.) of the California Government Code.

RECITALS

WHEREAS, on June 18, 2002, the Cities of Capitola, Santa Cruz, and Scotts Valley, and the County, joined contractually pursuant to the Joint Powers Agreement to create the Santa Cruz County Animal Services Authority ("Authority") as an entity separate from each of the contracting parties; and

WHEREAS, on July 1, 2007, the City of Capitola ("Capitola") resigned as a Member Agency to the Agreement; and

WHEREAS, on May 11, 2017, Capitola elected, through a vote of its City Council, to once again join the Authority as a Member Agency; and

WHEREAS, the current Authority through the Board of Directors ("Board"), approved Capitola rejoining the Authority as a Member Agency on June 12, 2017, effective July 1, 2017; and

WHEREAS, on May 15, 2017, the Board adopted a new cost sharing formula (attached as Exhibit A to this Amendment), which includes Capitola and the current Member Agencies;

NOW, THEREFORE, in consideration of the above recitals, of the mutual promises and agreements herein contained and for other valuable consideration, the Member Agencies agree that the Agreement shall be amended as follows:

AMENDMENT

I. For purposes of the Agreement and the Authority, as of July 1, 2017, the definition of "Member Agencies" found within the opening paragraph of the Agreement shall be amended to include the following entities (with italics indicating the amendment): the County of Santa Cruz; the City of Santa Cruz; the City of Scotts Valley, the City of Watsonville; and the *City of Capitola*.

II. Section 5.A of the Agreement, “Board of Supervisors”, shall be amended as follows (with italics indicating the amendment):

“The Authority shall be governed by a Board of Directors. The Board will provide policy and advisory input to the General Manager, and will not be involved in day-to-day operations of the Authority. Each Member Agency shall have at least one representative on the Board as follows:

1. Three members representing the County Board of Supervisors to include representatives from the County Sheriff-Coroner, Auditor Controller, and Administrative Officer, or their designees;

2. Two members representing the Santa Cruz City Council to include the Chief of Police and City Manager, or their designees;

3. One member representing the Scotts Valley City Council to include the City Manager or his/her designee; and

4. Two members representing the Watsonville City Council to include the Watsonville Chief of Police and the City Manager, or their designees.

5. One member representing the Capitola City Council to include the City Manager or his/her designee;”

III. The cost sharing formula attached as Exhibit A shall be incorporated into the Agreement as an exhibit to the Agreement, setting out the payment and cost terms for the Member Agencies beginning July 1, 2017.

IV. All other terms in the Agreement (other than those described herein) shall remain in effect.

V. This amendment may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this amendment as set out below.

SANTA CRUZ COUNTY ANIMAL SHELTER

By:______________________________
Signature
Name: Joe Phares

Title: Chair, Board of Directors, Santa Cruz County Animal Shelter
Date:____________________________

By:______________________________
Signature
Name: Melanie Sobel

Title: General Manager, Santa Cruz County Animal Shelter
Date:____________________

Approved as to form:

By____________________________
Assistant County Counsel
Date:____________________

APPROVAL BY MEMBER AGENCIES:

CITY OF SANTA CRUZ

______________________________ Dated:___________________
Jenny D. Haruyama, City Manager

Approved as to form:
Santa Cruz City Attorney

______________________________ Dated:___________________
Kirsten Powell, City Attorney

CITY OF SCOTTS VALLEY

_____________________________ Dated:___________________
City Manager

Approved as to form:
Scotts Valley City Attorney

_____________________________ Dated:___________________

CITY OF WATSONVILLE

By______________________ Dated:___________________

City Manager

Approved as to form:
Watsonville City Attorney

________________________ Dated:____________________

COUNTY OF SANTA CRUZ

By_______________________ Dated:___________________

Chair, Board of Supervisors

Approved as to form:
Dana McRae, County Counsel

By_______________________ Dated____________________

By signing above, signatory warrants and represents that he/she executed this amendment in his/her authorized capacity and that by his/her signature on this amendment, he/she or the entity upon behalf of which he/she acted, executed this amendment.

Proposed Membership Formula (with FY 2014-2016 averaged, actual service data)

CURRENT MEMBERS (With Capitola)

Blended Population (50% Weight), Animal Impound (25% Weight) and Call-for-Service (25% Weight)

	% of Impounds (3 Yr Avg)	% of Calls for Service (3 Yr Avg)	% of Population	Total Contribution %	Membership Contribution
County	47.0%	62.3%	51.1%	52.9%	$1,318,506.40
Santa Cruz	15.6%	17.1%	20.7%	18.6%	$462,711.80
Scotts Valley	2.0%	2.5%	4.6%	3.4%	$84,674.08
Watsonville	33.4%	17.8%	19.8%	22.7%	$567,018.29
Capitola	1.9%	0.2%	3.8%	2.4%	$61,053.43
	100.0%	100.0%	100.0%	100.0%	$2,493,964

Net Difference (Current to New Formula)	
($5,788.48)	County
($75,984.43)	Santa Cruz
($32,542.23)	Scotts Valley
$53,261.71	Watsonville
$37,733.43	Capitola
($23,320.00)	

Total FY 2016-2017 Budget: $2,493,964

#1 New Formula Implentation: Equal 3-Year Smoothing

Note that these numbers are not fixed as the annual budget will likely rise year over year and the service calculations will be updated each year.

	Contribution Percent	Membership Contribution	FY 2016-2017 Year 0 (Current $)	FY 2017-2018 Year 1 Change	FY 2017-2018 Year 1 Contribution*	FY 2018-2019 Year 2 Change	FY 2018-2019 Year 2 Contribution*	FY 2019-2020 Year 3 Change	FY 2019-2020 Year 3 Contribution*
Capitola	2.4%	$61,053.43	$ 23,320	$ 12,578	$ 35,898	$ 12,578	$ 48,476	$ 12,578	$ 61,053
County	52.9%	$1,318,506.40	$1,324,295	($1,929)	$1,322,365	($1,929)	$1,320,436	($1,929)	$1,318,506
Santa Cruz	18.6%	$462,711.80	$538,696	($25,328)	$513,368	($25,328)	$488,040	($25,328)	$462,712
Scotts Valley	3.4%	$84,674.08	$117,216	($10,847)	$106,369	($10,847)	$95,521	($10,847)	$84,674
Watsonville	22.7%	$567,018.29	$513,757	$17,754	$531,510	$17,754	$549,264	$17,754	$567,018
			$ 2,517,284		$ 2,509,511				
	100.0%	$2,493,964							

***Plus increases annual COLA (approved by the Board) or changes in service levels (backward-looking 3 year formula adjusts ea. year)**

#2 New Formula Implentation: Equal 4-Year Smoothing

Note that these numbers are not fixed as the annual budget will likely rise year over year and the service calculations will be updated each year.

	Contribution Percent	Membership Contribution	FY 2016-2017 Year 0 (Current $)	FY 2017-2018 Year 1 Change	FY 2017-2018 Year 1 Contribution*	FY 2018-2019 Year 2 Change	FY 2018-2019 Year 2 Contribution*	FY 2019-2020 Year 3 Change	FY 2019-2020 Year 3 Contribution*	FY 2020-21 Year 4 Change	FY 2020-21 Year 4 Contribution*
Capitola	2.4%	$61,053.43	$ 23,320	$ 9,433	$ 32,753	$ 9,433	$ 42,187	$ 9,433	$ 51,620	$ 9,433	$ 61,053
County	52.9%	$1,318,506.40	$1,324,295	$ (1,447)	$1,322,848	($1,447)	$1,321,401	($1,447)	$1,319,954	($1,447)	$1,318,506
Santa Cruz	18.6%	$462,711.80	$538,696	$ (18,996)	$519,700	($18,996)	$500,704	($18,996)	$481,708	($18,996)	$462,712
Scotts Valley	3.4%	$84,674.08	$117,216	$ (8,136)	$109,081	($8,136)	$100,945	($8,136)	$92,810	($8,136)	$84,674
Watsonville	22.7%	$567,018.29	$513,757	$ 13,315	$527,072	$13,315	$540,387	$13,315	$553,703	$13,315	$567,018
			$ 2,493,964	$ (5,830)	$ 2,511,454	($5,830)		($5,830)		($5,830)	
	100.0%	$2,493,964									

***Plus increases annual COLA (approved by the Board) or changes in service levels (backward-looking 3 year formula adjusts ea. year)**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Tracy A. Ferrara, City Clerk

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **DESIGNATION OF VOTING DELEGATE FOR 2017 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE**

SUMMARY OF ISSUES

The League's 2017 Annual Conference is scheduled for Wednesday, September 13 through Friday, September 15 in Sacramento. The Annual Business Meeting, where membership takes action on conference resolutions, will be held at noon on Friday, September 15, 2017 at the Sacramento Convention Center. Each City is requested by the League to designate a voting representative who will be present at the Business Meeting.

FISCAL IMPACT

Applicable registration costs for the League of California Cities Annual Conference have been included in the FY 2017/18 budget.

STAFF RECOMMENDATION

By approval on the consent agenda, the City Council will appoint Council Member Stephany E. Aguilar as the Voting Delegate, and City Manager Jenny Haruyama as the Alternate Voting Delegate, to represent the City of Scotts Valley at the League of California Cities Annual Business Meeting on September 15, 2017 at the Sacramento Convention Center.

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LEAGUE® OF CALIFORNIA CITIES

CITY: Scotts Valley

2017 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, <u>September 1, 2017.</u> Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate <u>one voting delegate and up to two alternates</u>.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: Stephany E. Aguilar

Title: City Council Member

2. VOTING DELEGATE - ALTERNATE

Name: Jenny D. Haruyama

Title: City Manager

3. VOTING DELEGATE - ALTERNATE

Name: ______________________

Title: ______________________

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

<u>OR</u>

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: Tracy A. Ferrara, City Clerk E-mail tferrara@scottsvalley.org

~~Mayor or~~ City Clerk______________________ Phone: 831-440-5600
(circle one) (signature)

Date: June 22, 2017

<u>Please complete and return by Friday, September 1, 2017</u>

League of California Cities
ATTN: Carly Shelby
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: cshelby@cacities.org
(916) 658-8279

LEAGUE® OF CALIFORNIA CITIES

1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by July 31, 2017

May 3, 2017

TO: Mayors, City Managers and City Clerks

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 13 – 15, Sacramento

The League's 2017 Annual Conference is scheduled for September 13 – 15 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, September 15, at the Sacramento Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 1, 2017. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 13, 8:00 a.m. – 6:00 p.m.; Thursday, September 14, 7:00 a.m. – 4:00 p.m.; and Friday, September 15, 7:30 a.m.– Noon. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 1. If you have questions, please call Carly Shelby at (916) 658-8279.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes**. In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Laurie Grundy, Accountant II

APPROVED: Jenny Haruyama, City Manager

SUBJECT: **2017/2018 APPROPRIATIONS LIMIT – RESOLUTION NO. 1007.30**

SUMMARY OF ISSUE

In 1979, State voters approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIIIB of the State constitution placing limits on the amount of certain revenue, called proceeds from taxes, which can be spent (appropriated) by governmental entities. In 1990, the State voters approved Proposition 111, which modified the formula for calculating the limit and required an annual review of the limit.

The Appropriations Limit is based on adjusting the previous year's limit by two factors. The City can select one factor from the following two sets of factors:

Percentage change in population in the City of Scotts Valley, or

Percentage change in population in the County of Santa Cruz,

and

Percentage change in the local nonresidential new construction assessment roll for the City of Scotts Valley (to be used as the change in the cost of living), or

Percentage change in the per capita personal income in the State of California.

All of the above factors are provided by the State of California, except for the local new construction assessment which is provided by the County of Santa Cruz. The factors for the 2017 / 2018 calculation are as follows:

Percentage change in population in the City of Scotts Valley	0.28%
Percentage change in population in the County of Santa Cruz	0.38%
Percentage change in local nonresidential new construction	1.019%
Percentage change in per capita personal income in the State	3.69%

FISCAL IMPACT:

Using the percentage change in population in the City of Scotts Valley and the percentage change in the per capita personal income in the State will produce the highest appropriations limit for 2017/2018: $186,050,598 [(1.0028 x 1.0369) x $178,929,215]. The appropriations subject to this limit based on the proposed budget for 2017/2018 is $8,246,243. Therefore, the City of Scotts Valley is well below its limit.

STAFF RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 1007.30 making certain findings including the selection of the two factors stated above (see Fiscal Impact) and adopting the 2017/2018 appropriations limit of $186,050,598.

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2017/2018 APPROPRIATIONS LIMIT

RESOLUTION NO. 1007.30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY 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 2017/2018

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 for fiscal year 2016/2017 was $178,929,215.

2. That during fiscal year 2016/2017, according to State, the percentage change in per capita personal income in California was 3.69%.

3. That the change in population in the City of Scotts Valley in 2016/2017, according to the State of California, was 0.28%.

4. That the appropriations limit under the Gann Initiative for fiscal year 2017/2018 is $186,050,598.

5. That the change in cost of living is selected to be the change in per capita personal income.

6. That the documentation for establishing the appropriations limit for 2017/2018 was prepared by the Finance Department and presented to the City Council on June 21, 2017.

7. 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 21st day of June, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:____________________________
Randy Johnson, Mayor

Attest:__________________________________
Tracy Ferrara, City Clerk

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ▪ GOVERNOR
STATE CAPITOL ▪ ROOM 1145 ▪ SACRAMENTO CA ▪ 95814-4998 ▪ WWW.DOF.CA.GOV

May 2017

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
The California Revenue and Taxation Code, section 2227, requires the Department of Finance (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, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2017-18 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. The 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. The Code and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

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. 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, 2017**.

Please Note: Prior year's city population estimates may be revised.

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

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

May 2017

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 2017-18 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

2017-18:

Per Capita Cost of Living Change = 3.69 percent
Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.69 + 100}{100} = 1.0369$

Population converted to a ratio: $\frac{0.85 + 100}{100} = 1.0085$

Calculation of factor for FY 2017-18: 1.0369 x 1.0085 = 1.0457

Fiscal Year 2017-18

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017

County City	Percent Change 2016-2017	--- Population Minus Exclusions --- 1-1-16	 1-1-17	Total Population 1-1-2017
Santa Cruz				
Capitola	0.26	10,136	10,162	10,162
Santa Cruz	0.79	64,562	65,070	65,070
Scotts Valley	0.28	12,129	12,163	12,163
Watsonville	0.37	52,820	53,015	53,015
Unincorporated	0.21	135,825	136,108	136,193
County Total	0.38	275,472	276,518	276,603

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **ADOPT RESOLUTION APPROVING THE ANNUAL SUBMITTAL OF CITY OF SCOTTS VALLEY INVESTMENT POLICY**

SUMMARY OF ISSUE

The State of California amended Government Code Section 53646 in July, 1996 to require the Treasurer to annually submit to the City Council at a public meeting an Investment Policy for your review and approval. The change in legislation was brought about by the need to avoid the same problems Orange County encountered. The intent is to provide the local governing body with the authority to review and approve the policy.

The current Investment Policy is attached for your information. The City Council last adopted this Investment Policy on June 17, 2016. Staff recommends that no changes be made in the existing Investment Policy at this time.

It is important to note that our Investment Policy as recommended affirms the City's fiduciary responsibility to safeguard public assets. A high priority is placed on ensuring the safety of principal and that liquidity needs for payment of payroll and other City obligations are met prior to considering yield on the investment.

The investments authorized in the attached Investment Policy are typical governmental investments and are reasonably safe investments. More risky investments such as derivative investments or reverse repurchase agreements have been excluded from this Investment Policy. Typically, the City invests most of its cash other than bond proceeds in the State of California Local Agency Investment Fund (LAIF), which has proved to be a safe investment 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

No change is recommended. Investment reports are currently distributed to the City Council each month, as required by the Investment Policy.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1139.21 approving the Investment Policy.

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RESOLUTION NO. 1139.21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ADOPTING THE ATTACHED INVESTMENT POLICY

WHEREAS, under government Code Section 53646, et seq, it is required that the City Council of the City of Scotts Valley annually approve an Investment Policy; and

WHEREAS, it is in the public's best interest that an investment policy be adopted by the City Council so that the public assets will be properly safeguarded and invested.

NOW THEREFORE be it resolved by the City Council of the City of Scotts Valley that the attached Investment Policy (Exhibit "A") is hereby adopted.

This resolution was passed and adopted on the 21st day of June, 2017, at a duly held regular meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:______________________________
Randy Johnson, Mayor

Attest:_____________________________
Tracy Ferrara, City Clerk

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: INVESTMENT POLICY	**POLICY NUMBER:** 05-17
EFFECTIVE DATE: 06/21/2017	**PAGES:** 11
REVISED DATES:	
APPROVED BY:	

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, eq 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, 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 years 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”) and the “Investment Fund of California” (“CalTRUST”).

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

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

11. 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.

12. 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. <u>Safety</u>

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 control is found in state law which restricts the particular types of investments permitted 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 shall annually render a Statement of Investment Policy to the City Council for their approval at a public meeting, as required by California Government Code section 53646(a).

2. The City Treasurer shall generate and forward to the City Manager and City Council a monthly report within 30 days after the end of each month, as required by California Government Code section 53646(b). Required elements of these 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. **Guidelines for Broker/Dealer and Banker Relationships**

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.

Investment Trust of California - More commonly known as CalTRUST, a trust created for public agencies to provide for the investment of pooled funds of its participants.

k. **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 Investment Trust of California	LAIF Limit 30%	N/A N/A	
k. Demand Deposits	No Limit	N/A	FDIC or collateralized

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager
Steve Toler, Budget and Financial Consultant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **APPROVAL OF CITY'S PAY PLAN FOR FY 2017/18**

SUMMARY OF ISSUE

Section 2.04.150 of the Scotts Valley Municipal Code requires that the City Manager prepare and submit the proposed annual salary plan along with the City's annual budget to the City Council for approval.

The FY 20171/8 Annual Budget is included for approval in this evening's agenda. Incorporated into the preparation of the budget is an updated Pay Plan, attached to this staff report, that includes all of the City's job classifications according to bargaining unit and the salary schedules that were approved as part of each bargaining group's respective memorandum of understanding (MOU) or compensation and benefits plan.

FISCAL IMPACT

The salaries indicated in the FY 2017/18 Pay Plan have been incorporated into the proposed FY 2017/18 Annual Budget.

STAFF RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving the Pay Plan for FY 2017/18.

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RESOLUTION NO. 630.37.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CITY'S PAY PLAN FOR FISCAL YEAR 2017/18

WHEREAS, the City Manager is responsible for preparing and submitting an annual salary schedule for all City classifications to the City Council for approval;

WHEREAS, the Pay Plan for FY 2017/18 incorporates the salaries approved by the City Council in each bargaining unit's respective memorandum of understanding or compensation and benefits plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the FY 2017/18 Pay Plan, attached hereto, 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 21st day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

CITY OF SCOTTS VALLEY
SEIU LOCAL 521 REPRESENTATION

SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Accountant I	4,010	4,211	4,421	4,643	4,875	5,119	5,374
Accounting Assistant	2,870	3,014	3,165	3,323	3,489	3,663	3,847
Accounting Technician	3,373	3,541	3,719	3,904	4,099	4,304	4,519
Administrative Secretary I	3,373	3,541	3,719	3,904	4,099	4,304	4,519
Administrative Secretary II	3,538	3,715	3,901	4,095	4,300	4,515	4,741
Administrative Secretary III	3,805	3,995	4,196	4,406	4,626	4,858	5,101
Administrative Secretary/Analyst	3,996	4,196	4,406	4,626	4,858	5,100	5,356
Administrative Secretary/ Planning Aide	3,911	4,106	4,311	4,527	4,753	4,991	5,241
Assistant Civil Engineer	5,047	5,299	5,564	5,843	6,135	6,441	6,764
Assistant Planner	4,024	4,225	4,436	4,658	4,891	5,136	5,392
Associate Planner	4,428	4,649	4,882	5,126	5,382	5,651	5,934
Building Inspector	4,229	4,440	4,662	4,896	5,141	5,398	5,668
Building Permit Technician	3,373	3,541	3,718	3,904	4,099	4,304	4,519
Chief Mechanic	3,824	4,015	4,216	4,427	4,649	4,881	5,125
Chief Wastewater Plant Operator	4,554	4,782	5,021	5,271	5,534	5,811	6,101
Code Enforcement Officer	3,898	4,093	4,298	4,513	4,739	4,976	5,225
Community Services Officer/ Training Coordinator	2,663	2,796	2,936	3,083	3,237	3,400	3,569
Engineering Aide	3,153	3,311	3,476	3,649	3,831	4,023	4,224

CITY OF SCOTTS VALLEY
SEIU LOCAL 521 REPRESENTATION

SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Engineering Associate	4,483	4,707	4,943	5,190	5,449	5,721	6,007
Engineering Technician	3,827	4,019	4,220	4,431	4,653	4,886	5,129
Equipment Mechanic	3,315	3,481	3,655	3,838	4,030	4,231	4,443
Facilities Maintenance Specialist	3,593	3,773	3,962	4,160	4,368	4,586	4,816
Juvenile Community Services Officer	2,745	2,882	3,026	3,177	3,336	3,503	3,678
Lab Analyst	3,854	4,046	4,249	4,460	4,684	4,918	5,164
Laborer	2,729	2,864	3,008	3,158	3,316	3,482	3,656
Maintenance Supervisor	4,174	4,383	4,602	4,833	5,074	5,328	5,595
Maintenance Worker I	2,866	3,010	3,161	3,319	3,485	3,660	3,843
Maintenance Worker II	3,228	3,390	3,559	3,737	3,923	4,119	4,325
Maintenance Worker III	3,656	3,838	4,030	4,232	4,443	4,666	4,899
Network Systems Specialist	4,103	4,309	4,524	4,750	4,988	5,238	5,500
Office Assistant	2,522	2,649	2,781	2,920	3,066	3,219	3,380
Planning/Economic Development Specialist	4,024	4,225	4,436	4,658	4,891	5,136	5,392
Public Works Inspector	4,212	4,422	4,643	4,876	5,120	5,376	5,645
Public Works Inspector/ Technician	4,212	4,422	4,643	4,875	5,118	5,374	5,643
Recreation Coordinator	3,135	3,292	3,457	3,629	3,811	4,001	4,201
Recreation Leader/Head Teacher	2,023	2,124	2,230	2,341	2,459	2,581	2,711

CITY OF SCOTTS VALLEY
SEIU LOCAL 521 REPRESENTATION

SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Recreation Specialist	3,060	3,213	3,374	3,543	3,721	3,906	4,101
Secretary I	2,846	2,989	3,139	3,295	3,461	3,634	3,816
Secretary II	3,079	3,233	3,396	3,565	3,744	3,931	4,128
Senior Accounting Technician	3,647	3,829	4,021	4,222	4,433	4,655	4,887
Senior Accounting / Human Resources Technician	3,770	3,958	4,156	4,364	4,583	4,812	5,053
Senior Accounting Technician/ Project Coordinator	3,770	3,958	4,157	4,365	4,583	4,812	5,053
Senior Building Inspector	4,711	4,947	5,195	5,455	5,727	6,014	6,314
Senior Building Inspector/ Code Enforcement Officer	4,711	4,947	5,195	5,455	5,727	6,014	6,314
Senior Building Permit Technician	3,689	3,874	4,067	4,271	4,485	4,709	4,945
Senior Center Coordinator	2,168	2,276	2,390	2,510	2,635	2,767	2,905
Senior Lab Technician/ Industrial Waste Inspector	4,213	4,424	4,645	4,878	5,122	5,378	5,647
Senior Public Works Inspector	4,809	5,050	5,303	5,568	5,846	6,139	6,446
Senior Recreation Leader/ Head Teacher	2,424	2,545	2,672	2,806	2,947	3,094	3,249
Senior Recreation Leader/ Site Director	2,855	2,998	3,148	3,305	3,470	3,644	3,826
Senior Recreation Specialist	3,871	4,065	4,268	4,481	4,705	4,941	5,188
Senior Wastewater Lab Analyst	4,213	4,424	4,645	4,878	5,122	5,378	5,647

CITY OF SCOTTS VALLEY
SEIU LOCAL 521 REPRESENTATION

SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Wastewater Plant Operator-in-Training	3,149	3,306	3,471	3,645	3,827	4,018	4,219
Wastewater Plant Operator I	3,609	3,790	3,979	4,178	4,387	4,607	4,837
Wastewater Plant Operator II	3,966	4,164	4,371	4,590	4,819	5,060	5,313

CITY OF SCOTTS VALLEY
MID-MANAGEMENT ASSOCIATION

SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Accountant II	4,879	5,123	5,379	5,648	5,930	6,227	6,538
Associate Civil Engineer	5,793	6,082	6,386	6,706	7,041	7,393	7,763
Building Official	5,180	5,439	5,711	5,997	6,297	6,612	6,942
City Clerk	5,088	5,342	5,609	5,890	6,184	6,493	6,818
City Engineer	7,078	7,432	7,803	8,193	8,604	9,034	9,486
Civil Engineer	6,141	6,448	6,771	7,109	7,465	7,839	8,230
Civil Enginer (Traffic)	6,434	6,756	7,093	7,448	7,820	8,211	8,622
Maintenance Division Manage	5,105	5,360	5,628	5,910	6,206	6,516	6,841
Recreation Division Manager	4,860	5,103	5,358	5,626	5,908	6,204	6,514
Senior Accountant	5,648	5,930	6,227	6,538	6,865	7,208	7,569
Senior Planner	5,556	5,834	6,125	6,431	6,753	7,090	7,445
Wastewater Division Manager	5,883	6,178	6,486	6,810	7,151	7,509	7,884
Wastewater & Environmental Program Manager	5,883	6,178	6,486	6,810	7,151	7,509	7,884
Wastewater Plant Superintendent	5,217	5,478	5,753	6,041	6,343	6,660	6,992
Principal Planner	6,693	7,028	7,379	7,749	8,136	8,544	8,971

CITY OF SCOTTS VALLEY

MANAGEMENT TEAM SALARY SCHEDULE

07/01/2016 - 6/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Chief of Police	9,320	9,786	10,275	10,789	11,328	11,894	12,489
Community Development Director / Deputy City Manager	8,602	9,032	9,484	9,958	10,456	10,979	11,528
Director of Public Works	8,322	8,738	9,175	9,634	10,116	10,622	11,153
Director of Public Works / City Engineer	8,322	8,738	9,175	9,634	10,116	10,622	11,153
Deputy City Manager / Administrative Services Director	8,322	8,738	9,175	9,634	10,116	10,622	11,153
Community Development Director	8,194	8,604	9,034	9,486	9,960	10,458	10,981
Finance Director	7,907	8,302	8,717	9,153	9,611	10,092	10,597
Police Captain	7,196	7,556	7,934	8,331	8,748	9,185	9,644
Accounting Manager	6,198	6,508	6,833	7,175	7,534	7,911	8,307

CITY OF SCOTTS VALLEY

CITY MANAGER SALARY SCHEDULE

07/01/2016 - 6/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
City Manager	13,638	14,320	15,036	15,788	16,577	17,405	18,276

CITY OF SCOTTS VALLEY

OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPBU SALARY SCHEDULE

07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Emergency Dispatcher/ Clerk I	3,347	3,514	3,690	3,875	4,069	4,272	4,486
Emergency Dispatcher/ Clerk II	3,710	3,896	4,091	4,296	4,511	4,737	4,974
Emergency Dispatcher/ Clerk III	3,785	3,974	4,173	4,382	4,601	4,831	5,073
Officer	4,873	5,117	5,373	5,642	5,924	6,220	6,531

CITY OF SCOTTS VALLEY
OPERATING ENGINEERS LOCAL 3 REPRESENTATION

SVPSA SALARY SCHEDULE
07/01/2017 - 06/30/2018

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Lieutenant	7,065	7,418	7,789	8,178	8,587	9,016	9,467
Sergeant	5,788	6,077	6,381	6,700	7,035	7,387	7,756
Services Supervisor	4,338	4,555	4,783	5,022	5,273	5,537	5,814
Services Supervisor/ Information Tech & Project Manager	4,987	5,236	5,498	5,773	6,062	6,365	6,683

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Kristin Ard, Recreation Division Manager

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **REQUEST FOR NON COLLECTION OF FEES – MUSIC IN THE PARK, KIWANIS OF THE VALLEYS**

SUMMARY OF ISSUE

The Kiwanis of the Valleys is a non-profit 501(c)(3) organization who hosts Music in the Park at Skypark. The three events (July 30, August 27, and September 24) are the major funding source for the music programs at both Scotts Valley Middle School and High School.

The Kiwanis requests that the City Council consider not collecting the $3,600 facilities use fee for the event space and use of Skypark classroom. This fee is based on attendance; approximately 300 participants attend each of the events.

FISCAL IMPACT

The fiscal impact associated with this action will result in a loss of General Fund revenue in the amount of $3,600. Facility rental and/or event permit revenue not collected from non-profit organizations for community events is estimated to be approximately $9,300.

STAFF RECOMMENDATION

It is recommended that Council consider the request for the non-collection of fees and provide staff direction.

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Dec. 22, 2016

KIWANIS of the VALLEYS

Serving Scotts Valley & San Lorenzo Valley since 1984

Kristen Ard
City of Scotts Valley
Recreation Division Office
361 Kings Village Rd
Scotts Valley, Ca 95066

Dear Kristen,

Kiwanis Club of the Valleys will once again be organizing, promoting and sponsoring our Music at Skypark summer concert series in 2017.

Music at Skypark is a major source of funding for the music programs at Scotts Valley Middle School and Scotts Valley High School. All the monies raised above our very minimal expenses are donated to music program support. Over the past 8 years, through our partnership at this event with so many community-minded local businesses, our club foundation has donated over $120,000 to the music programs. For your reference, I've attached a letter from Music Director Beth Hollenbeck that recently appeared in the Scotts Valley Banner.

Of course, there wouldn't be any Music at Skypark without Skypark! That's why we are asking that the City once again generously donate use of the park to us for the three upcoming concert dates in 2017 (7/30, 8/27, 9/24). This donation will directly benefit our local music students.

Thank you in advance for answering the call to help keep music alive in Scotts Valley's schools!

Sincerely,

Jim Melehan

Jim Melehan
Member, Kiwanis of the Valleys

RECEIVED
DEC 22 2016
CITY OF SCOTTS VALLEY
RECREATION DEPT.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE:	June 21, 2017
TO:	Honorable Mayor and City Council
FROM:	Michelle Edwards, Senior Planner
APPROVED:	Jenny D. Haruyama, City Manager
SUBJECT:	**CONSIDERATION OF A RECOMMENDATION FROM THE CITY'S AFFORDABLE HOUSING SUBCOMMITTEE TO APPROVE INCOME LEVELS OF THE INCLUSIONARY UNITS OF "THE TERRACE OF SCOTTS VALLEY" PLANNED DEVELOPMENT ON SCOTTS VALLEY DRIVE, APN'S 022-162-69 & -74, AND TO AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AFFORDABLE HOUSING AGREEMENT**

SUMMARY OF ISSUES

In November 2015, the City Council approved "The Terrace at Scotts Valley", which consists of 19 townhouses located on Scotts Valley Drive near Bean Creek Road. The project's 15% requirement of inclusionary / below-market-rate units is 2.85 units.

On June 1, 2017, the City's Affordable Housing Subcommittee held a public meeting and reviewed the developer's proposed unit locations (Lots #2 and #6) and income levels. In a unanimous vote, the Subcommittee recommended approval of one (1) low-income unit and one (1) moderate-income unit. The in-lieu fees due from the developer (0.85 of a unit) will be used to assist with the cost of providing a low-income unit.

FISCAL IMPACT

Staff time will be involved to ensure City procedures are followed when the developer markets the below-market-rate units and prospective buyers submit applications to see if they qualify.

STAFF RECOMMENDATION

It is recommended that the City Council approve and designate income levels of the inclusionary units of "The Terrace of Scotts Valley" Planned Development on Scotts Valley Drive, APN's 022-162-69 & -74 as follows: One (1) low-income unit, one (1) moderate-income unit, and the application of the in-lieu fees to the low-income unit, and authorize the City Manager to enter into an agreement with the developer.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **APPROVE SHARED RESPONSIBILITY FOR CREDIT SUPPORT AGREEMENT FOR MONTEREY BAY COMMUNITY POWER (MBCP) BY AND AMONG THE COUNTY OF SANTA CRUZ AND THE CITIES OF CAPITOLA, SANTA CRUZ, SCOTTS VALLEY AND WATSONVILLE**

SUMMARY OF ISSUE

On February 1, 2017, Scotts Valley adopted a resolution establishing the Monterey Bay Community Power (MBCP) Joint Powers Authority (JPA) and ordinance to provide a community choice energy (CCE) program for Scotts Valley. The JPA, comprised of jurisdictions within the Monterey, Santa Cruz and San Benito counties will provide electrical service to customers in Spring 2018. The purpose of the MBCP is to reduce greenhouse gas emissions, provide electric power and other forms of energy to customers at competitive prices in the Monterey, Santa Cruz and San Benito County region. In addition, the program seeks to reduce energy consumption, stimulate the local economy by creating local jobs and promote long-term electric rate stability and reliability for the residents of the tri-county area.

The permanent board seats of the JPA are allocated by population size; the City of Scotts Valley and Capitola have shared seats that rotate every two years. The City Selection Committee of the County of Santa Cruz took action at its Wednesday, January 25, 2017 meeting and selected Capitola to rotate first into the CCE Board seat and attend the inaugural board meeting in April 2017. At the end of Capitola's two-year term, Scotts Valley would appoint a Council representative and alternate and rotate into the seat in April 2019.

To move forward with the program implementation, MBCP will need funding for start up costs in the amount of $3 million. The MBCP selected River City Bank from which to receive the start-up and initial capital. The Counties of Monterey, San Benito and Santa Cruz have agreed to execute a River City Bank Guaranty. The County of Santa Cruz's negotiated share of the $3 million River City Bank Guaranty is $1,213,636. The $1,213,636 will be allocated among the MBCP members in Santa Cruz County. The allocation amount for all MBCP members is reflected in table in the staff report and outlined in Exhibit B (Credit Support) of the attached agreement.

Monterey Bay Community Power Credit Allocation by Jurisdiction

		Seats on Board	Amount			
			Credit Support		River City Bank Guaranty	
	Santa Cruz County					
1	County of Santa Cruz	1.00	9.09%	$272,727		
2	City of Santa Cruz	1.00	9.09%	$272,727		
3	Watsonville	1.00	9.09%	$272,727		
	Santa Cruz Cities Rotating					
4	Capitola	0.50	4.55%	$136,364		
5	Scotts Valley	0.50	4.55%	$136,364		
	Subtotal - Santa Cruz County	*4.00*	*36.36%*	*$1,090,909*	*40.45%*	*$1,213,636*

The City of Scotts Valley's share is $136,364. To ensure compliance with debt limit law, each agency must set aside a cash reserve for its designated portion of the credit support. This can be done by appropriating the amount in an assigned reserve in the General Fund until which time the credit support is no longer required. Given an expected revenue surplus of at least $1 million, it is anticipated that the credit guarantee could be removed as early as one year after implementation.

FISCAL IMPACT

As a member of the MBCP, agencies are required to provide a credit guarantee to support the pre-revenue start up loan of up to $3 million. The credit guarantee requirement is anticipated to be removed within one to two years after implementation. Scotts Valley's share of the guarantee is $136,364, which must be set aside in a reserve. Setting aside this amount in an assigned reserve will temporarily reduce the City's available fund balance amount, but not negatively impact the City's cash flow. The FY 2017/18 Annual Budget that the Council will consider as a separate item this evening includes the credit guarantee assigned reserve.

STAFF RECOMMENDATION

It is recommended that Council approve the Shared Responsibility for Credit Support Agreement for Monterey Bay Community Power (MBCP) by and among the County of Santa Cruz and the Cities of Capitola, Santa Cruz, Scotts Valley and Watsonville.

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Shared Responsibility for Credit Support Agreement for MBCP By and Among the County of Santa Cruz and the Cities of Capitola, Santa Cruz, Scotts Valley and Watsonville

This Shared Responsibility for Credit Support Agreement (Agreement) is entered into by and among the County of Santa Cruz, the City of Capitola, the City of Santa Cruz, the City of Scotts Valley and the City of Watsonville, each a member of the Monterey Bay Community Power Authority of Monterey, Santa Cruz and San Benito Counties (MBCP) and is effective when fully executed by the parties.

WHEREAS, MBCP was formed on February 21, 2017 by and among the cities and counties listed on Exhibit A to this Agreement. The members of MBCP share various powers common to each party under California law, including but not limited to the power to study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions; and

WHEREAS, MBCP requires start-up and initial working capital in the amount of $3,000,000 (three million dollars); and

WHEREAS, MBCP has selected River City Bank from which to receive the start-up and initial capital; and

WHEREAS, River City Bank requires a non-revolving credit guaranty and other supporting documents (River City Bank Guaranty) from the members of MBCP. A Credit Guarantee was contemplated in the Joint Exercise of Powers Agreement Relating to and Creating the Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties (JPA Agreement); and

WHEREAS, the JPA Agreement at section 5.3.4 provides that the Credit Guarantee shall be distributed on a per seat basis with shared seat members dividing the Credit Guarantee among the cities sharing those seats;

WHEREAS, the Counties of Monterey, San Benito and Santa Cruz have agreed to execute the River City Bank Guaranty in the amount of $3,000,000 (three million dollars); and

WHEREAS, the County of Santa Cruz' negotiated share of the $3,000,000 River City Bank Guaranty is $1,213,636; and

WHEREAS, this document is intended to formalize the obligations of the cities located in the County of Santa Cruz to accept their share of responsibility for the Credit Guarantee in the amounts provided in Exhibit B (Credit Support).

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Counties of Monterey, San Benito and Santa Cruz will enter into the River City Bank Guaranty in the amount of $3,000,000 (three million dollars) allocated among the counties in the amounts below:

    a. Monterey County - $1,486,364

    b. San Benito - $300,000

    c. Santa Cruz – $1,213,636

2. The city parties to this Agreement hereby accept their share of responsibility for the Credit Guarantee in the amounts provided in Exhibit B (Credit Support). The Credit Support shall be in the form of cash collateral.

3. The Credit Guarantee of the counties and the Credit Support of the cities shall be released after program launch and as soon as possible under the terms of the River City Bank Guaranty. Once a Party has made a Credit Guarantee or provided Credit Support, that Credit Guarantee or Credit Support shall remain in place until the release of the River City Bank Guaranty, even if that party withdraws from the JPA.

4. The term of this Agreement shall be from the effective date to the date of release of the River City Bank Guaranty and Credit Support.

5. This Agreement shall not be amended except in a written amendment executed by all the parties to this Agreement.

6. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions of this Agreement shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7. This Agreement may be executed in any number of counterparts, and upon execution by all parties, each executed counterpart shall have the same force and effect as an original instrument and as if all parties had signed the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed:

COUNTY OF SANTA CRUZ

______________________________	________________
Chairperson of the Board of Supervisors	Date

APPROVED AS TO FORM:

______________________________	________________
Office of the County Counsel	Date

CITY OF CAPITOLA

______________________________	________________
Mayor	Date

APPROVED AS TO FORM:

______________________________	________________
Office of the City Attorney	Date

CITY OF SANTA CRUZ

______________________________	________________
Mayor	Date

APPROVED AS TO FORM:

______________________________	________________
Office of the City Attorney	Date

CITY OF SCOTTS VALLEY

Mayor	Date

APPROVED AS TO FORM:

Office of the City Attorney	Date

CITY OF WATSONVILLE

Mayor	Date

APPROVED AS TO FORM:

Office of the City Attorney	Date

Exhibit A

List of Parties to the MBCP

County of Santa Cruz

City of Santa Cruz

City of Watsonville

City of Capitola

City of Scotts Valley

County of Monterey

City of Salinas

City of Monterey

City of Pacific Grove

City of Carmel

City of Seaside

City of Marina

Sand City

Soledad

Greenfield

Gonzales

County of San Benito

City of Hollister

City of San Juan Bautista

EXHIBIT B
CREDIT SUPPORT

Monterey Bay Community Power Credit Allocation by Jurisdiction

		Seats on Board	Amount					
			Credit Support			River City Bank Guaranty		
	Santa Cruz County							
1	County of Santa Cruz	1.00	9.09%	$	272,727			
2	City of Santa Cruz	1.00	9.09%		272,727			
3	Watsonville	1.00	9.09%		272,727			
	Santa Cruz Cities Rotating							
4	Capitola	0.50	4.55%		136,364			
5	Scotts Valley	0.50	4.55%		136,364			
	Subtotal - Santa Cruz County	*4.00*	*36.36%*	*$*	*1,090,909*	*40.45%*	*$*	*1,213,636*
	Monterey County							
6	County of Monterey	1.00	9.09%	$	272,727			
7	Salinas	1.00	9.09%		272,727			
	Monterey Coastal Cities Rotating							
8	Marina	0.33	3.03%		90,909			
9	Seaside	0.33	3.03%		90,909			
10	Sand City	0.33	3.03%		90,909			
	Monterey Peninsula Cities Rotating							
11	Pacific Grove	0.33	3.03%		90,909			
12	Carmel	0.33	3.03%		90,909			
13	City of Monterey	0.33	3.03%		90,909			
	Salinas Valley Rotating							
14	Greenfield	0.33	3.03%		90,909			
15	Soledad	0.33	3.03%		90,909			
16	Gonzales	0.33	3.03%		90,909			
	Subtotal - Monterey County	*5.00*	*45.45%*	*$*	*1,363,636*	*49.55%*	*$*	*1,486,364*
	San Benito County							
17	County of San Benito	1.00	9.09%	$	272,727			
	San Benito Cities Rotating							
18	Hollister	0.50	4.55%		136,364			
19	San Juan Bautista	0.50	4.55%		136,364			
	Subtotal - San Benito County	2.00	18.18%	$	545,455	10.00%	$	300,000
	Total	**11.00**	**100.00%**	**$**	**3,000,000**	**100.00%**	**$**	**3,000,000**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager

SUBJECT: **APPOINT COUNCIL MEMBER LIND TO SERVE AS A REPRESENTATIVE ON THE SANTA MARGARITA GROUNDWATER AGENCY (SMGA) AND COUNCIL MEMBER DILLES AS THE SMGA ALTERNATE**

SUMMARY OF ISSUE

Background:

On September 16, 2014, Gov. Jerry Brown signed the Sustainable Groundwater Management Act of 2014 (SGMA). The SGMA provides a framework for sustainable management of groundwater supplies by local authorities. Recognizing that groundwater is most effectively managed at the local level, the SGMA empowers local agencies to achieve sustainability within 20 years. SGMA establishes minimum standards for sustainable groundwater management, improves coordination between land use and groundwater planning, provides state technical assistance, protects water rights, and creates a mechanism for state intervention if a local agency is not managing its groundwater sustainability.

On November 16, 2015, the Department of Water Resources implemented a key provision of the groundwater law – the new Basin Boundary Regulations, which outline the process that local agencies need to follow to request that DWR modify the boundaries of a groundwater basin or subbasin, or the creation of new subbasin. The evident disconnect between DWR definition and local groundwater sources prompted several Santa Cruz agencies to proceed with basin boundary revisions. District submitted a basin boundary modification request to the Department of Water Resources (DWR) in March 2016 and DWR approved basin boundary revision request with modifications in September 2016. In accordance with SGMA, the new basins are evaluated under the basin prioritization process with the draft ranking of basin prioritizations expected at mid-summer 2017.

Pursuant to the decision of the Santa Margarita Groundwater Basin Advisory Committee, a Groundwater Sustainability Agency (GSA) Formation Committee was formed in May 2016. Scotts Valley has served on that Committee, which has met regularly to prepare a draft Joint Powers Agreement (JPA) for Santa Margarita Groundwater Agency. Public meetings were held to engage and involve the impacted parties and stakeholders.

Discussion:

On June 1, 2017, the Scotts Valley Water District along with the San Lorenzo Valley Water District and the County of Santa Cruz entered into a JPA to establish the SMGA. The Board of Directors of SMGA will consist of eleven Directors - two representatives from each of the original member agencies that are party to the JPA, and one representative and alternate from the City of Scotts Valley, City of Santa Cruz, and Mt. Hermon Association. Additionally, two representatives of private well owners will be appointed by unanimous vote of the Member Directors unless the private well owners choose their representatives by a method of self-selection.

Each Board of Director will have one vote, but certain actions have additional requirements/restrictions that stipulate that there be a unanimous vote by the six Directors representing the three original member agencies. These restrictions involve expenditures of $50,000 or more; the annual budget; the Groundwater Sustainability Plan (GSP), for the Basin or related amendments; levying of assessment or fees; issuance of debt; and resolution of litigation regarding groundwater rights.

Additionally, Pursuant to the decision of the Santa Margarita Groundwater Basin Advisory Committee, a Groundwater Sustainability Agency (GSA) Formation Committee was formed in May 2016. Since that time, the advisory committee has been responsible for making recommendations for the cooperative groundwater management of the basin, advising member agencies, and promoting development of the new water resources and maintenance of the existing ones. However, the formation of the Santa Margarita Groundwater Agency JPA now makes the advisory committee no longer necessary. As a result, the City will need to terminate its participation and consent to dissolve Santa Margarita Groundwater Basin Advisory Committee and appoint a representative and alternate to the newly formed SMGA JPA.

The Mayor recommends that the Council consider appointing Council Member Lind as the representative to the SMGA JPA and Council Member Dilles as the Alternate. Council Member Lind currently serves as the representative to the Santa Margarita Groundwater Basin Advisory Committee; Council Member Dilles is the Alternate.

<u>FISCAL IMPACT</u>

At this time, there is no fiscal impact associated with appointing a Council representative and alternate to serve on the SMGA Board of Directors. The founding JPA members include the Scotts Valley Water District, County of Santa Cruz, and San Lorenzo Valley Water District; all of which have financial responsibility for the agency administration.

RECOMMENDATION

It is recommended that Council consider the following:

1. Appoint Council Member Lind as the representative and Council Member Dilles as the Alternate to serve on the SMGA JPA; and

2. Terminate the City's participation in the Santa Margarita Groundwater Basin Advisory Committee and consent to dissolve the Committee.

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City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Mike Dean, Police Sergeant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **AUTHORIZE CITY MANAGER TO OVER HIRE AN EMERGENCY DISPATCH CLERK I (EDCI)**

SUMMARY OF ISSUE

The Scotts Valley Police Department (SVPD) has its own Emergency Communications Center, which is staffed 24 hours a day, 365 days a year. In 2016, the Communications Center handled 3,644 emergency calls for service and 6,339 non-emergency calls for service. Officers initiated an additional 11,403 calls for service for a total of 17,742 incidents handled by the Emergency Dispatch Center, which is currently staffed with seven (7) employees, as approved by the City Council in the annual budget.

The SVPD continues to be challenged with the hiring and retention of police personnel. Unlike most employers, the SVPD must follow strict state guidelines when hiring new employees. All applicants must complete and pass the following tests prior to being hired by this department: 1) Pre-screen interview; 2) Oral board; 3) Background Investigation; 4) Polygraph test; 5) Chief's Interview; 6) Medical; and 7) Psychological interview. At any time during the testing process, an applicant can be disqualified from further testing. The process between receiving an application to completion of training is approximately ten (10) months for an Emergency Dispatch Clerk I (EDCI).

The SVPD has experienced a number of instances in the past where it has knowledge of staffing changes, such as a pending retirement or termination, which would necessitate the hiring of a replacement EDC1. Currently, the SVPD does not have any proactive methods to address these types of issues. In the two scenarios above, the department would have to wait until the pending retirement or separation occurs to fill the position. The result is that our Emergency Dispatch Center will run short staffed for about ten (10) months until the new hire can be adequately trained to work as a solo EDCI.

The SVPD is requesting that the City Manager be given the authority to over hire an Emergency Dispatch Clerk I (EDCI) during FY 2017/18, given ongoing hiring constraints. It is anticipated that the over hire would be made six months in advance of the potential opening.

FISCAL IMPACT

The cost to over hire an EDCI six months in advance would be approximately $35,333. It is anticipated that there would be adequate funds at year-end (FY 2016/17) that could be carried over to the FY 2017/18 annual budget to cover this expense. Per the City budget resolution, the City Manager is authorized to carry over such funds.

STAFF RECOMMENDATION

It is recommended that the City Council authorize the City Manager to over hire an EDCI during FY 2017/18.

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City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Scott Hamby, Director of Public Works
Steve Toler, Budget and Financial Consultant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **REVIEW AND PROVIDE POLICY DIRECTION FOR PROPOSED FY 2017/18 – FY 2021/22 WASTEWATER RATE MODEL**

SUMMARY OF ISSUE

In March 2017, the City contracted with Bartle Wells Associates (BWA) to prepare a wastewater rate model for FY 2017/18. The last comprehensive wastewater study was completed in 1992, but was not implemented. The most recent wastewater rate adjustment (5%) was on July 1, 2015. The Five-Year Financial Plan included in the proposed FY 2017/18 Annual Budget reviewed by the City Council on May 17 indicated that without any revenue adjustments, there would be an ongoing annual structural deficit in the Wastewater Enterprise Funds of over $1 million by FY 2020/21, depleting all reserves by FY 2021/22.

BWA has prepared a draft wastewater rate model for City Council consideration, which is included as Attachment A. The model incorporates the proposed FY 2017/18 budget for the Wastewater Enterprise Funds and the projects included in the Five-Year Capital Improvement Project and Purchase Plan. The model uses similar assumptions that were used in preparation of the City's Five-Year Financial Plan that was reviewed by the City Council on May 17, 2017. Key assumptions of the model include:

- **Ten-year forecast** – the model projects expenditures and revenues over a 10-year period to understand the long-term impacts of capital expenditures and other costs that may occur over that period, and to provide context relative to the long-term revenue requirements needed to cover those costs
- **Five-year rate proposal** – while using a 10-year forecast, the model includes rate recommendations for a five-year period from FY 2017/18 to 2021/22
- **Minimum reserves** – the model includes the City Council's policy direction regarding minimum reserves for the Wastewater funds, which are included as a separate item on this evening's agenda. The minimum reserve requirements included in the model are 67% (or eight months) of operating expenses plus

transfers out to other funds, plus a $1 million capital reserve for emergency capital replacement or improvements

- **Personnel costs** – the model assumes increases in wages and benefits of 3% per year, plus the projected increases in pension costs as a result of the reduced discount rate by CalPERS. The model also includes the other post-employment benefit (OPEB) contribution into an irrevocable trust of 25% of the difference between the pay-as-you-go amount and the annual required contribution that is included in the proposed FY 2017/18 budget as directed by the City Council at its June 7, 2017 meeting
- **Services and supplies** - inflationary increases of 3% per year
- **Capital outlay** – the five-year CIP plan is included in the first five years of the 10-year forecast; a placeholder amount of $500,000 per year is included in years 6-10 of the ten-year forecast based on an historical average of annual capital expenditures for the wastewater system
- **Equipment replacement** – the model includes the annual set-aside amounts reviewed at the April 5, 2017 City Council meeting for the wastewater funds to ensure that reserves are accumulated for replacement of equipment, vehicles and building systems related to wastewater system operations

The rate model indicates that rate increases are required to meet operating and capital expenses, ensure that adequate reserves are available to meet equipment replacement needs, and to maintain the long-term fiscal health of the wastewater system. The model projects rate increases in each of the next five fiscal years as follows:

Fiscal Year	Effective Date	Proposed Rate Increase	Single-Family Residential and Commercial Monthly Fee
Current	July 1, 2015	N/A	$ 30.57
2017/18	July 1, 2017	25%	$ 38.21
2018/19	July 1, 2018	25%	$ 47.77
2019/20	July 1, 2019	25%	$ 59.71
2020/21	July 1, 2020	14%	$ 68.07
2021/22	July 1, 2021	10%	$ 74.87

The proposed increases are subject to the requirements under Proposition 218 and Proposition 26. All ratepayers would receive a notice on or before June 28, 2017, based upon the Council's policy direction this evening. Due to the rate model changes being recommended, a user-friendly notice will be prepared that meets the Proposition 218 noticing requirements. A public hearing would be scheduled and the rates adopted on August 16, 2017. The rate changes for residential properties would be submitted to the County for inclusion in the property tax bills that would be sent to property owners in early September 2017. Commercial rates would be implemented and bills sent to commercial rate payers starting with the September billing, with rates going into effect retroactive to July 1, 2017.

BWA will present the rate model and proposed rate changes to the City Council this evening. Policy direction from the City Council is requested regarding the rate model and the proposed rate increases. Based upon City Council direction, the Proposition 218 notices mentioned earlier will be finalized and sent to property owners and rate payers accordingly. In addition to the notices, staff will coordinate an informational public meeting to give residents and rate payers an opportunity to attend a presentation intended to facilitate public understanding of the need for the rate increases. The meeting will also provide an opportunity for the public to ask questions regarding the proposed rate increases.

FISCAL IMPACT

There is no fiscal impact for the City Council to review the wastewater rate model this evening. City Council direction and ultimate approval of the rates at the Council's August 16, 2017 meeting will impact the revenue estimates for FY 2017/18, which will be amended in the FY 2017/18 Annual Budget at that time.

STAFF RECOMMENDATION

It is recommended that Council review the rate model as presented by BWA and provide policy direction on proposed rate increases for FY 2017/18 to 2021/22.

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DRAFT Wastewater Service Charge Tables
City of Scotts Valley

6/15/2017

Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703

Table 1
City of Scotts Valley - Wastewater Rate Study
Summary of Current and Proposed Residential Rates

	Current	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Rates						
Single-family Residential						
Flat Monthly Fee	$ 30.57	38.21	47.77	59.71	68.07	74.87
(Low- Income)	$ 26.90	33.63	42.03	52.54	59.89	65.88
Multi-family Residential						
Flat Monthly Fee	$ 21.41	26.76	33.45	41.82	47.67	52.44
(Low-Income)	$ 18.84	23.55	29.44	36.80	41.95	46.14
Mobile Home						
Flat Monthly Fee	$ 20.40	25.50	31.88	39.84	45.42	49.96
(Low-Income)	$ 17.95	22.44	28.05	35.06	39.97	43.96
Commercial & Industrial Rates						
Commerical and Industrial						
Monthly Minimum Fee	$ 30.57	38.21	47.77	59.71	68.07	74.87
Charge per 100gal - Uniform Rate	$ 0.79					
Charge per 100gal - With Strength Factor						
-Low Strength: Schools, Banks		$ 0.69	$ 0.86	$ 1.07	$ 1.22	$ 1.35
-Medium Strength: Offices, Hospitals		$ 0.91	$ 1.14	$ 1.43	$ 1.63	$ 1.79
-High Strength: Restaurants, Bakeries		$ 1.43	$ 1.78	$ 2.23	$ 2.54	$ 2.79

April readings for Tax-Roll customers and mid December to mid Febuary for Direct Billing customers

Table 2
City of Scotts Valley - Wastewater Rate Study
Current Fund Balances

	6/30/2016
Wastewater Operations	(211,900)
Tertiary Operating	(121,100)
Wastewater Capital Reserve	2,066,800
Wastewater Equipment Replacement	734,800
TTP District Reserve	6,100
Beginning Wastewater Reserve Fund 6/30/16*	**2,474,700**

Assumes all prior projects completed
*From 2016 CAFR

Table 3
City of Scotts Valley - Wastewater Rate Study
Estimated Annual Wastewater Revenues- From Current Service Charges

	Current Accounts	Dwelling Units**	100 Gal units	Revenue Current Rate	Fixed	Volumetric	Low-Income Discount
Single-family Residential:							
Flat Monthly Fee	2,184	2,226	2,311	$30.57	$816,586		
(Low- Income)	85	85		$26.90	$27,438		*$3,743.40*
Multi-family Residential:							
Flat Monthly Fee	620	1269	1,308	$21.41	$326,031		
(Low-Income)	38	39		$18.84	$8,817		*$1,202.76*
Mobile Home:							
Flat Monthly Fee	170	719	768	$20.40	$176,011		
(Low-Income)	48	49		$17.95	$10,555		*$1,440.60*
Total Residential	3,145	4,387			$1,365,438		*$6,386.76*
	Current						
Commercial and Industrial:							
Monthly Minimum Fee Us	268			$30.57	$98,313		
Charge users*	160		521,312	$0.79		$411,836	
Total Commercial	268					$510,149	
Total Wastewater Charges						$1,875,588	

*Rate based on two months data collection from Mid December to Mid February
*Contain directly billed accounts to Finance Department
Consumption based on Commercial Accounts SVWD 2016

Table 4
City of Scotts Valley - Wastewater Rate Study
2016/17 Operating Revenue Fund 10

	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 Estimated*
Revenue				
Sewer Service Fees	$1,754,458	$1,852,411	$1,990,000	$1,867,133
Penalties for Deliquences	$5,555	$5,649	$7,000	$6,618
Total	$1,760,013	$1,858,060	$1,997,000	$1,873,751
Other Revenue	$514	$2,660	$3,600	$19,495
State Grants	$12,500	$0	$0	$0
Total - Fund 10	$1,773,028	$1,860,720	$2,000,600	$1,893,246

*As of Feb 2017

Table 5
City of Scotts Valley - Wastewater Rate Study
Other Revenues

Total Other Revenues	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 YTD	2016/17 Proposed	2017/18 Projected
Fund 12: Capital Reserve						
Investment Earnings	$3,750	5,584	$4,500	$3,642	$5,642	$5,600
Sewer Service Fee	-	-	120,000	-	-	-
Impact Fee - Recurring		16,715			61,126	50,000
Impact Fee - Significant	78,371	12,274	50,000	63,346	48,800	412,000
Other Revenue	-	86,720	-	-	-	-
Total	$82,121	$121,293	$174,500	$66,988	$115,568	$467,600
Fund 14: Wastewater Equipment Replace						
Investment Earnings	2,093	3,017	2,600	2,078	3,700	3,000
Fund 11: Tertiary Treatment Plant						
SV Water Department Reimbursements	95,360	102,084	108,150	93,885	119,266	120,000
Fund 15- TTP -District Reserve Fund						
Investment Earnings	-	2	-	23	43	50
Other Revenue	-	6,096	-	7,137	10,337	11,000
Total		6,098	-	7,161	10,380	11,050
Total Other Revenue	$179,573	$232,493	$285,250	$170,111	$248,914	$601,650

Table 6
City of Scotts Valley - Wastewater Rate Study
2016/17 Operating Expenses Fund 10

		2015/2016 Actual	2016/17 Budget	2016/17 Actual YTD	2016/17 Projected	2017/18 Budget
Salaries & Benefits						
101	Regular Wages	$381,207	$460,977	$247,635	$471,105	$481,112
109	Overtime Wages	31,152	25,000	24,152	$36,590	25,000
203	FICA	38,447	37,177	23,764	$38,485	38,038
204	Retirement	179,545	138,181	77,314	$130,930	147,776
205	Group Insurance	221,369	181,136	137,646	$182,480	228,925
206	Workers Compensation	40,824	57,979	73,615	$73,615	54,171
	Total	982,971	900,450	628,446	933,205	975,022
Services & Supplies						
208	Uniform Expense	6,827	7,000	3,267	5,270	6,800
301	Office Expense	3,668	2,000	1,045	2,000	2,000
302	Special Department Expence	116,222	115,000	107,045	142,800	120,000
303	Small Tools & Supplies	15,162	12,000	11,054	15,000	12,000
306	Communications	6,931	6,000	3,978	8,000	8,000
307	Utilities	474,659	265,000	196,542	262,060	265,000
308	Rents & Leases	-	7,000	-	6,000	6,000
312	Professional/Specialized services	45	-	7,105	7,200	-
313	Other contractual Services	74,674	85,000	77,004	111,780	87,000
314	Insurance Surety Bonds	48,588	59,575	45,028	45,028	42,000
315	Memberships & Dues	2,178	1,600	1,631	7,000	2,000
316	Travel	917	2,000	1,345	2,000	2,000
320	Laboratory	37,493	28,000	25,469	33,960	34,000
322	Training & Education	5,149	3,000	2,260	3,000	3,000
349	Miscellaneous	3,485	6,000	12,278	12,280	-
401	Maint of Buildings	6,341	6,000	9,281	11,000	6,500
402	Maint & Operations of Equipment	130,870	76,000	74,262	110,000	90,000
403	Maint & Operations of Vehicles	30,205	20,000	22,050	27,000	25,000
	Total	963,416	701,175	600,642	811,378	711,300
Fixed Assets						
904	Improvements-Other	11,000	20,000	-	20,000	20,000
915	Other Equipment	5,283	22,500	7,854	22,500	7,500
	Total	16,283	42,500	7,854	42,500	27,500
Other						
708	Cost Allocation	$243,125	$230,000	$131,675	$215,400	$256,200
Totals		$2,205,795	$1,874,125	$1,368,617	$2,002,483	$1,970,022

Per Steve Toler Salary Projection
Prelim Budget 16-17
Per Steve Toler Cost Allocation and Tentative Budget 2017-18

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Table 7
City of Scotts Valley - Wastewater Rate Study
Other Expenses

Total Other Expenses	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 YTD	2016/17 Proposed	2017/18
Fund 12: Capital Reserve						
Group Insurance	-	-	-	186	248	-
Office Expense	1,974	2,029	1,100	971	1,500	1,500
Improvement Buildings	47,377	-	207,000	-	207,000	150,000
Machinery and Equipment	205,730	73,196	50,000	38,755	47,500	61,167
Total	$255,082	$75,225	$258,100	$39,913	$256,248	$212,667
Fund 14: Wastewater Equipment Replace						
Office Expense	1,109	1,115	550	557	1,000	1,000
Improvement Buildings	3,070	17,500	-	38,747		-
Machinery and Equipment	25,913	11,234	-	1,694	18,010	-
Office Equipment & Furniture	-	-	-	-	-	6,000
Equipment	-	38,246	-	418	557	570,710
Total	30,092	68,094	550	41,416	19,567	577,710
Fund 11: Tertiary Treatment Plant						
Regular Wages	26,528	25,645	28,000	11,951	19,720	28,000
Temporary Wages	2,041	230	-	-	-	-
Overtime Wages	3,013	1,313	-	407	410	-
FICA	2,326	2,071	2,142	941	1,490	2,142
Retirement	6,322	6,627	8,599	3,351	5,290	8,817
Group Insurance	-	-	11,562	-	-	11,759
Special Department Expense	40,312	33,422	35,000	30,404	35,000	35,000
Small Tools Supplies	5	199	1,000	144	500	750
Utilities	52,435	53,173	50,000	29,563	50,000	50,000
Insurance & Surety Bonds	5,215	5,187	6,847	5,388		6,900
Laboratory	10,107	5,648	8,000	3,643	6,500	8,000
Maint & Operations of Equipment	21,633	53,173	30,000	26,365		40,000
Machinery & Equipment	-	161	15,000	5,757	7,500	12,000
Total	169,938	186,848	196,150	117,915	126,410	203,368
Fund 15- TTP -District Reserve fund						
Office Expense	-	1	-	6	8	12
Grand total of Other Expenses	$455,111	$330,169	$454,800	$199,251	$402,233	$993,757

Revenue projections based on 2017-2018 Steve Toler Financial Summaries
Tentative budgets for 10,11,12,14,15 per past and current data

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Table 8
City of Scotts Valley - Wastewater Rate Study
Capital Improvement Projects

		FY 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Priority A Projects													
Screenings Washer and Compactor	WWTP		100,000										100,000
PLC Upgrade	WWTP		50,000	51,500	53,000								154,500
Tanker Truck	WWTP			82,400									82,400
Mission Communications for Lift Stations	WWTP			41,300									41,300
Esclated average								500,000	500,000	500,000	500,000	500,000	2,500,000
Priority B Projects													
Clarifier Walkways	WWTP				100,800								100,800
Water Pump System Upgrade	WWTP				31,800								31,800
Electric Security Gate	WWTP				21,300								21,300
Rebuild Aqua Guards	WWTP					545,000							545,000
Stormwater LID	WWTP					225,600 *							225,600
Belt Press Rehabilitation	WWTP					54,500							54,500
Mechanical Seals for Recycled Water Pumps	WWTP					13,100							13,100
Effluent Pump	WWTP						280,000						280,000
Aeration Basin System Upgrade	WWTP						134,400						134,400
Priority C Projects													
Glen Canyon Lift Station Generator	WWTP					87,300							87,300
Clarifier Superstructure	WWTP						196,000						196,000
Heavy Equipment Roof Structure	WWTP						168,000						168,000
Total		-	150,000	175,200	206,900	925,500	778,400	500,000	500,000	500,000	500,000	500,000	4,736,000

Funding Sources	FY 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Pay go Funded	$0	$150,000	$175,200	$206,900	$805,500	$778,400	$500,000	$500,000	$500,000	$500,000	$500,000	$2,116,000
Grant Funding	$0	$0	$0	$0	$120,000	$0	$0	$0	$0	$0	$0	$120,000
Debt Funded	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$150,000	$175,200	$206,900	$925,500	$778,400						$2,236,000

Priority descriptions:

- Priority A – project is essential/critical to health and safety or legal/regulatory requirements
- Priority B – project is important to maintaining health and safety or maintaining quality of life, but not critical.
- Priority C – project is deferrable and would only be implemented to the extent that higher priority projects are first funded

*Grant funded of $120,000

Table 9
City of Scotts Valley - Wastewater Rate Study
Wastewater Cashflow - Projection Pay-As-You-Go

	Projected 16/17	2017/18	2018/19	2019/20	2020/21	2021/22
Opening Balance	$ 2,834,288	$2,474,700.00	$2,230,898.59	$1,921,271.71	$2,194,969.62	$2,260,749.62
Rate increase		25%	25%	25%	14%	10%
Growth rate		0%	0%	0%	0%	0%
Residential Revenues	1,365,438	1,706,798	2,133,497	2,666,872	3,040,234	3,344,257
Commercial Revenues	98,313	122,891	153,614	192,018	218,900	240,790
Volumetric Revenues [1]	411,836	514,795	643,494	804,367	916,979	1,008,677
Sewer Fees	1,867,133	2,333,916	2,917,395	3,646,744	4,157,288	4,573,017
Deliquences	6,618	7,000	7,100	7,200	7,300	7,400
Other Revenue	19,495	2,000	2,000	2,000	2,000	2,000
Grant Funding		-	-	-	120,000	-
Other Revenues						
Fund 11	119,266	120,000	121,200	122,400	123,600	124,800
Fund 12	115,568	467,600	51,500	53,045	54,636	56,275
Fund 14	3,700	3,000	3,000	2,400	1,900	1,500
Fund 15	10,380	11,000	11,000	11,000	11,000	11,000
Total Revenues	2,142,160	2,944,516	3,113,195	3,844,789	4,477,725	4,775,993
Bank Loan Proceeds						
Total Revenues	2,142,160	2,944,516	3,113,195	3,844,789	4,477,725	4,775,993
Fund 10- Operating Fund						
Pers Discount Rate Impact	-	-	34,584	58,729	85,785	105,468
Electro Pipeline Scan	-	-	85,000	85,000	85,000	-
Total Fund 10	2,002,483	2,044,561	2,224,065	2,309,928	2,400,553	2,400,712
Fund 11- Tertiary Treatment Plant						
Total Fund 11	126,410	203,368	209,469	215,753	222,226	228,892
Fund 12- Capital Fund						
Total Fund 12	256,248	212,667	219,047	225,618	232,387	239,358
Fund 14- Wastewater Equipment Fund						
Vehicles	557	570,710	587,831	605,466	623,630	642,339
Total Fund 14	19,567	577,710	595,041	612,893	631,279	650,218
		-	-	-	-	-
Fund 15-District Reserve Fund						
Total Fund 15	8	12	12	13	13	14
Total Expenses	2,404,716	3,038,318	3,247,622	3,364,191	3,486,445	3,519,181
Net Operating Revenues	(262,556)	(93,801)	(134,427)	480,598	991,280	1,256,812
Debt Service						
CIP Pay-go		150,000	175,200	206,900	925,500	778,400
CIP Debt Finance						
Total	2,404,716	3,188,318	3,422,822	3,571,091	4,411,945	4,297,581
Net Annual Revenues	(262,556)	(243,801)	(309,627)	273,698	65,780	478,412
Fund 10 & 11 Reserve 8 months O&M	1,419,977	1,499,377	1,623,167	1,684,629	1,749,393	1,753,946
Catastrophic Failure Reserve Fund		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserve Target		2,499,377	2,623,167	2,684,629	2,749,393	2,753,946
Closing Balance	2,571,732	2,230,899	1,921,272	2,194,970	2,260,750	2,739,161
Ratio to Reserve Target		**0.89**	**0.73**	**0.82**	**0.82**	**0.99**

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Table 10
Scotts Valley
Proposed User Classifications into Low, Medium/Domestic, and High Strength Dischargers

Low Strength	Banks & Financial Institutions Barber Shops/Hair Salons (hair cutting only) Post Offices/Government Retail Stores Libraries Schools Churches, Halls & Lodges
Medium/Commercial/ Domestic Strength	Residential - All Appliance Repair Beauty Shops (hair cutting w/additional treatments) Dry Cleaners Nail Salons Pet Groomers Commercial Laundromats Bars & Taverns Tasting Rooms Breweries (with Pretreatment) Hospitals - General, Convalescent & Veterinarian Hotels, Motels, B&Bs, and Vacation Rentals Offices - Business and Professional Offices - Medical/Dental Pools with Restrooms (Clubhouse) Theaters Warehouses Car Washes High Tech Medical Manufacturing Light Manufacturing/Industrial Gym or Health Club Machine Shops Service Stations, Garages, Auto Repair Shops Mini Marts - W/O Dish Washer or Garbage Disposal Mini Mart with Gas Pumps - W/O Dish Washer or Garbage Disposal Spa with Various Beauty Treatments Parking Garages
High Strength	Restaurants Coffee Shops Ice Cream Parlors Catering Eatery Bakeries Butcher Shops Fish Market/Shop Markets - with Dish Washer or Garbage Disposal Markets - with Bakeries or Butcher Shops Mini Marts - with Dish Washer or Garbage Disposal Breweries (without Pretreatment) Wineries Market Dairies (milk producers, yogurt, ice cream maker) Specialty Foods Manufacturing (e.g., cheese or olive oil maker)

Source: Based on State Water Resources Control Board's Revenue Program Guidelines for Wastewater Agencies

Table 11
Scotts Valley
Wastewater Characteristics and Strength Factors

Strength Class	**LOW**	**MEDIUM**	**HIGH**
Examples:	**Banks** **Libraries**	**Residential** **Offices**	**Restaurants** **Bakeries**
Flow (gpd)	**150**	**150**	**150**
BOD[1] (mg/l)	**130**	**300**	**800**
TSS[2] (mg/l)	**100**	**280**	**600**
Strength Factor	**0.76**	**1.00**	**1.56**
System Cost Allocation			
-Treatment	60%		
-Collection/Disposal	40%		

Strength Factor Formula SF=(Flow(gpd)/150)*(0.5+(0.25*BOD(mg/l)/300)+(0.25*TSS(mg/l)/280))

WW flows and strengths based on State Water Resources Control Board's Revenue Program Guidelines

1 "BOD" stands for Biochemical Oxygen Demand
2 "TSS" stands for Total Suspended Solids

Table 12
Scotts Valley
Summary of Sewer Users by Customer Class

Customer Class	EDUs[1]	Annual Measured ADWF[2] (gal/day)	ADWF Flow (gal/day)	FY 2016 Estimate EDU x Flow ADWF Flow (gal/day)	BOD[3] (mg/l)	TSS[4] (mg/l)	FY 2017 Calculated Current Rate
Residential							
Single Family Residential	2,311		150	346,650	300	280	30.57
Multi-Family	1,308		105	137,438	300	280	21.41
Mobile Homes	768		100	76,861	300	280	20.40
				560,950			
Commercial			**Flow Factor**				
Low Strength		37,000	50%	18,500	130	100	0.55
Medium/Domestic Strength		200,000	50%	100,000	300	280	0.73
High Strength		37,000	50%	18,500	800	600	1.14
		274,000		137,000			
Totals				697,950			
Annual Revenue Requirement				$1,867,133			

1 "EDU" stands for Equivalent Dwelling Unit
2 "ADWF" stands for Average Dry Weather Flow
3 "BOD" stands for Biochemical Oxygen Demand
4 "TSS" stands for Total Suspended Solids

Table 13
Scotts Valley - Wastewater Rate Study
Proposed Wastewater Rates- Pay-As-You-Go

	Current	2017/18	2018/19	2019/20	2020/21	2021/22
Single Family Residence						
Increase %		25%	25%	25%	14%	10%
Flat Monthly Fee	$30.57	$38.21	$47.77	$59.71	$68.07	$74.87
Increase ($)		$7.64	$9.55	$11.94	$8.36	$6.81
(Low- Income)	$26.90	$33.63	$42.03	$52.54	$59.89	$65.88
		$6.73	8.40625	$10.51	$7.36	$5.99
Multi-family Residential						
Flat Monthly Fee	$21.41	$26.76	$33.45	$41.82	$47.67	$52.44
Increase ($)		$5.35	$6.69	$8.36	$5.85	$4.77
(Low-Income)	$18.84	$23.55	$29.44	$36.80	$41.95	$46.14
		$4.71	$5.89	$7.36	$5.15	$4.19
Mobile Home						
Flat Monthly Fee	$20.40	$25.50	$31.88	$39.84	$45.42	$49.96
Increase ($)		$5.10	$6.38	$7.97	$5.58	$4.54
(Low-Income)	$17.95	$22.44	$28.05	$35.06	$39.97	$43.96
		$4.49	$5.61	$7.01	$4.91	$4.00
Commerical and Industrial						
Monthly Minimum Fee	$ 30.57	$38.21	$47.77	$59.71	$68.07	$74.87
Increase ($)		$7.64	$9.55	$11.94	$8.36	$6.81
Volumetric - Uniform Rate	$ 0.79					
Volumetric- Strength Rates						
Low: Institutional Bank		$ 0.69	$ 0.86	$ 1.07	$ 1.22	$ 1.35
Medium: Residential Offices		$ 0.91	$ 1.14	$ 1.43	$ 1.63	$ 1.79
High: Restaurant		$ 1.43	$ 1.78	$ 2.23	$ 2.54	$ 2.79

017

Figure 1: Regional Wastewater Rate Study with Breakdown
Scotts Valley - Wastewater Rate Study
Wastewater Rate Study

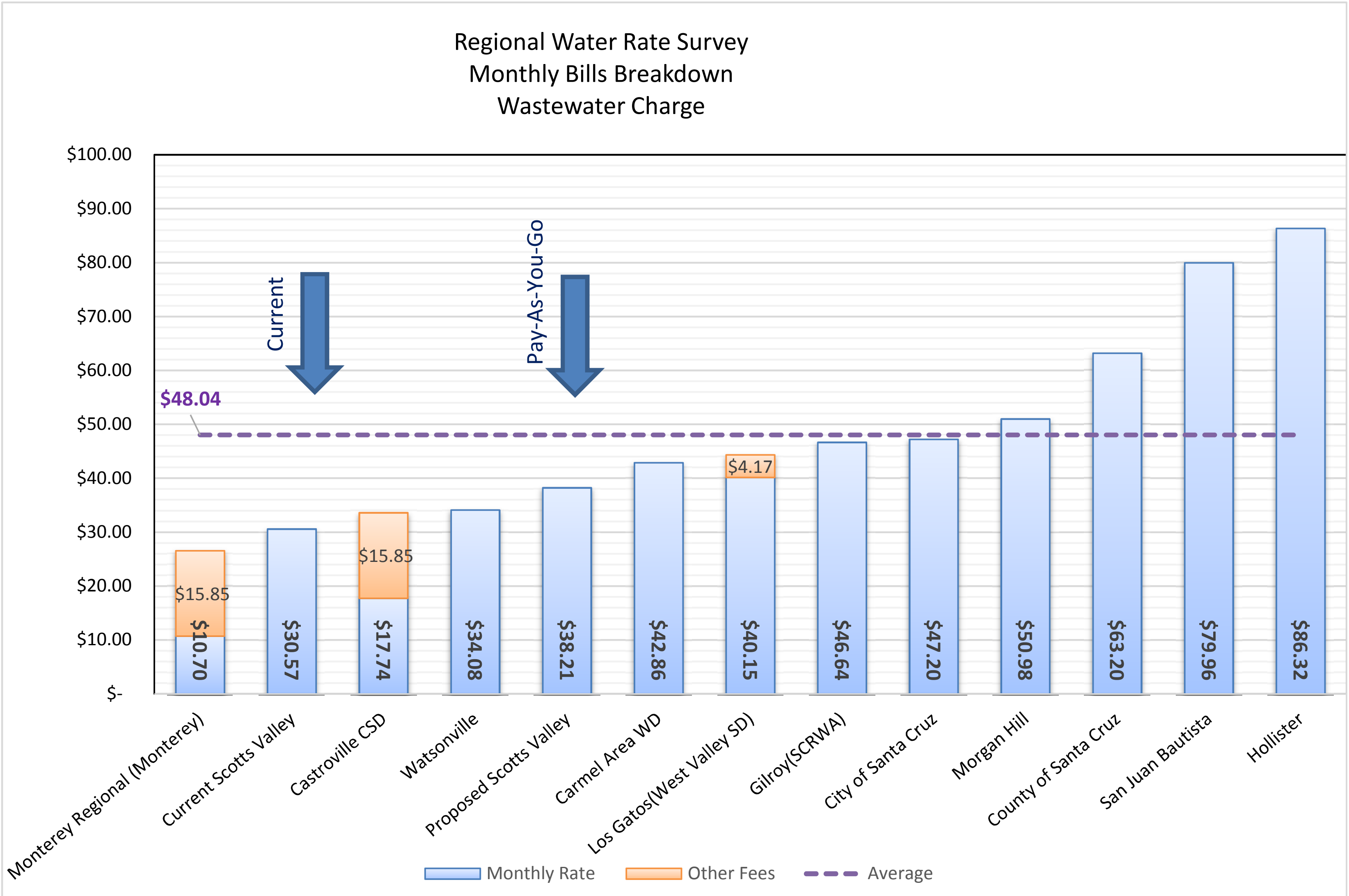

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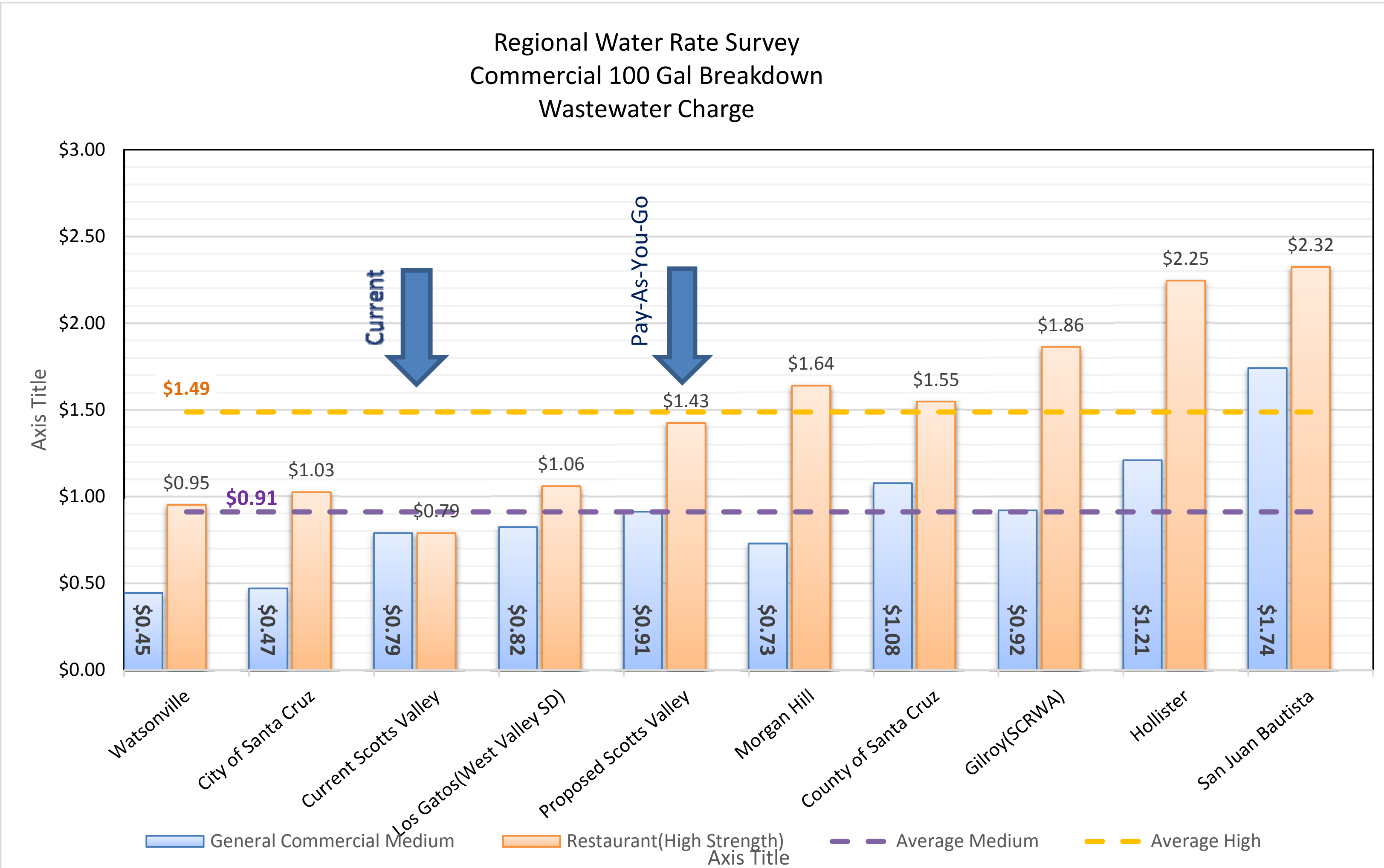
Figure 1: Regional Wastewater Rate Study with Breakdown

Scotts Valley - Wastewater Rate Study

Wastewater Rate Study



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City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Scott Hamby, Public Works Director

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **PINEWOOD ESTATES LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT; RESOLUTION 1213.31; ANNUAL ENGINEER'S REPORT**

SUMMARY OF ISSUE

On July 15, 1987, Resolution 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 the owners reassessed each year. Attached is the Engineer's Report establishing the assessments this year at $240 per unit, the same as last year's, for total revenue of $6,000.

As required, all 25 owners were notified of the June 7, 2017 public meeting and the June 21, 2017 public hearing via mail. The assessor's role is used to obtain the current name and address of each property owner to be notified of the proceedings. The purpose of the public meeting on June 7, 2017 was to receive public testimony from the affected property owners regarding the assessment.

This public hearing is being held to receive additional testimony from property owners, approve the annual Engineer's Report, and adopt attached Resolution No. 1213.31.

FISCAL IMPACT

None. All costs will be borne by the assessment district.

STAFF RECOMMENDATION

1. It is recommended that the City Council hold a public hearing, approve the Annual Engineer's Report, and adopt Resolution No. 1213.31.

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RESOLUTION NO. 1213.31

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

PINEWOOD ESTATES LANDSCAPE MAINTENANCE DISTRICT

RESOLVED, by the City Council of the City of Scotts Valley, California, that:

WHEREAS, pursuant to Resolution No. 1192, a Resolution of Public Interest and Convenience to Form a Landscaping Maintenance District and Ordering Preparation of an Engineer's Report adopted on the 4th day of February, 1987, by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1192, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1213, adopted July 15, 1987, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1213.

WHEREAS, June 7, 2017 at the hour of 6:00 o'clock p.m. and June 21, 2017 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1213.31.

WHEREAS, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act.

WHEREAS, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.

2. That said protests be, and each of them are, hereby overruled.

3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.

4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution Nos. 1192 and 1213 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.

5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.

6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution Nos. 1192 and 1213 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.

7. That the diagram showing the assessment district referred to and described in said Resolution No. 1192 and 1213, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 21st day of June 2017, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

ANNUAL ENGINEER'S REPORT
Fiscal Year 2017-2018

PINEWOOD ESTATES
LANDSCAPING MAINTENANCE DISTRICT
Tract No. 1121

City of Scotts Valley
Santa Cruz County, California

Randy Johnson
Mayor

Jim Reed
Vice Mayor

Jack Dilles
Council Member

Stephany E. Aguilar
Council Member

Donna Lind
Council Member

Jenny Haruyama
City Manager

Scott Hamby
Public Works Director

Ken D. Anderson, RCE 46485
Assessment District Engineer of Work

ASSESSMENT

Fiscal Year 2017-2018

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 its 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, Ken D. Anderson, RCE 46485, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council 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 2017-2018 is as follows:

Engineer's Estimate: $6,000

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 2016-2017 to the right of the parcel numbers and includes all of such parcels.

Dated: ____________________

____
Ken D. Anderson, RCE 46485
City Engineer

DESCRIPTION OF WORK

1. Maintaining and servicing of landscaping and ornamental vegetation, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.

2. Maintaining and servicing of decorative fencing, signage and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.

3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities within the landscape maintenance easement.

4. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

ESTIMATE OF COSTS

ANNUAL MAINTENANCE COSTS

Fiscal Year 2017-2018

Engineer's Estimate (City Engineer)

Maintenance Expenses		
Maintenance and servicing		$ 4,000
Irrigation and power		1,600
	Subtotal	$ 5,600
Incidental Expenses		
City administration		$ 200
Landscape management		200
	Subtotal	$ 400
	Total Estimated Cost	$ 6,000
	Net Amount to be Assessed	$ 6,000

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

____
Tracy Ferrara, City Clerk

I, Ken D. Anderson, 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. 1213.31, duly adopted by said City Council on June 21, 2017.

____
Ken D. Anderson, RCE 46485
City Engineer

I, Tracy Ferrara, 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 ____________________.

____
Tracy Ferrara, City Clerk

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

____
Tracy Ferrara, City Clerk

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

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By:________________________________
Scott Hamby

City of Scotts Valley

PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT

ASSESSMENT ROLL

2017-2018

Assessment Number	Assessor's Parcel No.	Property Owner		Assessment Amount
1.	021-172-01	Mary Anita Long et al	$	240
2.	021-172-02	Russell J. Marino Trustee		240
3.	021-172-03	Geoffrey & Susan Martin		240
4.	021-172-04	Terry A. & Julie Keller Trustees		240
5.	021-172-05	Andrea Edwards		240
6.	021-172-06	Marshall E. Wolf & Kristia Burgess Trustees		240
7.	021-172-07	Eugene & Jennifer Hall		240
8.	021-172-08	Michael C. O'Connor & Sarah Wright		240
9.	021-172-09	Carlos E. Robinson et al		240
10.	021-172-10	Steven E. MaGee & Lisa M. Hall Co-Trustees		240
11.	021-172-11	John & Janine Dunn		240
12.	021-172-12	Qi Gong et al		240
13.	021-172-13	Melvin M. & Miriam C. McConnell		240
14.	021-172-14	Amy D. & Robert W. McMullen		240
15.	021-301-01	Joel M. & Karina Linn		240
16.	021-301-02	Vinicio & Kristy Sion Co-Trustees		240
17.	021-301-03	Mark S. & Eve M. Davidson et al		240
18.	021-301-04	Seth K. Keith et al		240
19.	021-301-05	Cynthia M. Lemmon Trustee		240
20.	021-301-07	John B. & Linda L. Suggs Trustees		240
21.	021-301-08	Mark John Nordstrom Trustee et al		240
22.	021-301-09	James D. Spiegel Trustees et al		240
23.	021-301-10	Simon J.S. & Kirstin L. McElrea et al		240
24.	021-301-11	Melissa Kaplan Grudin Trustee et al		240
25.	021-301-12	Richard A. & Joann M. Webster Trustees		240
		TOTAL ASSESSMENTS:	**$**	**6,000**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Scott Hamby, Public Works Director

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1 PUBIC MEETING**

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. The FY 2017/18 assessment is $219.74 per unit, the same as last year's. The total assessment revenue is estimated to be $41,750.60. At the time the assessment was established, an annual inflator was not included; therefore, the per unit assessment has remained the same since 1995.

Revenue generated by the assessment covers expenses related landscape services such as cultivation, trimming, spraying, fertilizing, or treating of disease, and removal of trimmings, debris, and other solid waste; repair, reconstruction, removal, and/or replacement of items related to the maintenance of vegetation and open space, including but not limited to: irrigation systems, lighting, infrastructure (curbs, gutters, sidewalks); and utilities (water and electricity). The assessment also requires that funds be set aside in the event of a slope failure within the assessment area. To date, there have been no visible slope stability issues; an inspection of the bluff/slope area is anticipated to be scheduled this month.

The table below reflects the proposed FY 2017/18 budget, estimated year-end for FY 2016/17 and FY 2015/16 actuals:

	Proposed FY 17/18	Estimated FY 16/17	Actual FY15/16
Total Revenue	**$41,750**	**$41,750**	**41,872**
Expenses			
Utilities	$8,500	$8,500	$ 8,474
Landscape Maintenance/Repairs*	23,450	18,800	$19,618
Printing/Advertising	$800	$800	$800
Expense Subtotal	*$31,750*	*$28,100*	*$29,092*
Self Insurance Fund – Slope Stability	$9,000	$9,000	$9,000
Total Expenses	**$41,750**	**$37,100**	**$38,092**

*also includes estimated city staff time

As required, all 190 owners were notified of the June 7, 2017 public meeting and the June 21, 2017 public hearing via mail. The purpose of the public meeting was to receive public testimony regarding the assessment.

The public hearing is being held to receive additional testimony from property owners, approve the Annual Engineer's Report, and adopt Resolution No. 1555-SP-29.

FISCAL IMPACT

Costs associated with maintaining, repairing, and operating the assessment district is funded through an annual assessment levy, which generates an estimated $41,750.60.

STAFF RECOMMENDATION

It is recommended that the City Council hold a public hearing, approve the Approval Engineer's Report, and approve Resolution No. 1555-SP-29.

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RESOLUTION NO. 1555-SP-029

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

SKYPARK OPEN SPACE MAINTENANCE DISTRICT

RESOLVED, by the City Council of the City of Scotts Valley, California, that,

WHEREAS, pursuant to Resolution No. 1555-SP-07, ordering formation of territory into an Open Space Maintenance Assessment District and authorizing the levy and collection of assessments, adopted on the 6th day of December 1995 by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1555-SP-07, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1555-SP-03, adopted October 18, 1995, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1555-SP-03l; and

WHEREAS, June 7, 2017 at the hour of 6:00 o’clock p.m. and June 21, 2017 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1555-SP-029; and

WHEREAS, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act; and

WHEREAS, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.

2. That said protests be, and each of them are, hereby overruled.

3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.

4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution No. 1555-SP-07 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.

5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.

6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution No. 1555-SP-07 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.

7. That the diagram showing the assessment district referred to and described in said Resolution No. 1555-SP-07, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 21st day of June 2017, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

ENGINEER'S REPORT
Fiscal Year 2017-2018

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

CITY OF SCOTTS VALLEY
Santa Cruz County, California

Randy Johnson
Mayor

Jim Reed
Vice-Mayor

Jack Dilles
Council Member

Stephany E. Aguilar
Council Member

Donna Lind
Council Member

Jenny Haruyama
City Manager

Scott Hamby
Public Works Director

Ken D. Anderson, RCE 46485
Assessment District Engineer of Work

Skypark Open Space Maintenance Assessment District No. 1

ASSESSMENT

Fiscal Year 2017-2018

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, Ken D. Anderson, RCE 46485, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council 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 2017-2018 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 2017-2018 to the right of the parcel numbers and includes all of such parcels.

____________________	__________________________________
Date	Ken D. Anderson, RCE 46485 City Engineer

DESCRIPTION OF WORK

Skypark Open Space Maintenance Assessment District No. 1

1. Maintaining and servicing of landscaping, vegetation and open space, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.

2. Maintaining and servicing of decorative fencing, exercise par course and signage thereon, electronically controlled gates, and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.

3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities appurtenant to any of the improvements referenced in paragraphs 1 and 2 above, or which are necessary or convenient for the maintenance or servicing of said improvements.

4. 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).

5. 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.

6. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

SKYPARK OPEN SPACE

MAINTENANCE ASSESSMENT DISTRICT NO. 1

Engineer's Estimate

Fiscal Year 2017-2018

BENEFIT ASSESSMENT

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2017-2018 is as follows:

MAINTENANCE

1. Initial maintenance contract

a.	Park Maintenance and Materials	$23,450.00
b.	Water Cost	$ 8,000.00
c.	Utilities (PG&E)	$ 500.00

Subtotal $31.950.00

Total maintenance cost (12-month period)

INSURANCE

1. Self-Insurance Fund for Park Slope/Bluff Area $ 9,000.00

INCIDENTALS

1. Printing and advertising (notices) $ 800.60

BALANCE TO ASSESSMENT **$41,750.60**

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, Tracy A. Ferrara, 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 ____________________.

____
Tracy A. Ferrara, City Clerk

I, Ken D. Anderson, 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-029, duly adopted by said City Council on June 21, 2017.

____
Ken D. Anderson, RCE 46485
City Engineer

I, Tracy A. Ferrara, 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 ___________________.

____
Tracy A. Ferrara, City Clerk

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

____
Tracy A. Ferrara, City Clerk

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

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By ________________________________
Scott Hamby, Public Works Director

City of Scotts Valley
SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1

ASSESSMENT ROLL

Ass. No.	Assessor's Parcel No.	Property Owner	Assessment Amount
1001	22-691-01	Mario Guerrero Magno & Marife Arcinas	$ 219.74
1002	22-691-02	Jyri J Virkki	$ 219.74
1003	22-691-03	Christopher & Dianne Wong	$ 219.74
1006	22-691-06	Robert D. & Sheri L. Larkin	$ 219.74
1007	22-691-07	Nanette L Carrillo Trustee	$ 219.74
1008	22-691-08	Brian D. & Teresa M. Hallin Trustees	$ 219.74
1009	22-691-09	Soon K. & Young H. Yuh	$ 219.74
1010	22-691-10	Michael Mark Goodwin Trustee et al	$ 219.74
1011	22-691-11	Suzanne Merrill Rosen	$ 219.74
1012	22-691-12	Jeremy & Lori Gentile	$ 219.74
1013	22-691-13	Clarence W. & Maureen A. Mezzell	$ 219.74
1014	22-691-14	Robert L Hambelton et al	$ 219.74
1015	22-691-15	Gillian McGlaze Trustee	$ 219.74
1016	22-691-16	Shaunak Mistry et al	$ 219.74
1017	22-691-17	Dan Joe Aspromonte Trustee	$ 219.74
1018	22-691-18	Willie D. & Lisa J. Lu Trustees	$ 219.74
1004	22-691-20	Jose F. & Heather T. Lomba	$ 219.74
1005	22-691-21	Christian Life Center First Assembly of	$ 219.74
1144	22-692-01	Nancy Gonzalez Caro Trustee	$ 219.74
1145	22-692-02	Deutsche Bank National Trust Co.	$ 219.74
1146	22-692-03	Jann L Smart	$ 219.74
1147	22-692-04	Richard L. & Joy H. Rohde	$ 219.74
1148	22-692-05	Andreas & Jennifer Becker	$ 219.74
1149	22-692-06	Hin F. Boen et al	$ 219.74
1150	22-692-07	Peter K. Thompson	$ 219.74
1151	22-692-08	Edward J. & Karen E. McNamara	$ 219.74
1152	22-692-09	Guadalupe & Sarah De Leon	$ 219.74
1153	22-692-10	Jeffrey Allen Ott	$ 219.74
1154	22-692-11	Jonah Kaj & Josephine Fleming	$ 219.74
1177	22-692-12	Cherylee Roberts	$ 219.74
1178	22-692-13	Johnny Mon et al	$ 219.74
1179	22-692-14	Yuriko Yamasaki et al	$ 219.74
1180	22-692-15	Keith H. & Jody L. Tyndall	$ 219.74
1181	22-692-16	John C. & Kassi L. Van Lanen	$ 219.74
1182	22-692-17	Jeffrey Allen & Marci Beth Maple	$ 219.74
1183	22-692-18	Nicholas Paul & Waritha Richards	$ 219.74
1184	22-692-19	Henry J. Kondrat et al	$ 219.74

1185	22-692-20	Benjamin M. & Tarin W. Beebe	$ 219.74
1186	22-692-21	David J. Albano	$ 219.74
1187	22-692-22	Anjna & Kamaljit Mann	$ 219.74
1188	22-692-23	Catherine C. Kolumbus Trustee	$ 219.74
1189	22-692-24	Peter Svensson	$ 219.74
1190	22-692-25	Eric P. & Julie A. Miller	$ 219.74
1107	22-693-01	Clay M. Teramo	$ 219.74
1108	22-693-02	Catherine Hope & Gregory L. Horvath	$ 219.74
1109	22-693-03	M. Patricia & David Dorsey	$ 219.74
1110	22-693-04	Stuart & Lora Glasgow	$ 219.74
1137	22-693-05	Shelley Smith	$ 219.74
1138	22-693-06	Scott & Lisa M. MacGowan	$ 219.74
1139	22-693-07	Ping Fai Ben Li et al	$ 219.74
1140	22-693-08	Hubert H. Burroughs	$ 219.74
1141	22-693-09	Sylvia P. Morrison	$ 219.74
1142	22-693-10	Prashanth Jade	$ 219.74
1143	22-693-11	Jeffrey Kennedy & Jennifer Leigh Wade	$ 219.74
1019	22-701-01	Sheryl Ann McEwan	$ 219.74
1020	22-701-02	Allen M. & Susan E. Sandretti	$ 219.74
1021	22-701-03	Bruce R. & Tura M. Fuller Co-Trustees	$ 219.74
1022	22-701-04	Andrew Seppy Bloom et al	$ 219.74
1023	22-701-05	Mary Simpson	$ 219.74
1024	22-701-06	Christopher S. Thomas	$ 219.74
1025	22-701-07	James V. & Lea K. Reed	$ 219.74
1026	22-701-08	George C. Jones et al	$ 219.74
1027	22-701-09	Kevin & Julie L. Burnett	$ 219.74
1028	22-701-10	Linda Lloyd Fisher Trustee et al	$ 219.74
1029	22-701-11	Carolyn Nicholson	$ 219.74
1030	22-701-12	Howard D. & Rosalia D. Shapiro	$ 219.74
1031	22-701-13	Roderick A. & Cheryle M. Brownfield	$ 219.74
1032	22-701-14	Jessica I. Puccinelli	$ 219.74
1033	22-701-15	Kendall Q. & Marisela Maria Sullivan	$ 219.74
1176	22-702-01	Isaac & Michelle Sparrow	$ 219.74
1175	22-702-02	Alber & Inas K. Youssef Trustees	$ 219.74
1174	22-702-03	William L. & Carol M. Campbell	$ 219.74
1173	22-702-04	James S. Szabo et al	$ 219.74
1172	22-702-05	Terre C. & Denise S. Wortman Trustees	$ 219.74
1171	22-702-06	Terrence A. & Megan A. O'Toole	$ 219.74
1170	22-702-07	Nathan C. & Shera R. York	$ 219.74
1169	22-702-08	Gregory W. & Marnie L. Giguiere	$ 219.74
1168	22-702-09	Justin J. & Sara R. Kiesby	$ 219.74
1167	22-702-10	Debbie P. Dizon	$ 219.74
1166	22-702-11	Charles E. Schmuck Trustee	$ 219.74

1165	22-702-12	Steven & Kathleen F. Gullickson	$ 219.74
1164	22-702-13	Dale R. Henry et al	$ 219.74
1163	22-702-14	Brian & Michiyo Johnston	$ 219.74
1162	22-702-15	Eric & Beth Seib	$ 219.74
1161	22-702-16	Luane Beck et al	$ 219.74
1160	22-702-17	Amanda Danner	$ 219.74
1159	22-702-18	Brian P. & Stacey G. Costello Trustees	$ 219.74
1158	22-702-19	David J. & Cheryl L. Romer	$ 219.74
1157	22-702-20	Charles e. & Cynthia J. Frakes Trustees	$ 219.74
1156	22-702-21	Brigham Craun et al	$ 219.74
1155	22-702-22	Richard D. & Elaine C. Bennett	$ 219.74
1134	22-702-26	Robert D. & Jayne E. Scott	$ 219.74
1133	22-702-27	Mark T. & Helen L. Youmans	$ 219.74
1132	22-702-28	Maria C. Torchio-Gauthier et al	$ 219.74
1131	22-702-29	Andrew & Jenny Wood	$ 219.74
1115	22-702-30	Stephen Morairty et al	$ 219.74
1114	22-702-31	The Salvation Army	$ 219.74
1113	22-702-32	Stephen P. & Kristina N.Dinwiddie	$ 219.74
1112	22-702-33	Jason P. & Amy M. Ivey	$ 219.74
1111	22-702-34	Gavin J. & Jane F. Melford Trustees	$ 219.74
1135	22-702-36	Cesar & Jacqueline DeSantos	$ 219.74
1136	22-702-37	Douglas & Susan Diane Morey Trustees	$ 219.74
1105	22-703-01	Gregory Jackson et al	$ 219.74
1106	22-703-02	Fazlul & Rokhsana B. Quader	$ 219.74
1073	22-703-03	John Lau et al	$ 219.74
1072	22-703-04	James E. & Deborah L. Nieters	$ 219.74
1129	22-711-01	Craig W. & Kathleen M Adams Trustees	$ 219.74
1128	22-711-02	Shannon Lewis Malcolm	$ 219.74
1127	22-711-03	Lisa M Newton	$ 219.74
1126	22-711-04	Gregory Allen Rexelle	$ 219.74
1125	22-711-05	Peter C. Lombrozo et al	$ 219.74
1124	22-711-06	William & Joanne Thompson	$ 219.74
1123	22-711-07	Philip W. Crowley	$ 219.74
1122	22-711-08	Tavin B & Kristina M. Lanpheir	$ 219.74
1121	22-711-09	Thomas M. Carli & Margaret Walsh	$ 219.74
1120	22-711-10	Jakko M. Kleijnen et al	$ 219.74
1119	22-711-11	John B. & Susan A. Ledingham	$ 219.74
1118	22-711-12	David S. Sanchez et al	$ 219.74
1117	22-711-13	Kaylon M. & John A. Northington	$ 219.74
1100	22-711-14	Kim & John M. Lariviere	$ 219.74
1099	22-711-15	Henry R. & Stephanie A. Knight	$ 219.74
1098	22-711-16	Donald G. Melrose et al	$ 219.74
1097	22-711-17	Sandra Holland et al	$ 219.74

1096	22-711-18	Ben & Katie Howell	$ 219.74
1095	22-711-19	Craig Moorhead	$ 219.74
1094	22-711-20	Omeed M. & Traci L. Ghaffarian	$ 219.74
1093	22-711-21	Robert M Jr. & Denise M Rodd Trustees	$ 219.74
1092	22-711-22	Steven & Kristie Trefethen	$ 219.74
1091	22-711-23	Gareth & Karen S. Egerton	$ 219.74
1090	22-711-24	Jill M. & Gary D. Cramer Trustees	$ 219.74
1089	22-711-25	Clark & Debra Patteson Trustees	$ 219.74
1088	22-711-26	Tom Evenson Survivors Trust	$ 219.74
1087	22-711-27	Mark R. & Marna S. Scarr Trustees	$ 219.74
1086	22-711-28	Christine Pryor	$ 219.74
1085	22-711-29	John D. Gullory & Suzanne Herrera	$ 219.74
1084	22-711-30	Kim & Michael Cushing	$ 219.74
1083	22-711-31	James D. Neef et al	$ 219.74
1082	22-711-32	Alan & Laurie Okamura	$ 219.74
1081	22-711-33	Sudesh Shetty Kodialbail et al	$ 219.74
1080	22-711-34	Gerald E. Beyke	$ 219.74
1079	22-711-35	Matthew & Marina M. Ward	$ 219.74
1078	22-711-36	Keith & Jennifer Chomentowski	$ 219.74
1130	22-711-38	Kevin Tien et al	$ 219.74
1116	22-711-39	Barry W. Prentiss	$ 219.74
1101	22-711-40	Richard P. Des Jardin Trustee et al	$ 219.74
1102	22-711-41	Anna Marhenke et al	$ 219.74
1103	22-711-42	Leslie Marie Christie Trustee	$ 219.74
1104	22-711-43	Susan Hanlock Chapman	$ 219.74
1074	22-711-44	Larry D. & Rebecca C. Mosley	$ 219.74
1075	22-711-45	Valerie Polito	$ 219.74
1076	22-711-46	Todd & Michelle Rebecca Riddle	$ 219.74
1077	22-711-47	Richard & Theresa Riemer	$ 219.74
1034	22-712-01	Matthew A. & Gretchen Clark Trustees	$ 219.74
1035	22-712-02	Claude H. & Cynthia M. Lopez	$ 219.74
1036	22-712-03	Christopher W. Bensen & Tara Dalton	$ 219.74
1037	22-712-04	Jeffrey L. Gee et al	$ 219.74
1038	22-712-05	Emir & Denise Gurer	$ 219.74
1039	22-712-06	Goran & Susan Domitrovic	$ 219.74
1040	22-712-07	Latha Amujuri et al	$ 219.74
1041	22-712-08	Shaun Shahram & Habibeh Deyhim	$ 219.74
1042	22-712-09	Robert J. Romero et al	$ 219.74
1043	22-712-10	Scott & Deanna L. Heywood	$ 219.74
1044	22-712-11	Rodney W. & Christine E. Stanton	$ 219.74
1045	22-712-12	Clifford & Lily Dong Trustees	$ 219.74
1046	22-712-13	Wellington R & George Ann White Trust	$ 219.74
1047	22-712-14	Donald L. & Paula K. Cardoza Trustees	$ 219.74
1048	22-712-15	Elaine Z. Moore et al	$ 219.74
1049	22-712-16	Alan Van Wambeck Trustee et al	$ 219.74

1050	22-712-17	Joerg & Beate Weingarten	$ 219.74
1051	22-712-18	The Salvation Army	$ 219.74
1052	22-712-19	Richard W. Wilkman & Ellen Foster	$ 219.74
1053	22-712-20	Mark Alan Newton et al	$ 219.74
1054	22-712-21	Donald J. Hutchison Trustee	$ 219.74
1071	22-713-01	Gary D. Thomsen	$ 219.74
1070	22-713-02	Jong Dae Kim et al	$ 219.74
1069	22-713-03	Jeffrey S. & Susan Leigh Rosell	$ 219.74
1068	22-713-04	Daryl & Claire Spitzer	$ 219.74
1067	22-713-05	Scott M. & Lailah Mueting	$ 219.74
1066	22-713-06	Elsa Marmolejo	$ 219.74
1065	22-713-07	Manish N. & Alpa M. Patel	$ 219.74
1064	22-713-08	Justin R. Rishoff	$ 219.74
1063	22-713-09	Terrie S. Dusa Trustee	$ 219.74
1062	22-713-10	Linda L. & Robert J. Flaherty	$ 219.74
1061	22-713-11	Douglas Edward Fairchild Jr.	$ 219.74
1060	22-713-12	Mark Teixeira	$ 219.74
1059	22-713-13	Mark J Crawford et al	$ 219.74
1058	22-713-14	Casey G. & Betty Nicole Peterson	$ 219.74
1057	22-713-15	Charles F & Wilma Caldwell M Trustees	$ 219.74
1056	22-713-16	Lynn C. Sheredy	$ 219.74
1055	22-713-17	Matthew R. Hakimi Trustee	$ 219.74

TOTAL ASSESSMENTS **$41,750.60**

AGENDA ITEM 4
DATE: 6-21-2017

2016

Scotts Valley Police Department Activity Report

CITY · OF · SCOTTS · VALLEY · CALIFORNIA
1966
50th ANNIVERSARY

50 Years of Excellence
1966-2016

Steve Walpole
Chief of Police

June 2017

SCOTTS VALLEY POLICE DEPARTMENT

ANNUAL REPORT - 2016

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SCOTTS VALLEY POLICE DEPARTMENT

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

CHIEF OF POLICE
STEVE WALPOLE

June 21, 2017

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

Re: 2016 Scotts Valley Police Department Activity Report

Dear Mayor and City Council Members:

I am pleased to present our 2016 Scotts Valley Police Department Activity Report. This document contains a comprehensive analysis of our activity last year.

Scotts Valley continues to remain a safe city with relatively low crime. Both misdemeanor and felony crimes decreased slightly in 2016 when compared to the previous year, but the department remained busy as staffing shortages meant we needed to do more with less people. The police department received 6,339 calls for service and our officers self-initiated 11,403 events for a total of 17,742 incidents in 2016. The average response time to all emergency calls for service was an impressive 2.54 minutes from the time we received the call to the time of arrival of our officers.

In 2016 we continued all of our community outreach programs such as DARE, Red Ribbon Week, the Junior Police Academy, residential vacation checks, neighborhood watch, holiday foot patrols, and Operation Safe Passage. This year the Scotts Valley Police Officers Association combined their popular "Cops and Rodders" car show with the "Scotts Valley Art and Wine Festival" to make both events even better than previous years. Our dedicated civilian volunteers, Police Explorers, and Reserve Officers lent a hand at almost all of these public relations events and donated over 1,439 hours of service. I want to thank them for their service to our community.

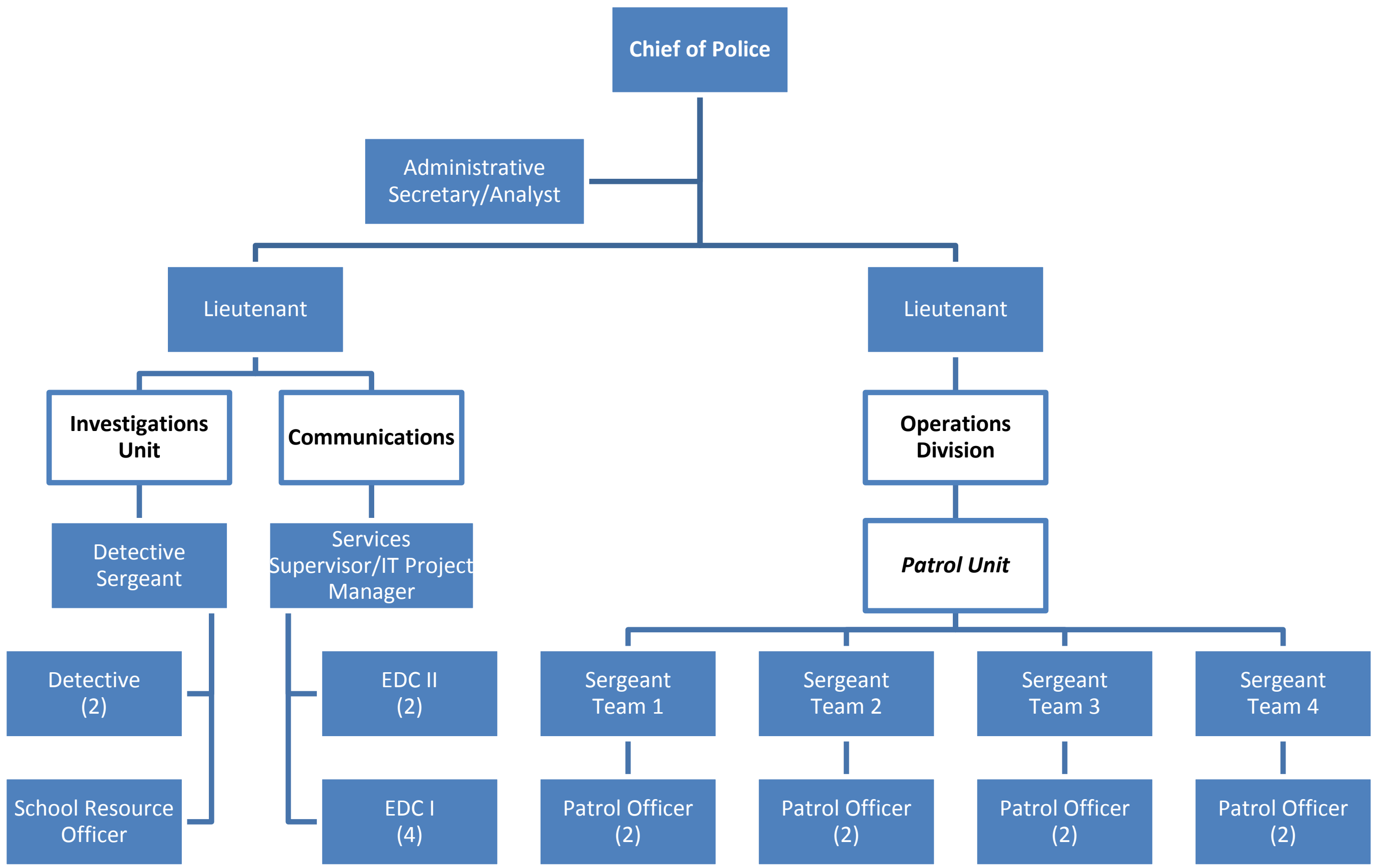
This past year was our 50th year of providing excellent public service to the residents of Scotts Valley. We all appreciate the professionalism, hard work, sacrifice, and dedication of all the men and women in uniform who came before us to make this a great department. We owe it to them to continue to have a positive impact on our community and to ensure our department's continued success for the next 50 years.

Sincerely,

Stephe Walpole

Steve Walpole
Chief of Police

Scotts Valley Police Department



OPERATIONS DIVISION

The Operations Division encompasses the patrol unit, which is responsible for the delivery of police services 24 hours a day, seven days a week. The Operations Division handles the bulk of the day-to-day calls for service ranging from emergency responses to public relations events. In addition to basic patrol services, the Operations Division also comprises several specialty units such as Traffic Enforcement, Training, Canine (K9), Reserve Officers and Explorers.

The Operations Division consists of a lieutenant, four (4) patrol sergeants, and eight (8) patrol officers. The Operations Division personnel work twelve hour patrol shifts which alternate between three and four day work weeks. Each patrol shift is staffed by a patrol sergeant and two officers. The Operations Lieutenant works five days a week and is responsible for overseeing all four patrol shifts.

In the beginning of 2016, the Operations Division started out fully staffed; however one officer did not pass his probation period and was let go in May. The department anticipated two upcoming retirements, Chief John Weiss and Officer Chris Culwell, as well as a patrol officer leaving the department to head home to Santa Rosa. Recruitment of officers became a priority and new recruit trainees were hired at the end of the year.

Patrol Sergeants Jayson Rutherford, Dave Ball, Mike Dean, and Wayne Bellville each supervise one of the four patrol shifts. All of the patrol sergeants have several collateral assignments in addition to their primary responsibility of patrol supervision. The sergeants rotate between the day shift and night shift every six months. The patrol sergeants drive a marked sport utility vehicle which is outfitted with specialized equipment so it can act as a mobile command post during critical incidents.

Sergeant Rutherford supervises the Reserve Unit, which is an all-volunteer patrol unit in our department. Members of the Reserve Unit are routinely called in for duty for a variety of reasons including prisoner transports, storm related events, critical incidents, traffic control and any other major event to supplement patrol staffing. Reserve Officers are required to participate in all of the department's Advanced Officer Training, which includes firearms and defensive tactics. The Reserve Unit is critical in augmenting patrol and special events.

Sergeant Dave Ball supervises the Traffic Unit which consists of three motorcycle positions, two of which are currently vacant. One vacant position is expected to be filled next year. Motorcycle officers complete a department training course and an intensive two-week POST certified motorcycle training program before they are allowed to ride marked patrol motorcycles while on duty. The Traffic Unit's primary function is the reduction of traffic collisions through enforcement and education.

Members of the Traffic Unit are also expected to be the primary investigators for traffic collisions while on duty.

Sergeant Mike Dean supervises the Training Unit. The Training Unit schedules all internal and external training for sworn and non-sworn members of our department. Sergeant Dean is also responsible for properly documenting all personnel training and ensuring that it is in compliance with legal mandates and the Peace Officer Standards and Training (POST) requirements. Sergeant Dean schedules the external training classes for department personnel, which includes all training where staff needs to travel outside of our local area to attend classes. When officers go to external training classes, Sergeant Dean is responsible for ensuring officers are registered in the class, booking hotel accommodations, and potentially planning air flights for classes that are being held an extended distance away.

Sergeant Wayne Bellville supervises the Field Training Program. The work load for the Field Training Sergeant increases considerably when new officers are being trained. This year saw some training at the beginning but mostly it was a chance to rebuild the training program. Sergeant Bellville managed the Field Training Officers (FTO), who were directly responsible for the hands-on training of the newly hired officers. He also updated our department's field training program to ensure our new officers got the best, and most current, training possible.

K-9 PROGRAM

Scotts Valley Police Department's K-9 Unit continued with its second year in operation. Our K-9 Unit consists of Officer Brandon Polito and his K-9 partner, "Atlas." Atlas is a dual-purpose German shepherd/Malinois mix trained in narcotics detection and tracking. Atlas excels at drug interdiction.

Our K-9 unit received over 320 hours of initial training prior to working patrol. Daily and weekly training is essential, as the dogs and their handlers must pass strict annual POST certification standards. K-9 Atlas and his handler completed the required monthly update training to maintain their certifications throughout the year. During detection training the teams are exposed to new situations and scenarios they might encounter while on patrol. The dogs must obey their handlers without hesitation and be able to work under the most trying and adverse conditions. The team trains for real life applications of tracking, building searches, area searches, obedience, suspect apprehensions and anything else a patrol K-9 might encounter. The scenarios are constantly changing and evolving so that both dog and handler do not become complacent.

Officer Polito is equipped with a modified patrol vehicle and equipment essential for successful deployment. The Scotts Valley Police Department's canine unit plays a vital role assisting our agency and others in the accomplishment of mission objectives. The superior sense of smell, hearing and potential aggressiveness of a trained law enforcement canine is a valuable supplement to law enforcement manpower.

Law enforcement K-9s are specifically trained in the tracking and trailing of fleeing felons and lost children or missing persons. They have the ability to locate discarded articles and can detect the odor of narcotics. K-9s are particularly efficient in searching large fields or buildings for hiding suspects and can enter small areas that officers would not be able to access. They are also useful in high-risk situations such as foot chases where the K-9s' speed and tracking ability become very handy. Although the canines are well trained when selected by the department, training continues for the working life of the dog.

The officers involved with the K-9 Unit have a strong commitment to the program and this assignment is one of the longest in the department. Not only are the dogs and handlers together constantly at work, the dogs also live with the family of the handler. At home these dogs act like ordinary family pets. However, once his handler puts him in the car for the trip to work, the dog's demeanor changes. The dogs have an innate sense of when they will be required to assist their partner and they look forward to coming to work.

Canine teams generally work during the night-time hours. This allows the greatest effectiveness since most building searches, alarms, burglaries, etc. occur during this shift. The K-9 teams also attend numerous civilian functions each year. These include school visits and demonstrations for local civic groups, the Citizen and Youth Academies, and public education programs.

POLICE EXPLORERS

Our Police Explorer Program, POST 831 provides youth (ages 14-21 years old) the chance to explore the law enforcement profession. Young men and women volunteer their time and in return are provided uniforms, equipment and on-going training and mentorship by dedicated SVPD staff.

Police Explorers provide a range of services from traffic control at special events, searching for missing persons, assisting with disasters, public relations support and many other essential duties. The POST is committed to the philosophy of community oriented policing and the vital role that young people have in the concept. Being an Explorer offers many opportunities to learn valuable leadership and life skills, discipline, make new friends, interact with the public and most of all, have fun.

In 2016, SVPD recruited 3 Explorers and was honored to begin the year with 7 exceptional Police Explorers.

Part of the mandatory requisition to being an Explorer is to attend a two week Explorer Police Academy held at the old Fort Ord Army Base near Monterey California. Lead Explorer Advisor Efraim Contreras and Explorer Advisor/Sergeant Ball were fortunate enough to participate in the Academy as Recruit Training Officers.

Our Police Explorers volunteered their time in many events, some of which included:

- Assisting with traffic control at the annual Gilroy Garlic Festival.
- Assisting with crowd and traffic control for the annual Wharf to Wharf Race.
- Providing overnight security at the Scotts Valley Art and Wine Festival.
- Providing security and traffic control at various school related events like the high school football games, school graduations and school dances.
- Assisting in traffic control during the 4th of July parade and fireworks.
- Participating in the Hollister PD Explorer POST 5K foot pursuit.
- Participating in the SVPD Open House Recruitment Night.
- Assisting with holiday foot patrols in shopping centers.

Our Explorers help out whenever and wherever needed. Needless to say, we are proud of our Explorers and hope some of them will consider becoming a member of the Scotts Valley Police Department in the future.

Patrol operations are enhanced by the various units and programs (Training, Traffic, Reserve Officers, Explorers, Canine, etcetera). The personnel in each unit are specially trained to carry out the goals and objectives of the department, with the ultimate goal of providing the highest quality services to the community. The officers of the Operations Division are dedicated to a proactive community policing approach, rapid response to emergency calls and continued vigilance toward traffic safety. We look forward to the new opportunities and challenges that 2017 will bring, all while providing the exemplary customer service that the citizens of Scotts Valley deserve.

SCOTTS VALLEY CRIME STATISTICS
YEAR TO YEAR COMPARISON 2015 TO 2016

DESCRIPTION	***2015***	***2016***	***% OF CHANGE FROM 2015 to 2016***
PART I CRIMES			
HOMICIDE	0	0	0%
RAPE	3	4	33%
ROBBERY	5	1	(-80%)
ASSAULT	88	60	(-32%)
BURGLARY	91	85	(-7%)
LARCENY	205	161	(-22%)
AUTO THEFT	10	10	0%
ARSON	3	2	(-33%)
TOTAL PART I CRIMES	405	323	(-20%)
ALL OTHER CRIMES	655	648	(-1%)
TOTAL CALLS FOR SERVICE	6,711	6,339	(-6%)
TOTAL OFFICER INITIATED ACTIVITY	15,235	11,403	(-25%)
TOTAL CITATIONS	1,508	1,096	(-27%)
NUMBER OF ARRESTS	557	550	(-1%)
INJURY ACCIDENT	34	16	(-53%)
NON INJURY ACCIDENT	123	109	(-11%)
HIT & RUN	36	24	(-33%)
TOTAL ACCIDENTS	157*	125*	(-20%)
DOMESTIC VIOLENCE	33	24	(-27%)
VANDALISM/GRAFFITI	138	103	(-25%)
DRUG VIOLATIONS	134	123	(-8%)

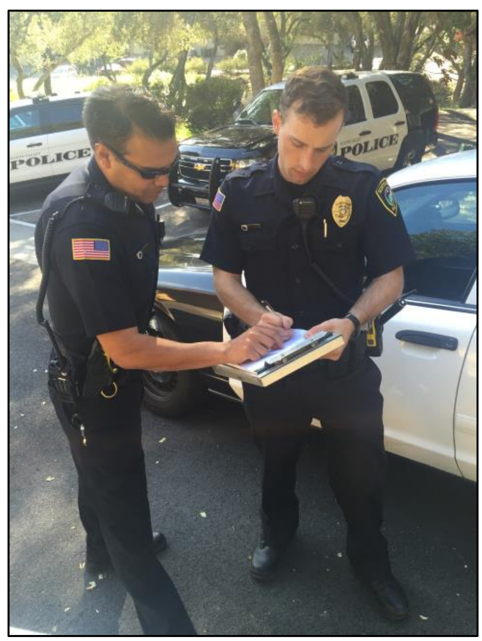
*Does not include Hit & Run collisions

TRAINING UNIT

Throughout our nation, 2016 was a tumultuous year for law enforcement, with 142 police officers losing their lives in the line of duty. Of those 142 officers killed, 30 died in vehicle accidents and 63 were killed by gunfire. Additionally, law enforcement agencies came under media and public scrutiny regarding best practices, especially in the area of use of force. The public outcry that officers needed better training was heard loud and clear. The Scotts Valley Police Department has a history of devoting time and resources towards ensuring that their Police Officers and Emergency Dispatchers master the various skills and information needed for them to expertly, accurately, and safely complete their assigned duties. The Training Unit is the force behind accomplishing the department's training needs. The Training unit refreshes perishable skills, provides training that improves officer and public safety and reduces liability. A top priority of the training unit is to provide officers with the training necessary to keep themselves and the public safe.

The Training Unit focuses on three fundamental areas of training: field training, off-site training and in-service training. These areas of training are broken down further into mandatory training and essential training. Mandatory training is training that is required by the State before officers can be hired or, once hired, before they can take on additional duties. Essential training is training that assists officers in better performing the requirements of their duties. The Basic Police Academy and Field Training Programs are examples of mandatory training while such classes as accident investigations and radar operator courses are examples of essential training.

FIELD TRAINING



In 2016, two officers were selected to serve as new Field Training Officers (FTOs). Detective Mike Birley and Traffic Officer Austin Beymer both look forward to sharing their areas of expertise in the training and molding of new officers. They will join veteran FTOs (Officer Paul Lopez, Officer Brandon Polito and Detective Efraim Contreras) in working with new officers that will be joining this department in 2017 after completing their Basic Police Academies.

FTOs are an essential element in ensuring the continuing integrity of the police department. Training Officers are responsible to train, motivate, and model professional behavior to new officers. The Field Training Program is designed to teach and develop our new officers so that they can operate as a productive self-sufficient patrol officer. The FTO program is very intense and comprehensive, generally spanning a minimum of twenty weeks. New officers are given weekly written examinations on various penal codes, vehicle codes, municipal codes, case laws, health and safety codes, as well as department policies and procedures. Additionally, the new officers are expected to handle calls for service, write detailed police reports, attend department in-service training, and demonstrate good officer safety tactics. New officers receive daily evaluations regarding their performance and progress, known as Daily Observation Reports (DOR). These DORs contain thirty different categories where the Recruit is rated on a 1 to 7 scale.

At the conclusion of the Field Training Program, the new officer must pass a final oral board exam which typically takes two or more hours. The oral board exam is a comprehensive test of knowledge and retention of all the information they were given over the course of twenty weeks.

For most of 2016, the department was close to full patrol staff. Field Training Officers were utilized to train a new Reserve Officer during this time. Training Officers were also called on to assist with an officer who began struggling with his duties after being let out of the FTO program. While it is not common for agencies to put this much effort into one employee, SVPD had full faith that our experienced FTOs would be able to bring this officer back up the standards expected of a solo patrol officer.

Due to impending retirements and an officer beginning the process of leaving this department to return to his home town, recruitment became a priority in the department. As recruitment again became the focal point, FTOs were utilized to assist in recruitment presentations at police academies throughout Central and Northern California. Two new officers successfully completed the application process and will be completing the police academy in 2017. The FTOs are already preparing for them.

OFF-SITE TRAINING COURSES

Both officers and dispatchers are in constant need of additional training to not only sharpen their skills but also to stay in compliance with the ever changing laws. Off-site training courses usually require officers to travel to alternate training locations. Most of these courses consist of POST mandated training and essential training necessary to meet departmental goals and objectives.

During 2016, departmental personnel attended numerous training courses throughout the State of California. Over 1500 hours were devoted to off-site training courses at a cost of approximately $42,000. Most of these expenses are reimbursed to the City by POST since the majority of the training was legally mandated. Training topics included Gang Investigation, Officer Safety, Financial Crime Investigation, Standardized Field Sobriety Tests, Drug Influence Investigation, Internal Affairs Investigation, Officer Involved Shootings, Effective Leadership, Radar Operator, Field Training Officer, Writing Search Warrants, Blood Stain Pattern Investigation, Critical Incident Training, Public Records Act, Cell Phone Investigation, as well as several training conferences.

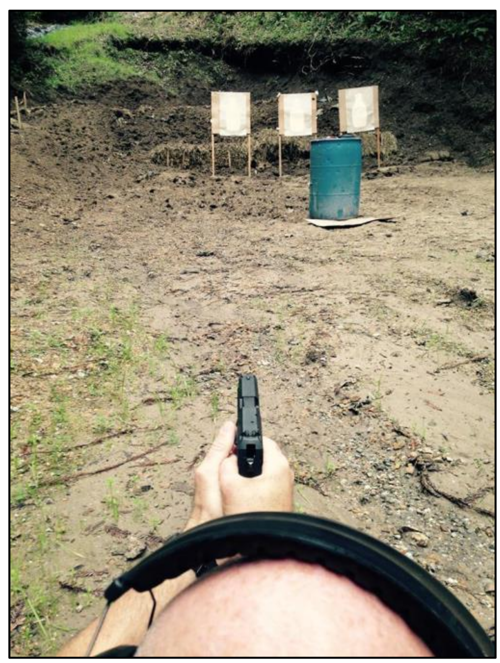
IN-SERVICE TRAINING

In-service training is essential for the continued development of both officers and dispatchers. This type of training utilizes police personnel who have been specifically trained to teach certain subject matters. This type of training is a cost-effective and efficient way to provide updated training to all personnel. The following In-service training was conducted in 2016:

January – A four hour firearms qualification was conducted at Markley's Indoor Range in Watsonville. This training focused on low light shooting as well as night time duty weapon qualification.

March – A four hour Defensive Tactics / Baton training day was conducted at the Scotts Valley Police Department. Officers were taught a refresher course in handcuffing, arrest techniques, and gun retention. Officers were challenged with arrest scenarios utilizing role players as suspects.

May – Officers traveled to the Alameda Public Safety Training Center where they received eight hours of instruction in emergency vehicle operation. Officers sharpened their driving skills on a specially designed course which tested their ability to drive on wet roadways and avoid hazards, as well as in emergency braking and pursuit driving.



August – A sixteen hour patrol rifle class was conducted at the Scotts Valley Sportman's Range. This class met the requirements of a legislative POST training mandate for officers who carry patrol rifles on duty.

October – The department's annual Top Gun Competition course and patrol pistol qualifications were completed in October. The Top Gun course is a time obstacle and accuracy course utilizing the taser, pistol, and patrol rifle.

December – A four hour training / recertification training was conducted on the use of the taser. All officers are equipped with a taser and are required to recertify every year. Officers also trained on dual uses of force as well as the de-escalation of force.

In addition, the training unit also provides departmental roll call training on a monthly basis to all officers. Training includes POST telecourses, legal update videos, guest speakers, cutting edge training videos, and supervisory review of policies and procedures. The total roll call training hours were approximately twenty hours per each officer. Listed are some of the training topics covered: Dispatch Training, Use of Force Review, Legal Update, Blood Bourne Pathogen training, Automated External Defibrillator (AED) Training, Dog Encounters, Domestic Violence Training, Spike Strip Training, Generator Procedures, and Hazardous Materials.

TRAFFIC UNIT

The Scotts Valley Police Department's Traffic Unit is part of the Operations Division. The Traffic Division is a professional and effective team of individuals dedicated to traffic safety with the ability to provide timely response to crime and traffic problems in order to assist all members of the community.

The Traffic Unit consists of two motorcycle officers and a traffic sergeant. Motorcycles are often used for traffic enforcement because they allow officers easier accessibility to traffic related problems. The traffic enforcement officers are primarily responsible for enforcing California Vehicle Code statutes, enforcement of local traffic ordinances, and investigation of vehicle collisions.

The Traffic Unit's mission is to reduce vehicular accidents and injuries and to facilitate the safe and expeditious flow of vehicular and pedestrian traffic by encouraging the public's voluntary compliance with traffic regulations. This is accomplished through a combination of education, engineering, and enforcement. The Traffic Unit also focuses enforcement of fire zones and disabled parking violations.

In 2016, officers wrote a total of 951 traffic citations and responded to 121 traffic collisions.

TRAFFIC COMPLAINT PROGRAM

The Traffic Unit concentrated on recurring traffic complaints identified by the public and brought to our attention through the Police Department's traffic complaint program. The majority of these complaints pertained to speed, red light violations, and stop sign violations. Officers spent time at these locations in a high visibility effort to reduce violations and potential traffic accidents. Residents appreciate the directed traffic enforcement and follow-up concerning their complaints.

COMMUNITY EDUCATION PROGRAM

- In April, the Scotts Valley Police Department participated in the national Distracted Driving campaign. Distracted driving is anything that takes your eyes or mind off the road or your hands off the steering wheel – especially texting and cell phone use, whether hands-free or handheld.

- In May, the Scotts Valley Police Department participated in the "Click It or Ticket" campaign. This is a nationwide crackdown to keep our roads safe by stepping up the enforcement of seatbelt and child passenger restraints. The Click It or Ticket campaign debuted in California in 2005, and since then the state's seat belt use rate has increased from 92.5 percent to a record high of 96.6 percent in 2011. Scotts Valley has a compliance rate of 99 percent.

- In June, the Scotts Valley Police Traffic Unit, in conjunction with the Scotts Valley Peace Officers Association (POA), hosted several civilian motorcycle safety classes. The class takes civilian riders and puts them through the paces of clutch throttle control, cone weaves, head and eye placement, U-turns and braking exercises. A certificate of completion was issued for all who attended and successfully completed the class.

- In December, we also participated in the nation's "Drunk and Drugged Driving" campaign, as well as the local "Avoid the Nine" DUI enforcement campaign. Officers from the Scotts Valley Police Department had a collective 76 arrests for DUI related offenses in 2016. Of those 76, seven (7) were the result of a traffic collision.

PUBLIC RELATIONS

Traffic officers participate in several public relations details throughout the year providing traffic control for such events as Cops N' Rodders, the Law Enforcement Special Olympics Torch Run, Bean Creek Fun Run and the Scotts Valley Parade and Fireworks Festival.

Additionally, the Scotts Valley Police Department hosted its sixth annual police motorcycle skills training and competition on October 6th and 7th. Officers from police agencies throughout California and Nevada participated in the training and competition. The training and subsequent competition allows officers to network and work on very technically advanced motor skills, which in turn makes every officer a safer and more efficient rider.

BADGES PROGRAM

For the last 16 years, members of our traffic unit have participated in the countywide joint traffic enforcement program, "BADGES" (Before Aggressive Driving Gets Everyone Stopped).

This program focuses on traffic enforcement once a month and is hosted by the respective police agencies in Santa Cruz County to target violations in selected areas. Its purpose is to combat road rage by targeting aggressive driving violations such as speeding, stop sign violation, red light runners, following too closely, and unsafe lane changes.

ABANDONED VEHICLE ABATEMENT PROGRAM

During 2016, 102 abandoned vehicles were reported on streets and private property within the city limits. Of the abandoned vehicles, 85% were removed voluntarily and 15% were towed. This Department participated in the state funded Abandoned Vehicle Abatement Cost Recovery Program which is designed to recoup a percentage of the cost for the time officers spend dealing with the abandoned vehicles.

RESERVE OFFICER UNIT

The Scotts Valley Reserve Officer Unit is an essential element of our department. As a smaller agency we especially rely on the dedicated men and women who have volunteered their time and skills to providing police services to the citizens of Scotts Valley. Their sacrifice and commitment to the Reserve Officer Unit has made it possible for this department to more efficiently serve the Scotts Valley Community.

Before any of our reserves began their service to this community, they had to sacrifice their time and resources by completing the State mandated training courses. Here is what an individual must complete prior to being appointed to a reserve officer position according to California Peace Officer Standards and Training (POST):

A level III reserve certificate requires 144 hours of instruction. Level III reserve officers may perform specified limited support duties, and other duties that are not likely to result in physical arrests.

A level II reserve certificate requires 333 hours of instruction and 24 hours of continuing professional training every 2 years. A Level II reserve officer must also complete all department mandated training. Level II reserve officers may perform general law enforcement assignments while under the supervision of a full time officer. They may also work assignments authorized for a Level III reserve.

A level I reserve certificate requires 664 hours of instruction. They must then successfully complete the 400 hour (minimum) Field Training Program given to full time officers. Once the Field Training Program has been completed, Level I reserves must complete 24 hours of continued professional training every 2 years and participate in all department training. Level I reserve officers may work alone and perform the same duties as full-time regular officers.

The Scotts Valley Police Department was honored to begin the year with 8 exceptional Reserve Officers. In total, these reserves have put in a total of 1267 hours of volunteer work during 2016, saving the city over $40,000.

Reserve Officer Scott Mitchell was hired as a full-time officer in 2014. In 2015, he decided to return to the private sector and was reassigned as a Level I Reserve. Officer Mitchell moved out of California for his career, but still managed to volunteer 74 hours in 2016. Officer Mitchell also elected not to receive a stipend for the entire year, thereby saving the city an additional $1200.

Reserve Officer John Hohmann is a Level I Reserve Officer and has been a reserve with our department since 2015. Since Officer Hohmann is a Level I reserve, he is able to assume patrol as a solo officer and handle calls for service without a full-time officer present. This was valuable during staffing shortages in 2016, where Officer Hohmann would handle part of a patrol shift or take the police motorcycle out for traffic control and enforcement. Officer Hohmann is very involved in the Special Olympics and their fundraising events, and still teaches ROP classes at Scotts Valley High School. Officer Hohmann volunteered 224 hours in 2016. In November, Officer Hohmann was rehired part-time as the School Resource Officer and no longer served as a Reserve Officer.

Reserve Officer Don Murray is a Level II Reserve Officer and is our longest tenured reserve officer, having served with our department since 1995. Although Officer Murray does not work alone on patrol, he routinely rides as a second officer with a full time officer. Officer Murray volunteered 259 hours in 2016. Officer Murray often utilizes the department's Zero motorcycle at various events. Officer Murray assisted our department with numerous community events, including the Gateway Bible Church Easter Festival, Cops and Rodders charity car show, Wharf to Wharf race, Scotts Valley High School graduation, Special Olympics Torch Run, the 4th of July Parade and Fireworks, Hops N Barley Festival, Halloween patrol, and the Holiday Tree Lighting Ceremony.

Reserve Officer David Bergman is a Level II Reserve Officer and has been with our department since 1996. Officer Bergman does not work alone on patrol, but he does assist patrol officers with various functions. Officer Bergman had the most hours volunteered by any reserve for 2016 with 262. Officer Bergman assisted our department with numerous community events, including a School Patrol Program, where he would patrol different campuses in the city during the week. This program was very successful and greatly appreciated by parents, faculty, and students. Officer Bergman also assisted with the Scotts Valley High School graduation, Special Olympics Torch Run, the 4th of July Parade and Fireworks, Cops and Rodders charity car show, Wharf to Wharf race, Halloween patrol, and holiday foot patrols in our local shopping centers.

Reserve Officer Thomas Pohle was a Level II Reserve Officer and has been with our department since 1999. Officer Pohle is a staple in patrol and can often be seen riding in plain clothes with full-time officers, as well as providing peer support for department staff. Officer Pohle volunteered 74 hours in 2016. Officer Pohle spent the bulk of his time volunteering as one of our two department peer counselors. Officer Pohle retired in June after 16 years of service to the department.

Reserve Officer Mitchell Pfyl was a Level II Reserve Officer and had been with our department since 2014. Officer Pfyl spent a substantial amount of time on patrol riding with officers and assisting them with calls for service and traffic enforcement. Officer Pfyl volunteered 77 hours in 2016. Officer Pfyl resigned as a Reserve Officer in May 2016 and accepted a full-time officer position for the City of Orange.

Reserve Officer Tyler Casterson was a Level II Reserve Officer and had been with our department since 2015. Officer Casterson spent a great deal of time on patrol and was attempting to complete the Field Training Program as a Reserve Officer in hopes of becoming a full-time officer. Officer Casterson volunteered 223 hours in 2016. Officer Casterson parted with SVPD in August 2016.

Reserve Officer Teri Taylor is a Level III Reserve Officer and has been with our department since 1995. She performs specified limited support duties such as public relations and other non-enforcement duties. Officer Taylor volunteered 74 hours in 2016 and assisted with several public relations events, including the Fallen Officer Foundation, Hops N Barley Festival, Special Olympics Torch Run, and Cops and Rodders charity car show.

Reserve officers participated in various mandated training exercises putting in a total of

304 training hours in 2016. This training included:

- Defensive Tactics training
- Emergency Vehicle Operator Course (EVOC) training
- Firearms training
- Taser training
- Peer support
- Field Training Program

Reserve officers were called on to assist the Patrol and Investigation Divisions numerous times throughout the year. Some of these calls included:

- Assisted with traffic control due to power outages, automobile accidents, special events and storm related incidents.

- Conducted surveillance stakeouts for reported drug violations, vandalism, thefts and burglaries.

- Provided security at various school related events like the high school football games, high school and middle school graduations, and school dances.

- Patrol supplement on holidays such as New Year's Eve, Fourth of July, Halloween, as well as during staffing shortages.

- Assisted Investigations Division in various criminal investigations and new officer testing.

- Prisoner transports to the county jail, to Dominican Hospital for medical clearances, and to the Behavioral Health Unit, thus freeing up full-time officers and allowing them to remain in our city.

- Assisted our Traffic Division with vehicle abatements, BADGES and DUI checkpoints.

Our Reserves Officers help out whenever and wherever needed. The crime prevention and public service events that the reserve officers performed throughout the year include the Art and Wine Festival, Cops and Rodders Antique Car Show, Hops N Barley Festival, DARE Golf Tournament, Santa Cruz County Fair, Monte Foundation Fireworks Event, Wharf to Wharf, July 4th Fireworks event, Red Ribbon Week, Holiday Foot Patrols, City Council Meetings and numerous school related events. Our reserves spent 381 hours working public relations type events.

All of our Reserve Officers are to be commended for the effort they put forth as they all have full-time careers outside of law enforcement. Their willingness to sacrifice time from their personal lives and families to assist our City is to be congratulated. The Scotts Valley Police Department is fortunate to have such dedicated and professional individuals serving in our Reserve Unit. Their professionalism and support not only increases the safety of our full-time patrol officers, but it also enhances the overall effectiveness of our department. Most importantly, the citizens of Scotts Valley benefit from the many efforts and contributions of our wonderful Reserve Officers.

ADMINISTRATIVE SERVICES DIVISION

INVESTIGATIONS UNIT

The Investigations Unit continued into 2016 under the supervision of Lt. John Wilson and Sgt. Justin Milroy. Detective Efraim Contreras and Detective Mike Birley were the primary investigators assigned to the unit. Officer Chris Culwell was assigned as the School Resource Officer with his primary focus on the high school. During the latter part of the year, SRO Culwell was reassigned to patrol due to reduced staffing levels. Reserve Officer John Hohmann stepped in and was utilized as the School Resource Officer.

The unit kept busy during the year with case investigations and community programs such as DARE, the Junior Police Academy, Red Ribbon Week, and additional fundraising events. In addition to supervising the unit, Sgt. Milroy was tasked with recruitment and hiring of applicants for police officer and dispatcher.

The following are some highlights and noteworthy accomplishments from 2016.

HIRING

2016 was another busy year for recruitment and hiring. By the beginning of 2017, it was anticipated that the department would be down 4 officer positions and at least 1 dispatcher. To assist with recruitment, Reserve Officer Hohmann was brought in and tasked with visiting numerous police academies throughout central and northern California. He distributed job fliers to community colleges and local businesses and helped spread the word that SVPD was hiring. For the first time in many years, the department opened up the process to entry level applicants, which meant that no law enforcement experience or law enforcement academy certificate was required to apply. Ultimately, the department was able to find four quality applicants. In December, Meredith Roberts and Aaron Roberts were both offered full time police officer positions. Since they were entry level, they were both enrolled in the police academy and started their journey just as we entered 2017. The department was also able to bring on board Jared Johnson, a reserve officer applicant who had previously worked a short time with Santa Cruz Police Department. Reserve Officer Johnson's goal is to complete the Level I reserve officer training program and eventually be hired as a full time police officer for Scotts Valley. Emily Dennis was also hired on for the position of police dispatcher and began her training as the year came to an end.

JUVENILE ACTIVITIES

DARE

This was Detective Birley's first year as the DARE Officer for Scotts Valley elementary schools. The DARE program has always been greatly appreciated by the community and students of Scotts Valley schools. When Detective Birley took on the Investigations position in 2015, he was told he would be teaching DARE and took on the task with great enthusiasm. Soon after he attended DARE school and towards the end of the year, he began to prepare his lesson plans and put together a great DARE program for the 5th graders. By March 2016, Detective Birley was fully immersed in DARE. For the most part, teaching DARE consumed most of his work week. Constant planning, classroom organization, and finding new ways to keep 5th graders interested was a challenge but the department received nothing but compliments from school officials and staff who had the opportunity to observe Detective Birley in action.

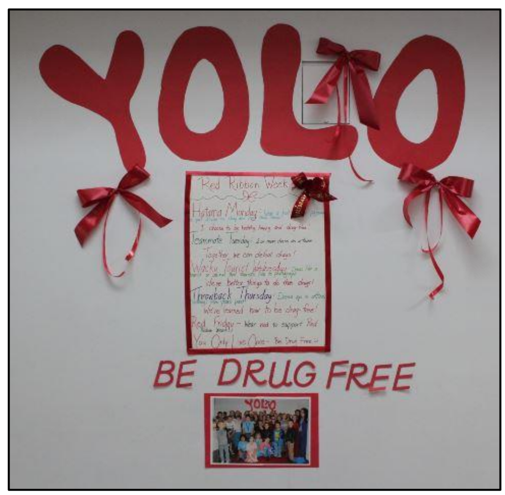
The Department also put on the annual DARE Golf Tournament in September which was well attended. The golf tournament is the major fundraiser for the DARE program and raised over $7,800 to provide funds for the purchase of student workbooks, instructional materials, t-shirts, and graduation supplies.

JUNIOR POLICE ACADEMY

The Investigations unit hosted three sessions of our Junior Police Academy program during the summer months. Participants were put through a physical agility course and received instruction in the areas of crime scene investigation, high risk vehicle stops, firearms, defensive tactics and SWAT. Participants also toured the Scotts Valley Fire Department and participated in a beach clean-up event for community service hours. Participants not only learned what it is like to be a police officer, but also learned to work as a team and to have a healthy respect for one another. This program continues to be very popular among middle school students and registration usually fills up fast. 2017 will no doubt bring another action packed summer.

RED RIBBON WEEK

Red Ribbon Week was celebrated during the last week of October this year. The Investigations unit ordered banners, posters, classroom materials and red ribbon week bracelets, and then met with school officials to distribute these items. This year’s theme was “You only live once,” a national movement aimed at getting kids to recognize the dangers of drugs and realize they only get one life to live. A kickoff BBQ was held at MacDorsa Park and was attended by city officials, police dignitaries from surrounding agencies, and staff from participating Scotts Valley schools.



Red Ribbon Week began in 1988 in honor of DEA (Drug Enforcement Administration) Agent Enrique "Kiki" Camarena, who was kidnapped and killed in Mexico in February of 1985. Agent Camarena, then 37, had uncovered a multi-billion dollar drug scam in which he suspected officers of the Mexican Army, police forces and government. As he left his office one day, five men appeared at his side and kidnapped him. His body was found one month later in a shallow grave; he had been tortured and beaten. In honor of DEA Agent Camarena, the Scotts Valley Police Department encourages parents and citizens to talk to your children and the children in your lives about the very real dangers of drug abuse.

CASE INVESTIGATIONS

The following cases reflect a few of the more noteworthy cases that detectives investigated during the 2016 calendar year. In addition to the cases mentioned, detectives investigated a variety of crimes to include: Robbery, Burglary, Auto Theft, Elder/Child Abuse, Sexual Assault, Identity Theft, Narcotics, Sexual/Narcotic Offender Violations, and Vandalism. The time frame to investigate each case depends on its severity. Several of the mentioned cases required the writing of search warrants for entry into houses, warehouses, electronic devices, and to social media companies. Often times, case investigations are delayed while waiting for companies to respond to search warrant requests, lab results from latent fingerprints, or DNA typing.

FRAUD VICTIM GETS THEIR MONEY BACK

In 2015, Detective Birley began working a case involving an elderly female who had fallen victim to a phone scam. The suspect, posing as an IRS agent, called the victim and told her that she owed back taxes. He then threatened her with legal and criminal action if she did not pay. The victim ended up sending approximately $3000.00 to the suspect's account before she was made aware of the scam. Detective Birley spent numerous hours trying to track down where the money was routed to and eventually was able to locate an account and freeze the funds with a court order. This process took him into 2016 and after many months of gathering evidence, he was able to identify a suspect and make an arrest. In the end, Detective Birley was able to work with Bank of America and return the elderly victim's money to her.

ARSON IN THE GRANITE CREEK ESTATES

In September during the height of the wildfire season, there were two suspicious fires set in the wooded area surrounding the Granite Creek Estates. Residents acted quickly to help extinguish the fires along with the SV Fire Department. In the days that followed, it was learned that three juveniles were involved and may have set the fires while playing in the area. The Granite Creek Estates community was outraged once it was learned that the juveniles were responsible. Detective Birley did a great job interviewing the juveniles and their families, and coordinating with SVFD and the DA's office to find a suitable disposition. He also fielded numerous calls from angry residents and attended an HOA meeting for the neighborhood to help explain the situation and shed some light on the juvenile justice system.

RUNAWAY JUVENILE BEATEN AND ASSUALTED BY ADULT BOYFRIEND

In November, a female juvenile was brought to this department after she was found running down Mt. Hermon Road by a passing motorist. The female was visibly upset and appeared to have been battered. Detective Contreras was tasked with investigating the circumstances and found that the female was a runaway juvenile who had befriended an adult male who lived in Scotts Valley. The female moved in with the male and shortly after he began to sexually assault her and physically beat her. This continued over several weeks until the female was able to get out of the house and run to get help. Detective Contreras arranged for the female to get immediate medical attention and arranged for her to be reunited with her family with the help of CPS. The adult male boyfriend fled the area, so Detective Contreras obtained a warrant for his arrest on numerous charges including felony domestic violence, rape, false imprisonment, and assault with a deadly weapon.

FORMER SV REC EMPLOYEE ARRESTED FOR CHILD PORNOGRAPHY

This was a rather delicate case involving a former adult Scotts Valley Recreation employee who allegedly was having a sexual relationship with a juvenile and former recreation student. Detective Birley interviewed numerous parties and gathered evidence to support the allegations. He was able to obtain a search warrant for the suspect's home and interrogated the suspect. It was determined the suspect had not actually had any sexual relationship with the juvenile victim but did solicit nude photos from her. The suspect was arrested on several charges. Hopefully this early intervention will prevent him from victimizing anyone else in the future.

ADDITIONAL ACTIVITIES

In addition to case investigations and the many juvenile activities mentioned above, the investigations unit is also responsible for organizing and attending various crime prevention and community sponsored activities such as senior safety fairs and neighborhood watch meetings. Neighborhoods interested in getting further information about how to get a neighborhood watch group started can also contact the unit for guidance and assistance.

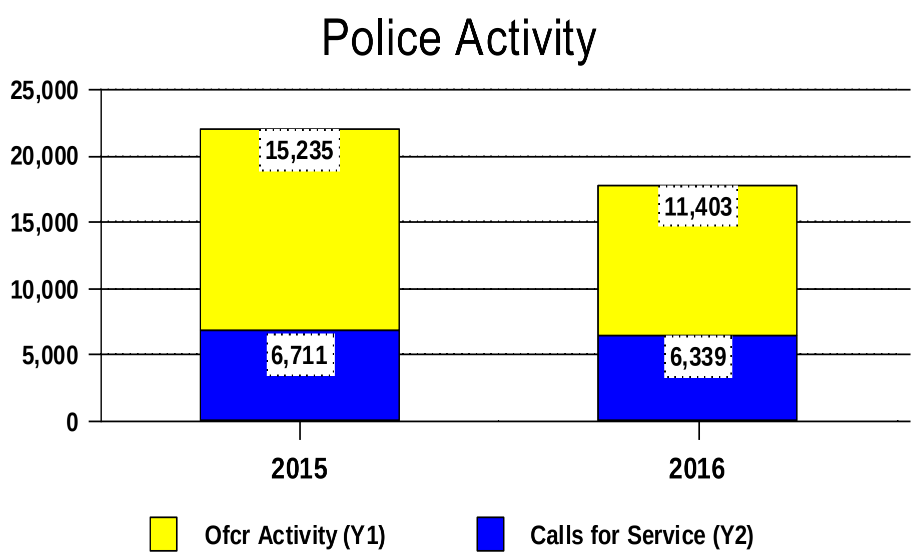
Annually, the investigations unit conducts compliance checks on registered sex offenders and narcotic registrants. These checks are done to ensure that these high risk offenders are not only meeting the requirements of their registration, but to ensure that they are not involved in any criminal activity that could put the community at risk.

COMMUNICATIONS/RECORDS UNIT

The Scotts Valley Police Department has its own communications center available to assist our citizens any time of the day or night. Our agency believes its dispatchers are best equipped to help local citizens because they are familiar with the city, its businesses and community members. We feel having a good understanding of our city leads to a higher level of service which enhances our connection to the community and our allied partners. We are proud to be one of only three communication centers within the County of Santa Cruz.

In 2016, the Communications unit handled more than 17,742 incidents. Of these incidents, 3,644 were emergency calls. In addition to 911 calls, our dispatch center handled non-emergency calls, resulting in a total of 6,339 calls for service. The dispatch center receives the call for service and then directs patrol officers to the calls. Calls are received by means of the 9-1-1 system and non-emergency business lines. The rest of the 11,403 incidents were the result of officer initiated activity.

The Scotts Valley Police Department always strives for quick response times to all emergency calls. The goal is to respond to emergency calls (Code 3 - lights and sirens) in less than three minutes. In 2016, the average response time for emergency calls was 2.54 minutes.

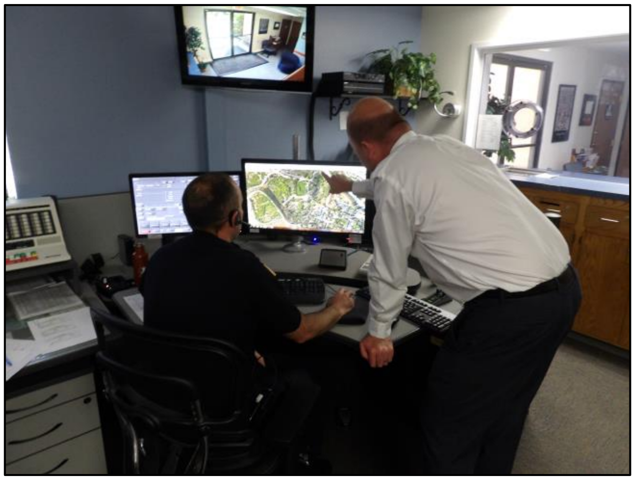


The Communications/Records Unit consists of four EDC-I's (Emergency Dispatch Clerks), two EDC-2's, Services Supervisor Tamera Melrose, and Services Commander Lieutenant John Wilson. The primary function of the unit is the communications center;

however, the unit is also responsible for maintaining and managing the department's records. As records clerks, the EDC's must coordinate official records and statistics ensuring that all of the department's records are entered accurately, processed properly, filed systematically, and are easily retrieved.

In addition to assisting the EDC-1's with their duties, the EDC-2's have many additional responsibilities. One of their primary responsibilities is the management and control of all of the property and evidence brought into the department. They inventory, quality check, and maintain a tight control of all property and evidence. As evidence clerks, they must adhere to all laws regarding handling, processing and purging of evidence, including how to prepare evidence for court purposes. Other assignments include registering narcotics, sex, arson and gang offenders, crime scene processing, and providing support to the Services Supervisor with various network and IT related projects.

The Services Supervisor oversees the Communications and Records unit, responds to Public Records Act requests, subpoenas, compiles department statistics and serves as the Custodian of Records. Additionally, the supervisor is the network and records administrator for the police department. The supervisor serves as City liaison with outside information technology firms, manages the City's computer network system, assists City departments with information technology needs, and manages projects for the Police Department.



The Communications unit is dedicated to ensuring the department is able to evaluate and implement meaningful technologies to better serve officers, dispatchers, and ultimately, the public. In 2016, the department added a new radio tower near the County Probation department, utilizing grant funding. This additional radio site was necessary to improve interoperable radio communications for Scotts Valley officers and allied agencies in the area. In 2016, the department began working towards greater partnerships with UCSC and the County of Santa Cruz on a range of projects such as an additional radio tower location at the SCR-911 center and a new mug shot and fingerprint identification system. In addition to these projects, we are working towards building an improved communication and response plan with the UCSC police and the Scotts Valley Unified School District.

The department continues to rely on Citizen RIMS to communicate with the public about police activities and statistics. Since 2014, the department also began utilizing social media, such as applications like Facebook, NextDoor and Nixle, as additional methods for communicating information to the community regarding road closures, police activities or neighborhood watch information.

The Communications staff has become a tremendous resource to patrol officers and detectives as they investigate crimes because of their extensive knowledge of information systems utilized daily. This type of teamwork has resulted in the apprehension of suspects and the recovery of lost and stolen property. This unit also contributes their time to other community functions such as Special Olympics, Junior Police Academy, DARE and the annual Cops and Rodders Car Show & Motorcycle Competition which raises money for local youth programs.

VOLUNTEER UNIT

Our civilian volunteer program has been going strong since 1991, assisting police staff in a wide variety of functions. In 2016, our volunteers provided 172 hours of service to our department by:

- Setting up and maintaining the Speed Awareness Unit
- Assisting with court ordered destructions
- Assisting with Court related documents
- Assisting with records, scanning, and filing
- Assisting with general computer data entry
- Building maintenance
- Assisting with department events
- Copying and assembling manuals

Civilian volunteers give back to our community and help the Scotts Valley Police Department provide exemplary services to our community. All SVPD volunteers are recognized at our annual appreciation dinner, held in April during National Volunteer Week. The police department and community are fortunate to have such dedicated individuals who freely give of their time and energy.

We are also very fortunate to have Fred Wilson who serves as our police chaplain, providing professional support for:

- Death notifications
- Grief counseling
- Suicide intervention
- Assistance to victims of violent crimes
- Support to families and individuals in crisis due to an injury or accident
- Assisting the department in disaster response and hostage negotiations
- Ceremonial duties
- Counseling and support for police staff

DEPARTMENT HIGHLIGHTS

JANUARY 2016 (1452 CALLS FOR SERVICE)

The start of the new year saw the Explorer program continue to grow with the addition of three new Explorers: Max Thompson, Portia Simmons, and Jacob Westberg. With the hiring of these Explorers, it brought the group up to seven.

Our Investigations Unit spent a great deal of time training during the month. Detectives attended WSIN (Western States Information Network) training, which allows agencies from various Western States to share information about criminal activity. Detectives also attended Social Networking training and Gang Information training.

In addition to the detectives training classes, Officer Contreras attended a Field Training Officer (FTO) update class and K-9 Officer Polito attended the California Narcotic Canine Conference in San Diego. Detective Birley and Reserve Officer Hohmann attended the Law Enforcement Torch Run Conference. Patrol officers participated in radio tower generator training in preparation of the upcoming El Nino rain storms.

Reserve officers stepped up and volunteered numerous hours to assist patrol officers with handling calls for service, since patrol staff was experiencing staff shortages. Our reserves also assisted with the planning, coordination, and staffing for the annual Fallen Officers Foundation Ball. This is an annual fundraiser and the amount of work that is required is immense.

Officers investigated a stabbing that occurred in a vehicle on Mt. Hermon Road. It was determined that the stabbing occurred between two acquaintances over drugs. A search warrant was served at the residence of the suspect and arrest warrants were requested for two subjects.

Officers stopped a vehicle for a mechanical violation and conducted a K9 sniff. When the K9 alerted to the presence of drugs, officers searched the vehicle. Officers located over two pounds of processed marijuana and methamphetamine paraphernalia inside the vehicle. The driver was taken into custody.

Officers responded to a fight in progress, where the suspect brandished a switchblade knife at several victims. The suspect was disarmed and was taken into custody for assault with a deadly weapon and warrants.

Officers made 54 arrests (9 felony and 45 misdemeanor) in January.

Officer Paul Meier was selected as the January Employee of the Month for his unmatched productivity on patrol.

FEBRUARY 2016   (1600 CALLS FOR SERVICE)

February was full of training classes for many department personnel. Detectives attended cell phone search warrant training and Financial Crimes training. Several officers attended RADAR operator school to be certified in the use of RADAR / LIDAR. Two Dispatchers attended the CALNENA conference in San Diego.

Our reserve officers continued to assist patrol with calls for service and transporting people to Behavioral Health and Dominican Hospital.

The Chief, Lieutenants, several officers and reserves participated in the annual Polar Plunge fundraiser for the Special Olympics.

Detectives hosted two tours of the department to local Cub Scout Troops. Not only did the Scouts get a full tour of the department and equipment, but they got some hands on experience fingerprinting and collecting evidence.

An empty rifle bag was found in an unlocked PE locker on the Scott Valley High School campus. The school was placed on lockdown and officers responded to investigate. It was determined that a student had brought a school project to school in the rifle bag earlier in the school year and inadvertently left the bag in his PE locker. Officers confirmed the story with the student and the school was released from lockdown after 20 minutes.

Officers attended the annual Fallen Officer Foundation fund raising dinner/auction. The Scotts Valley Peace Officers Associatoin (SVPOA) donated a $1,000 table, and several employees volunteered for the event (tickets, check-in, auction displays, and video tributes).

Officers responded to a report of a suspicious vehicle which they discovered had been stolen from Santa Cruz. Officers located the vehicle, which was occupied, and arrested the driver.

Officers made 56 arrests (7 felony and 49 misdemeanor) in February.

Officer Nick Vlahandreas was selected as the February Employee of the Month for his unmatched work ethic while working on patrol, leading the department in traffic stops, citations written, and arrests.

MARCH 2016 (1561 CALLS FOR SERVICE)

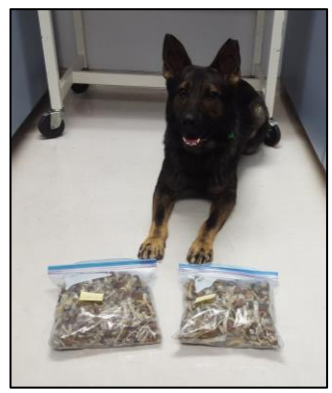
The department held defensive tactics training for all officers and sergeants. Several detectives also attended a two-day search warrant class.

Officers and reserves attended the Gateway Church Eggapalooza event, where they brought patrol vehicles and motorcycles, and handed out stickers and coloring books to children.

Officers gave Alcohol Awareness presentations to the Scotts Valley High School Freshman class.

Officers attended the annual Elks Public Safety Appreciation dinner in Santa Cruz. As always, it was a good time with great food.

Officers stopped a vehicle for a mechanical violation and conducted a K9 sniff. Once the K9 alerted to the presence of drugs inside the vehicle, officers searched it. Officer located nearly 500 grams of dried psilocybin mushrooms. The driver was taken into custody for possession of an hallucinogen and for outstanding warrants.



Officers located what appeared to be a stranded motorist on Mt. Hermon Road. When officers stopped to offer assistance, they discovered that the motorcycle was stolen from Salinas. The driver was taken into custody and the motorcycle was returned to its owner.

Officers were doing an area check of a storage facility and located two people inside after hours. After some questioning, it was determined that they did not have a locker at the facility. Officers conducted a probation search of the individuals and their vehicle and located burglary tools and multiple items of property. Both subjects were taken into custody.

Officers made 59 arrests (10 felony and 49 misdemeanor) in March.

Officer Mike Birley was selected as the March Employee of the Month for his dedication to the DARE program and outstanding investigative case work.

APRIL 2016 (1457 CALLS FOR SERVICE)

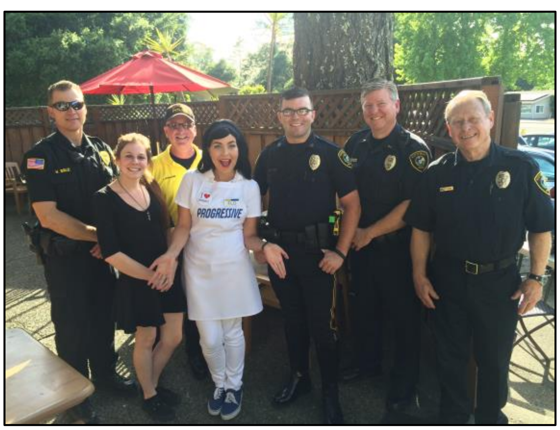
SVPD honored our Volunteers, Reserve Officers and Explorers with an Appreciation Dinner held at Michael's on Main. The event was well attended.

Investigations held DARE graduations for each of the three elementary schools where DARE was taught: Vine Hill, Brook Knoll, and Baymonte. The 5th graders each received a DARE shirt and certificate. The DARE essay winners also received a medal and DARE pen/pencil set.

The Scotts Valley Police Department participated with staff at Scotts Valley Middle School to conduct a joint lockdown drill of their facilities while class was in session. The exercise successfully identified the areas where more training could improve responses to security threats on campus.

Several officers and reserves volunteered to drive in the "Police-In-Pursuit" car race at the Watsonville Speedway. The race is a charity event that raises money for Special Olympics. It was the first time SVPD was represented by three different drivers.

Officers and Explorers represented SVPD in the 2nd Annual "Never Forget First Responder Relay" in Aptos. The 40K footrace is a fundraiser for the Fallen Officer Foundation, which is a group that supports first responders in times of personal crisis. Our runners ended up fourth overall (out of 30 teams) and took second place in the "law enforcement" category.



Scotts Valley Police Officers participated in a "Tip-A-Cop" event at Malone's Grille by acting as "Celebrity Waiters" for an evening. The officers assisted with beverage service, serving meals, and setting tables. The event was put on to spread awareness and raise money for Special Olympics of Northern California. Customers were asked to support the event by placing a special "tip" for Special Olympics in the envelope on their table. SVPD officers were able to raise more than $1,000 for that worthy cause.

Officers taught three free motorcycle skills and safety courses during this month. The classes gave members of the general public hands on instruction and practice with cone patterns and demonstrations. It was a great way to improve citizens riding skills and it was a positive public relations event for the department. The classes were paid for by a grant from the Office of Traffic Safety, so no department funds were used to support these training days.

Our department participated in the Fifth Annual Victim's Rights March organized by the District Attorney's Office.

Officers made 48 arrests (9 felony and 39 misdemeanor) in April.

Sergeant Dave Ball was selected as the April Employee of the Month for his service to the community, dedication to the department, and his passion for motorcycle safety.

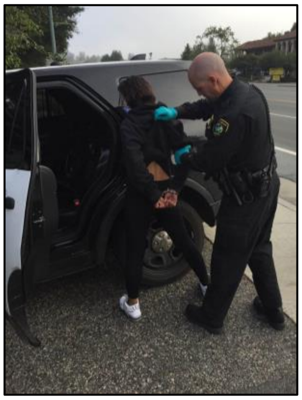
MAY 2016 (1383 CALLS FOR SERVICE)

The department sworn personnel participated in an eight hour EVOC class at the Alameda Sheriff's Office training facility. The training was well received and enhanced officers' emergency driving abilities.

Reserve Officer Mitchell Pfyl resigned from his position to accept a full time officer position with the City of Orange.

The patrol supervisor Chevy Tahoe was retired from service and the new Ford Explorer was outfitted and put into service as the Sergeants' vehicle.

Several motor officers assisted Monterey County with their annual Police Officer Memorial Escort, which pays tribute to officers killed in the line of duty.



The annual Exchange Club Blue and Gold dinner was held and Detective Efraim Contreras was honored as the Officer of the Year.

Officers investigated a domestic violence report where the victim was at Dominican Hospital. Officers interviewed the male and female and determined the female was the dominant aggressor in this case. The male suffered a broken arm and multiple bruises. The female was taken into custody.

Officers made numerous narcotic related arrests and DUI arrests during the month.

Officers made 55 arrests (4 felony and 51 misdemeanor) in May.

Officer Chris Culwell was selected as the May Employee of the Month for his outstanding work as SRO, conducting numerous investigations and supporting school staff.

JUNE 2016 (1325 CALLS FOR SERVICE)

Reserve Officer Thomas Pohle retired from the Reserve Program after 16 years of service with the department. He will be greatly missed for his peer support and all-around willingness to help out with whatever needed to be done.

Reserves officers assisted Capitola PD with their annual Capitola Car Show at the Esplanade. They also provided police escorts for several race cars during the event. Reserves also volunteered to provide security and traffic control at the Scotts Valley High School graduation.

Officers and Reserves provided security for the annual Hops N Barley Festival at Skypark. We also had one Reserve in plain clothes during the event.

Officers and Reserves participated in the annual Law Enforcement Torch Run (LETR) for the Special Olympics. The run course started at the Scotts Valley Hilton and made its way north to the Glenwood Fire station.

Officers and Reserves participated in an 8 hour Active Shooter training at UCSC.
Two Sergeants attended a week long FBI leadership class, while one of the Lieutenants attended a management update. Several officers attended a Standardize Field Sobriety Test certification course.

The department held the first of three Junior Police Academy sessions, and as always, it was completely sold out.

Officers responded to a report of a male brandishing a machete at his mother and her boyfriend. Officers discovered the male attempted to use the machete against the boyfriend and he barricaded himself inside a shed for protection. The male was taken into custody before he could get to the boyfriend and no one was injured during the incident.

Officers witnessed a man riding "wheelies" on a motorcycle on Scotts Valley Drive. When officers stopped the driver, they discovered that the motorcycle was stolen. The driver was taken into custody for possession of a stolen vehicle, reckless driving, and driving on a suspended license.

Officers made 40 arrests (3 felony and 37 misdemeanor) in June.

Lieutenant Steve Walpole was selected as the June Employee of the Month for his exemplary leadership in running the police department during the Chief's absence, and in adeptly handling a controversy surrounding an incident involving a threatening letter at the high school.

JULY 2016 (1458 CALLS FOR SERVICE)

The 50th Anniversary Celebration for the City of Scotts Valley was held during the 4th of July Parade. The event highlighted past and present city council members and the founding members of our city. The parade moved to a different section of Scotts Valley Drive to accommodate the additional participants and was a great success. All department personnel were on hand to assist, including Reserve Officers and Explorers.

Motor Officers participated in BADGES traffic enforcement detail and the department held the second session of the Junior Police Academy.

Our Reserve Officers provided security and traffic control for the annual Wharf to Wharf race in Santa Cruz.

Officers responded to a domestic violence call and when they arrived to the residence, the male suspect pointed a gun out the window at the female and officers. The officers ordered the male to put down the gun and exit the residence. The male was arrested for numerous charges.

While on patrol, officers stopped a vehicle for a mechanical violation and discovered the driver had a suspended license and four active warrants. During a subsequent search of the vehicle, officers located methamphetamine and paraphernalia. The driver was arrested and booked at jail.

Officers responded to a report of possible child abuse at a residence. Officers discovered a four year old boy had been struck several times by his mother with a plastic sword. The sword had left large red welts on the child's legs and arms. The mother was arrested for child abuse and the child was given to the temporary custody of a relative.

Officers made 45 arrests (1 felony and 44 misdemeanor) in July.

AUGUST 2016 (1349 CALLS FOR SERVICE)

The department held a POST certified 16 hour Rifle Operator course for all sworn personnel. Additionally, several officers attended a 16 hour Standardized Field Sobriety Test (SFST) course and several Reserve Officers attended the 2016 ARPOC (Reserve

Conference) in San Diego.

The celebration for the 50th Anniversary of the City was held in front of the police department at MacDorsa Park. Officers gave tours of the department and put our department vehicles on display for the hundreds of members of the public who attended this event.

Operation Safe Passage was started at all of the schools in our jurisdiction. Patrol staff was bumped up 300% to conduct traffic enforcement around our school zones during this week by using detectives, reserves, and administrative staff.

Many of the department's personnel volunteered to staff the annual Cops and Rodders event. This year it was held at Skypark. We also had officers and Explorers providing security at the Chamber of Commerce Art, Wine, and Beer event which was well attended by the public.

The third and final session of the Junior Police Academy was held.

Officers stopped a vehicle for a mechanical violation and discovered the driver was on probation with a search clause. Officers searched the vehicle and found heroin, methamphetamine, concentrated cannabis, and narcotic paraphernalia. The driver was arrested.

The department received information regarding unlawful intercourse between an adult male and a juvenile female. Officers and detectives spent weeks investigating the allegations, which included multiple interviews and court orders for phone and internet records. After an exhaustive investigation, a search warrant was served at the suspect's residence and he was arrested.

Officers made 34 arrests (1 felony and 33 misdemeanor) in August.

Officer Brandon Polito was selected as the August Employee of the Month for his hard work, high motivation, excellent work ethic, and dedication to our department.

SEPTEMBER 2016 (1318 CALLS FOR SERVICE)

Due to staffing shortages, the department was cleared by the City Manager to begin "green hires" for patrol. "Green hires" are applicants that have not completed or are currently enrolled in a police academy. The department also launched a multi-media hiring campaign and stepped up recruiting efforts at various county events.

The annual Dare Golf Tournament was held and was well attended. The event raised just over $7,800 for the juvenile fund, approximately $800 more than the previous year.

Holy Cross Elementary invited members of our department to their annual "Cookies for Courage" event which celebrates the work first responders do for our local community. The Scotts Valley Police Department was represented at the event along with many other law enforcement agencies.

Reserve Officers volunteered to provide traffic control and security for the SVHS Fun Run, which was a fund-raising event for the proposed SVHS sports complex.

Officers responded to a report of a vehicle stolen from an open garage. The victim awoke in the morning to discover that his vehicle was not inside his garage. When officers canvassed the neighborhood, they located a stolen vehicle from San Jose. The following day, the stolen vehicle from Scotts Valley was located in Campbell. When detectives processed the vehicle for evidence, they were able to identify a possible suspect. Detectives located the suspect, who was already in jail on a different case, and she admitted to stealing both vehicles. She was arrested on our charges.

Officers stopped a vehicle for a moving violation and discovered that the two female juvenile occupants were reported as run-aways. Additionally, it was discovered that the vehicle they were driving was stolen from one of the girl's family members. The girls were taken into custody and Child Protective Services was notified.

Officers made 33 arrests (4 felony and 29 misdemeanor) in September.

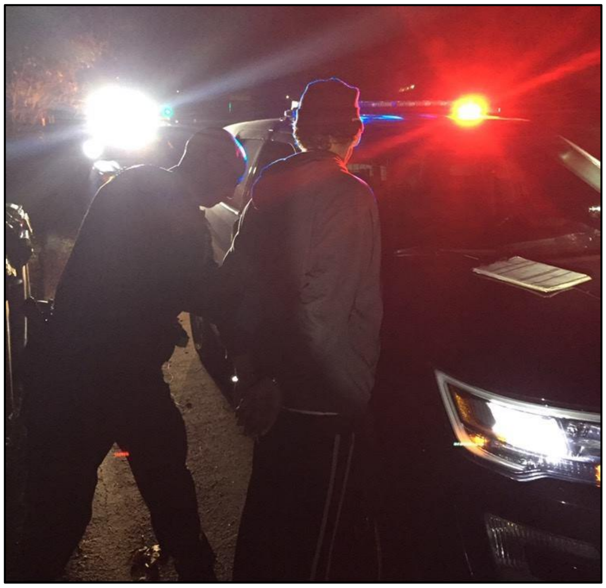
Officer Paul Meier was selected as the September Employee of the Month for his productivity on "A" night shifts.

OCTOBER 2016 (1157 CALLS FOR SERVICE)

In preparation of implementing body worn cameras on officers, several department personnel attended events aimed at showcasing various vendors and the newest technology. The department got critical information on product lines, evidence storage, and associated costs.

The department held the annual police motorcycle competition at the Santa Cruz Boardwalk. This year it was a stand-alone event, as it is usually paired with the Cops and Rodders car show. There were numerous agencies in attendance from Northern California.

Red Ribbon Week was celebrated and local schools were provided with educational materials, banners, and Red Ribbon bracelets for all students to wear during the week. The RRW kick off BBQ was held at MacDorsa Park and was well attended.



Reserve Officers volunteered to provide traffic control for the Baymonte Tech Trek fundraiser. Reserves and Explorers also provided security for the SVHS haunted house during Halloween.

Officers located a male and female passed out in a parked vehicle. Officers contacted the two and discovered narcotic paraphernalia in plain view. Officers searched the occupants and located methamphetamine, heroin, prescription medication, and narcotic paraphernalia. Both occupants were arrested.

While on patrol, officers checked the registration of a vehicle traveling on Mt. Hermon Road and found that it was reported stolen. The vehicle turned into a parking lot and the driver attempted to flee. Officers detained the driver and confirmed the vehicle was stolen. During a subsequent search of the vehicle, officers located heroin and paraphernalia. The driver was arrested.

Officers responded to a report of a stolen vehicle. A father reported that his transient son had stolen his vehicle. After the officers left, the son returned to the residence and physically assaulted the elderly father causing injuries. Officers arrested the son on multiple charges.

Officers made 45 arrests (8 felony and 37 misdemeanor) in October.

Detective Mike Birley was selected as the October Employee of the Month for his work in two community sensitive cases during the month.

NOVEMBER 2016 (997 CALLS FOR SERVICE)

The department celebrated its 50th anniversary with its annual inspection, which is normally held in September. Our first chief, Chief Gerry Pittenger, was the guest inspector. To commemorate our 50 years as a law enforcement agency, special badges were made and will be worn by personnel for the year.

The department hired Meredith Roberts as our newest officer. She started the Evergreen Police Academy in San Jose and is set to graduate in May.

Officers Beymer and Birley were selected as the two newest Field Training Officers (FTOs) and attended a week long FTO school.

School Resource Officer Culwell was reassigned to patrol due to continued staffing shortages. Reserve Officer Hohmann was hired part time as the interim SRO.

Our department assisted the SVHS with their in-house active shooter training.

Officers stopped a vehicle and found the driver was DUI. During a search of the vehicle, officers discovered ammunition (which the driver was a convicted felon and not allowed to possess), heroin, and narcotic paraphernalia. The driver was arrested.

Officers stopped a vehicle and utilized the K9 to conduct a free air sniff. Once the K9 alerted to the vehicle, officers searched it. Inside the vehicle, they found marijuana and a stun gun. The driver was a convicted felon and prohibited from possessing the stun gun.

The driver was arrested.

Officers investigated a report that a juvenile male sent a juvenile female unwanted sexually explicit photos by phone. Officers were able to identify the suspect and he admitted to sending the photos. The male was arrested.

Officers made 39 arrests (6 felony and 33 misdemeanor) in November.

Dispatcher Kami Raabe was selected as the November Employee of the Month for assisting officers with criminal investigations with her skills as a CSI Technician.

DECEMBER 2016 (1110 CALLS FOR SERVICE)

The department continued its recruitment drive and hired a new dispatcher, Emily Dennis, and a new police officer, Aaron Roberts. Emily will begin her training this month and Aaron will begin the Butte Police Academy the first week of January.

Chief Weiss retired from the department with 26 years of service. A retirement celebration was held and well attended by friends, family, law enforcement executives, dignitaries, staff, and colleagues.

Officers attended a four hour Taser recertification and defensive tactics training.

Officers, Reserves, and Explorers attended the annual Christmas tree lighting ceremony at the Community Center. We provided security, gave tours of our patrol vehicles, and handed out stickers to the children.

Reserves volunteered many hours going door to door in the shopping centers contacting businesses and handing out Holiday Safety information.

Officers contacted a male that was walking in the roadway and yelling at passing vehicles. Officers discovered that the male was on parole. When they searched him, officers located a wooden baton concealed in the waistband of his pants. The male admitted that he carried the weapon for protection. The male was arrested and placed on a parole hold.

Officers stopped a vehicle and smelled marijuana when they contacted the occupants. The K9 was used to conduct a free air sniff and alerted to the presence of drugs. Officers searched the vehicle and located a large amount of controlled prescription medications that neither occupant had prescriptions for. Officers also located LSD, whippet canisters, and a large amount of cash. Both occupants were arrested on numerous charges.

Officers prepared for large storm systems that caused major damage and flooding to the area.

Officers made 42 arrests (3 felony and 39 misdemeanor) in December.

Officer Brandon Polito was selected as the December Employee of the Month for his work ethic as a patrol officer and a K9 handler, as an acting supervisor, and being a positive example to all in our department.

2015
EXCHANGE CLUB OF SCOTTS VALLEY POLICE EMPLOYEE OF THE YEAR

Detective Efraim Contreras was selected as the Scotts Valley Police Department's 2015 Police Employee of the Year. He received this acknowledgement during The Exchange Club's Blue and Gold Dinner celebration which also announces the Firefighter of the Year. Detective Contreras was commended for his work in the Investigations unit and was instrumental in the development and operation of the SVPD Police Explorer Unit. He was also tasked as an FTO during the year as well as a lead instructor for firearms and active shooter training. Detective Contreras is a great example of a law enforcement professional and is truly deserving of the 2015 Police Employee of the Year.

2016 SUMMARY
SCOTTS VALLEY POLICE DEPARTMENT

- Answered 6,339 calls for service, a slight decrease from 2015, and a total of 17,742 incidents (including officer initiated activities).

- Hired two new police officers and one dispatcher.

- Taught the DARE program to 5th graders at Vine Hill, Brook Knoll, and Baymonte Elementary schools. Celebrated Red Ribbon Week and provided local schools with educational materials, banners, and Red Ribbon bracelets for students to wear in recognition of drug prevention awareness.

- Participated with staff at Scotts Valley Middle School to conduct a joint lockdown drill of their facilities while class was in session to identify areas of improvement in response to security threats on campus. During the summer, ran three sessions of the Junior Police Academy for middle school students.

- Gave Alcohol Awareness presentations to Scotts Valley High School freshmen and assisted the high school with their in-house active shooter training.

- K-9 alerted to the presence of drugs on several occasions, leading to the search of vehicles and subsequent arrests for numerous charges.

- Utilized $2,231 in State Homeland Security Grant funds to update laptops used by Patrol and Investigations to use in the field for critical incident response, joint agency operations, and joint training.

- The Explorers program added three new Explorers bringing the group up to seven.

- Reserve Officers put in a total of 1267 hours of volunteer work during 2016 and Civilian volunteers provided 172 hours of service to our department.

- SCOTTS VALLEY CONTINUES TO BE RECOGNIZED AS THE SAFEST CITY IN SANTA CRUZ COUNTY.

Special Tribute – Retired Chief John P. Weiss

Chief John P. Weiss retired from the Scotts Valley Police Department after 26 years of service, the last ten years as Chief of Police. He was hired by the department as a patrol officer in 1990, then served as a juvenile detective, Sergeant, and Lieutenant, ultimately being appointed Chief of Police on August 16, 2006.

Chief Weiss served with the Santa Cruz County Law Chief's Association, the Santa Cruz County Animal Shelter, the Santa Cruz County Fallen Officer Foundation, and the Scotts Valley Rotary Club. He was also a member of the California Police Chiefs Association, International Association of Chiefs of Police, and supported the advocacy group "Fight Crime: Invest in Kids."

Chief Weiss was a consistent supporter of community policing and demanded that all individuals, including those on the margins of society, be treated with basic human dignity.

Chief Weiss was very proud of the men and women of the Scotts Valley Police Department and considered it a privilege to serve his community as Chief of Police.

Thank you for your years of service, Chief Weiss -- it was an honor to have served under you. Enjoy your retirement pursuing your passion for painting and writing!

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jessica Kahn, Civil Engineer

Approved: Jenny Haruyama, City Manager

SUBJECT: **AUTHORIZE THE CITY MANAGER TO EXECUTE THE MASTER AGREEMENT FOR MEASURE D FORMULA FUNDS WITH THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION AND APPROVE THE 5-YEAR PROGRAM OF PROJECTS**

SUMMARY OF ISSUE

Measure D, the transportation ballot measure passed by Santa Cruz County voters on November 8, 2016, provides funding for efforts related to maintaining and improving local roads, including pavement, bicycle, and pedestrian infrastructure for a period of ten years. The Regional Transportation Commission (RTC) is responsible for implementation and administration of the measure and on May, 18 2017 approved the Master Agreement for Measure D formula funds and Guidelines for Direct Allocations for Neighborhood Projects and Transportation for Seniors and People with Disabilities.

The agreement and its implementing guidelines are meant to ensure that funds are spent in accordance with the Measure D Ordinance and Expenditure Plan and ensure that standardized procedures are applied to each recipient of Measure D revenues. They clarify roles and responsibilities, provide guidance on eligible uses and expenditures, outline the obligations of RTC in distributing the funds and the recipient agencies in expending the funds. The documents also include funding allocation, payment and expenditure provisions, direct local distribution summary, reporting provisions, and liability and indemnification responsibilities.

Accountability Measures

Measure D includes transparency and accountability measures. These include:

- requirements to make information available to the public about projects funded by Measure D,
- involving the community in the decision-making process for how funds will be used each year (through the “5-year Program of Projects” or “5-year plans”),
- tracking how funds were spent (through annual reports and audits),
- a taxpayer oversight committee which reviews the annual expenditures and audits, and
- maintenance of effort requirements that ensure that new revenues are used to supplement and not supplant revenues used for transportation purposes.

SB1 also includes accountability measures, including a local maintenance of effort requirement. Once guidance is established for SB1, the RTC may combine the maintenance of effort reporting requirements for Measure D with those for SB1.

<u>5-Year Program of Projects</u>

As established in the Measure D Ordinance, all entities receiving Measure D funds are required to develop a five-year program of projects, identifying how each agency plans to use Measure D funds in the upcoming 5 years. The 5-year project list will be updated annually and must be approved following a public hearing.

Projects eligible to be funded by Measure D were reviewed by the Council in consideration of the Five-Year Capital Improvement Plan on April 3, and again as part of the preliminary Annual Budget review on May 17. The City identified four projects to be funded using Measure D funds:

CIP #	Description	Fiscal Year	Amount Funded by Measure D
17	Pavement Rehabilitation –Green Hills Road	2017/18	$ 100,000
20	Pavement Rehabilitation – Bean Creek Road	2018/19	500,000
21	Rehabilitation of Glenwood Drive	2020/21	566,800
22	Sidewalk Improvements on Kings Village Road	2021/22	181,300
	Total		**$1,348,100**

<u>Annual Reporting and additional requirements</u>

Starting in 2018 the City will be required to submit an annual report which includes:

- an updated five-year program of projects,
- a report on prior fiscal year expenditures,
- progress made to improve the transportation system,
- how maintenance of effort requirements have been met to ensure Measure D revenues are supplementing (not supplanting) other revenues, and
- the degree to which Measure D funds were used to secure additional funding from other sources (leveraging other funds).

The City must also adopt a Complete Street policy by April 1, 2018, and comply with the California Complete Streets Act of 2008 (per Section 8 of the Guidelines). This is scheduled to be completed with the update to the City's General Plan currently in progress.

FISCAL IMPACT

The City is projected to receive approximately $250,000 in Measure D funds per year through March 31, 2047.

STAFF RECOMMENDATION

It is recommended that the City Council:

1) Approve Resolution No. 1923.1, approving the Santa Cruz County Regional Transportation Commission (RTC) Measure D Master Funding Agreement for Measure D formula funds and any related future amendments with the RTC, and authorize the City Manager and City Attorney to execute the Master Agreement.
2) Approve Resolution No. 1923.2, approving the FY 2017/1/ to FY 2021/22 Five-Year Program of Projects (FY17/18 – FY21/22) to be funded with Measure D revenues.

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RESOLUTION NO. 1923.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE SANTA CRUZ REGIONAL TRANSPORTATION COMMISSION MEASURE D MASTER FUNDING AGREEMENT

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, Measure D requires entering into a Master Funding Agreement between the RTC and the City in order to distribute Measure D funds to the local jurisdiction; and

WHEREAS, the RTC has developed a Measure D Master Funding Agreement that specifies Measure D Neighborhood Projects funding distributions, RTC's responsibilities, and the recipient's responsibilities for revenues collected from April 1, 2017 through March 31, 2047; and

WHEREAS, implementation guidelines for each program are referenced in the Master Funding Agreement to guide fund eligibility and expenditures.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Master Funding Agreement, 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 21st day of June, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

MEASURE D
MASTER FUNDING AGREEMENT
between the
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
and the
CITY OF SCOTTS VALLEY

This Master Funding Agreement ("AGREEMENT"), effective the 30th of June, 2017, is entered into by and between the Santa Cruz County Regional Transportation Commission ("RTC") and the City of Scotts Valley ("RECIPIENT").

RECITALS

A. On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code, Division 19, Section 180000 et seq. (the "Act"), adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure ("Measure D"), thereby authorizing 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%).

B. The duration of the Measure D sales tax will be 30 years from the initial date of collection, which is April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance, as it may be amended.

C. The Measure D Ordinance authorizes the RTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Service Agency (CTSA): Community Bridges Lift Line, consistent with the formulas and provisions set forth in the Expenditure Plan;

D. This Agreement delineates the requirements of the Measure D funds that are directly allocated to local jurisdictions, METRO and Community Bridges, as authorized by the Measure D Expenditure Plan. Funds for projects identified in the expenditure plan to be funded from the highway corridors, rail corridor, and/or Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail) categories are not the subject of this AGREEMENT, and RECIPIENT will be required to enter into a separate agreement for any funds from those investment categories.

E. This AGREEMENT was approved by the governing body of the RTC on May 18, 2017.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

ARTICLE I: FUNDING ALLOCATIONS

1. This AGREEMENT authorizes the RTC to allocate the direct allocation funds derived from Measure D receipts as described in the voter-approved Ordinance and Expenditure Plan for the following:
    - Neighborhood Projects: Direct Allocation to Cities and County
    - Transportation for Seniors and People with Disabilities: Direct Allocation to Service Providers

2. All Measure D distributions pursuant to this AGREEMENT shall be effective as of July 1, 2017.

A. Neighborhood Projects Program: Direct Allocation to Local Jurisdictions

1. Consistent with the Measure D Expenditure Plan, RTC will distribute Measure D Neighborhood Projects direct allocation funds at least quarterly to incorporated cities and the County of Santa Cruz pursuant to a formula weighted based on each jurisdiction's proportional share of the countywide population (29%), lane miles of roadway (39%) and site in Santa Cruz County where revenue from the Measure D transaction and use tax is generated (32%). RECIPIENT's allocations are subject to change based on variations in annual population, road mile, and tax site generation figures. Data will be updated each year based on the latest available data.

2. The *Measure D: Guidelines for Direct Allocations* ("Guidelines") provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

3. Neighborhood Projects to be funded with Measure Revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks and bicycle lanes and paths, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their current and future local transportation needs, shall each prepare an annual report through a public process, in accordance with the requirements of this AGREEMENT, to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

B. Transportation for Seniors and People with Disabilities Program: Direct Allocation to METRO and Community Bridges

1. RTC will distribute Measure D direct allocation funds pursuant to set percentages detailed in the Measure D Expenditure Plan.

2. As noted in the Measure D Expenditure Plan: 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for Seniors and people with disabilities. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges-Lift Line) for paratransit service. Paratransit works with social service agencies to increase transportation options for Seniors, individuals with disabilities, and persons with low incomes.

3. The *Measure D: Guidelines for Direct Allocations* ("Guidelines") provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

ARTICLE II: PAYMENTS AND EXPENDITURES

A. RTC'S DUTIES AND OBLIGATIONS

1. Within thirty working days of actual receipt of the Measure D sales tax revenues from the State Board of Equalization ("BOE") RTC shall remit to the RECIPIENT its designated amount of available direct allocation funds. Funds shall be disbursed on a no less than quarterly basis by the formulas described in Article I Section A or B, as applicable, above. As noted in the Measure D Expenditure Plan: distribution percentages are net after costs required for administration, implementation and oversight of the measure, including RTC administrative salaries and benefits *(limited to 1% of total measure*

revenues), annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, Board of Equalization fees, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. These costs are estimated in the RTC's annual budget.

2. RTC shall annually update the Measure D fund revenue projections and the resulting fund allocation formulas to reflect the most current data available. RTC shall use the updated Measure D program allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30.

3. RTC shall report quarterly to the public the amount of Measure D revenues distributed to RECIPIENT quarterly and for the fiscal year.

4. RTC shall provide for an independent annual audit of its financial statements including revenues and expenditures and also of its calculation of the allocation formula for distributing Measure D revenues to various recipients and render an annual report to the RTC within 180 days following the close of the fiscal year. The RTC may consider extensions to this deadline on a case-by-case basis.

5. RTC shall provide at least 45 days' notice to RECIPIENT prior to conducting an audit of expenditures made by RECIPIENT to ensure that expenditures are in compliance with this AGREEMENT and the Measure D Ordinance and Expenditure Plan.

B. RECIPIENT'S DUTIES AND OBLIGATIONS

1. RECIPIENT shall expend all Measure D funds received in compliance with applicable policies, guidelines and plans, including the Guidelines, the Measure D Ordinance, Expenditure Plan, 30-year Implementation Plan, and consistency with the Regional Transportation Plan and performance measures, as they may be adopted or amended by RTC from time to time.

2. RECIPIENT shall set up and maintain an appropriate system of accounts to report on Measure D funds received. RECIPIENT must account for Measure D funds, including any interest received or accrued, separately for each program, and from any other funds received from the RTC. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds. RTC and its representatives, agents and nominees shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.

3. RECIPIENT shall expend Measure D allocations as quickly as possible for cost-effective eligible projects, but may reserve annual allocations for a maximum of no more than five fiscal years for larger projects that are identified in the Five-Year Program of Projects. If funds are not obligated and expended within five years, funds may be redirected after sixty (60) days of the end of the fifth fiscal year, at RTC's discretion, to other Measure D recipient agencies for projects that can be immediately implemented, unless a corrective action plan has been submitted to and approved by the RTC, an exception due to extenuating circumstances has been approved by the RTC board, or a "cooperative fund agreement" *(described in Section II.C)* has been approved by the RTC.

4. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure D revenues as reflected in the voter-approved Measure D Ordinance and Expenditure Plan, as it may be amended as provided therein, and agrees to accept the annual update of the sales tax allocation formulas, as reported by the RTC in its annual budget.

5. RECIPIENT hereby agrees that prior to commencement of any specific project or activity which will be funded with Measure D revenues, requirements of the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA) shall be met, if applicable. The RTC shall not be the lead agency for any project or activity undertaken by RECIPIENT using Measure D revenues.

6. RECIPIENT hereby agrees to actively work to leverage or secure matching outside funding sources. Any additional Measure D revenues made available through their replacement by matching funds will be spent based on the principles outlined for fund allocations described in the Ordinance and Expenditure Plan.

C. OTHER EXPENDITURE CONDITIONS AND RESTRICTIONS

1. **Transportation Purposes Only:** RECIPIENT shall use all Measure D funds solely for transportation purposes as defined by the authorizing ballot measure. If RECIPIENT violates this provision, all further allocations shall be suspended until RECIPIENT fully reimburses all misspent funds, including all interest which would have been earned thereon. If RECIPIENT does not reimburse misspent funds, further allocations will be redistributed to other projects in the Neighborhood Projects or Transit categories of Measure D.

2. **Interest Earnings:** As set forth in the Measure D Ordinance, agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to the Measure D ordinance or this AGREEMENT shall be expended only for the purposes for which the funds were allocated.
   a. Interest earnings on must be spent on the eligible uses defined in the Measure D Expenditure Plan, Ordinance, and “Guidelines.”
   b. Beginning in FY 18/19, each recipient agency shall estimate annual interest earnings and reflect these earnings in their 5-Year Program of Projects.
   c. The expenditure of interest earnings according to this policy will be included in the annual audit required by the Measure D Ordinance.

3. **Maintenance of Effort/Non-Substitution of Funds:** Pursuant to California Public Utilities Code Section 180001(e), RECIPIENT shall use Measure D funds to supplement and not replace existing local revenues used for transportation purposes. Measure D revenues also shall not be used to replace revenues used for existing agency indirect costs or overhead. As set forth in the Measure D Ordinance: Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies. RECIPIENTS shall report on their compliance in the annual report. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide additional guidance.

4. **Cooperative Fund Agreements:** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions receiving funds from this measure. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the RTC and shall be consistent with all rules adopted or approved by the RTC relating to

such exchanges. Subject to concurrence of RECIPIENT, the RTC may exchange Measure D revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the RTC to maximize effectiveness in the use of the Measure D revenues. Such federal or State funds shall be distributed in the same manner as Measure D revenues. The RTC shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

5. **Staff Cost Limitations:** Direct costs associated with the delivery of programs and projects associated with Measure D programs, including direct staff costs and consultant costs, are eligible uses of Measure D funds. The intent of the measure is to expand and improve the transportation network through the construction, maintenance and operation of transportation projects and services. RTC does not allow indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan (ICAP). This may include, but not be limited to, the ICAP prepared for other state or federal programs.

ARTICLE III: REPORTING REQUIREMENTS

A. REQUIREMENTS AND WITHHOLDING

1. RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, RTC may withhold payment of further Measure D funds to RECIPIENT until full compliance is achieved.

2. RECIPIENT shall, by December 31st of each year, submit to RTC separate independently audited financial statements for the prior fiscal year ending June 30 of Measure D funds received and used. The RTC may consider extensions of the due date on a case-by-case basis. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan adopted by the voters. The RTC will prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement on the RTC website.

3. RECIPIENT shall actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds.

4. RECIPIENT shall, by December 31st of each year, submit to RTC an annual report (covering the prior fiscal year) regarding programs and projects on which RECIPIENT expended Measure D funds. The RECIPIENT agency board shall annually adopt the annual report, after holding a public hearing. The annual report shall include 1) a five-year program of projects including information about each of the projects to be funded with Measure D revenues. RECIPIENT shall submit the program of projects to the RTC in a format that can be easily understood by members of the public; and 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. Some agencies may adopt the five-year program of projects as part of their annual budget, capital improvement programs, or other process earlier in the year, but must submit the list no later than December 31.

5. RECIPIENT shall document expenditure activities and report on the performance of Measure D funded activities through the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual Five-Year Program of Projects, planning and monitoring reports. The RTC shall utilize information from RECIPIENT on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

6. RECIPIENT shall install or mount signage adjacent to Measure D funded construction projects and/or on vehicles funded with Measure D funds where practical, so Santa Cruz County taxpayers are

informed as to how RECIPIENT is using Measure D funds. See separate "*Measure D: Sign Specifications*" *[under development]* for additional signage guidance.

7. RECIPIENT shall provide current and accurate information on RECIPIENT's website, to inform the public about how RECIPIENT plans to use and is using Measure D funds. RECIPIENT shall notify RTC staff once the draft 5-year program of projects is available for public review and at least two weeks in advance of the anticipated date of the public hearing and board action on the annual 5-Year Program of Projects.

8. RECIPIENT shall, at least annually, publish an article highlighting a project or program funded by Measure D funds. This could be in a local newspaper, agency newsletters, or via internet-based platforms, including but not limited to blogs, websites, and social media sites.

9. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

10. RECIPIENT agrees that RTC may review and/or evaluate all project(s) or program(s) funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of RTC to observe RECIPIENT's project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT's staff or governing board.

ARTICLE IV: OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

1. Neither RTC, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RECIPIENT shall fully defend, indemnify and hold harmless RTC, its governing body, and all its officers, agents, and employees, from any claims or liability imposed on RTC for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT.

B. INDEMNITY BY RTC

1. Neither RECIPIENT, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RTC shall fully defend, indemnify, and hold harmless RECIPIENT, and its governing body, elected officials, all its officers, agents, and employees from any claims or liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT.

C. JURISDICTION AND VENUE

1. The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Santa Cruz County, California and the parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

D. TERM

1. The term of this AGREEMENT shall be from April 1, 2017 to June 30, 2022, unless amended in writing or a new Master Funding Agreement is executed between RTC and RECIPIENT for Measure D revenues.

E. SEVERABILITY

1. If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

F. MODIFICATION

1. This AGREEMENT, as well as the referenced Guidelines, Measure D Ordinance and Expenditure Plan, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings regarding Measure D program funds (but not project funding agreements). This AGREEMENT may only be changed by a written amendment executed by both parties. Notwithstanding the foregoing, the Guidelines, performance measures, and other policies related to Measure D funds may be changed from time to time by the RTC, and any such changes shall be incorporated herein to the same extent as the underlying policy so amended.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

CITY OF SCOTTS VALLEY

____
Name Date
Title

Approved as to Form:

By: ______________________________
Name Date

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (RTC)

____
George Dondero Date
Executive Director

Approved as to Form:

By: ______________________________
Legal Counsel to SCCRTC Date

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Measure D: Guidelines for Direct Allocations for
Neighborhood Projects and Transportation for Seniors and People with Disabilities
Approved by SCCRTC 5/18/17

Section 1. Purpose

A. To specify the eligible uses of and requirements for funds authorized under Measure D (2016) that local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County: Community Bridges Lift Line must follow in their use of Measure D funds authorized under the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. These guidelines are incorporated by reference into the *Measure D Master Funding Agreement*. Additional terms and conditions are contained in the agreements themselves, the Measure D Ordinance and Expenditure Plan. The intent of these guidelines is to:

1. Provide guidance on eligible uses and expenditures of Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds.
2. Guide implementation of the Measure D Ordinance and Expenditure Plan, as it relates to these direct allocations.

B. These guidelines only apply to the ongoing formula allocations of net revenues to cities, the County of Santa Cruz, and transit/paratransit operators (RECIPIENTS) pursuant to Measure D and the Expenditure Plan associated therewith. Separate Guidelines apply to “Neighborhood Projects” investments which are allocated specific dollar amounts (Highway 9 Corridor in San Lorenzo Valley and Highway 17 Wildlife Crossing) and other Measure D investments categories (Highway Corridors, Active Transportation, and Rail Corridor).

Section 2. Authority

A. The Santa Cruz County Regional Transportation Commission (RTC) is responsible for implementation of Measure D. These guidelines, adopted by the RTC board, set forth eligible uses and expenditures of Measure D revenues designated to the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. The RTC may update these guidelines on an as-needed basis, effective upon approval of the RTC board, and will do so with involvement of Measure D revenue recipients, and the RTC’s technical, bicycle, and elderly/disabled advisory committees, as applicable. Exceptions to these guidelines must be requested in writing and be approved by the RTC board.

Section 3. Background

A. On November 8, 2016, voters approved the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan: Measure D, which allocates 30% of net Measure D revenues to a “Neighborhood Projects” program and 20% to a “Transportation for Seniors and People with Disabilities” program. Section 5 of these guidelines clarifies eligible fund uses and expenditures in association with these Direct Allocation funds (also referred to as formula funds, direct distributions, direct allocations).

B. **Neighborhood Projects – Direct Allocation to Cities and County:** As set forth in the voter- approved Expenditure Plan, all but $15 million (total over 30 years) of funds allocated to Neighborhood Projects (30% of net Measure D revenues) will be distributed to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for eligible transportation projects based on the formula set forth in the Measure D Expenditure Plan.

C. **Transportation for Seniors and People with Disabilities:** Direct Allocation to Service Providers funds will be distributed as follows:

1. 16% of net Measure D Revenues will be distributed to Santa Cruz Metropolitan Transit District

(METRO) to provide transit and paratransit service for seniors and people with disabilities.

2. 4% of net Measure D Revenues will be allocated to Community Bridges Lift Line, as the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.

D. In the event that any agency that is designated to receive direct allocation funds through the Expenditure Plan is dissolved, the RTC may redistribute funds based on the same formulas minus the dissolved agency. New or successor entities that come into existence in Santa Cruz County during the life of the Expenditure Plan, such as incorporation of a new city, merging of agencies, or designation of a new agency as the county Consolidated Transportation Services Agency or transit agency, may be considered as eligible recipients of funds through the amendment process as set forth in the Ordinance.

Section 4. Definition of Terms

A. **Authority/RTC:** The Santa Cruz County Regional Transportation Commission (RTC) is the state-designated regional transportation planning agency and is the Local Transportation Authority (Authority) for Santa Cruz County which performs long-range planning and funding for countywide transportation projects and programs, and administers the Measure D half-cent transportation sales tax programs, approved by voters on November 8, 2016.

B. **Capital project:** A capital investment that typically requires the following phases: planning/feasibility, scoping, environmental clearance, design, right-of-way, construction, and completion.

C. **Complete Street:** A transportation facility that is planned, designed, operated, and maintained to provide safe mobility for all users, including bicyclists, pedestrians, transit vehicles, truckers, and motorists, appropriate to the function and context of the facility. Complete street concepts apply to rural, suburban, and urban areas. (Caltrans definition)

D. **Complete Streets Act of 2008:** The California Complete Streets Act (Assembly Bill 1358) was signed into law in September 2008. It requires that local jurisdictions modify their general plans as follows:

1. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.

2. For the purposes of this paragraph, "users of streets, roads, and highways" means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, skaters, users of public transportation, seniors, and other users of transportation facilities.

E. **Cost Allocation Plans (CAPs):** CAPs and indirect cost (IDC) rate proposals are plans that provide a systematic manner to identify, accumulate, and distribute allowable direct and indirect costs to programs funded through the RTC Master Funding Agreements.

F. **Direct cost (DC):** A cost completely attributed to the provision of a service, operations, a program, a capital cost, or a product. These costs include documented hourly project staff labor charges (salaries, wages, and benefits) that are directly and solely related to the implementation of Measure D-funded projects, consultants, contractors, and materials. These funds may be used for travel or training if they are directly related to the implementation of the "Neighborhood Projects" and "Transportation for Seniors and People with Disabilities" funds.

G. **Direct Local Allocation (or Distribution) Funds:** Funds allocated based upon a funding formula defined in a voter approved measure and allocated to eligible agencies on a regularly schedule basis (no less than quarterly).

H. **Education and promotion:** Marketing, education, information, outreach, and promotional campaigns and programs funded by Measure D.

I. **Environmental documents**: Preparation of environmental documents, such as those related to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA), or permits required by state or federal permitting agencies.

J. **Equipment and vehicles:** Purchase or lease of vehicles and equipment for Measure D-funded transportation services, information dissemination, fare collection, maintenance, etc.

K. **Grants**: Funding for plans, programs, or projects based on a competitive call for projects; evaluated based on applicable evaluation criteria; and allocated based on a reimbursement basis.

L. **Indirect cost:** Also known as "overhead," any cost of doing business other than direct costs. These costs include utilities, rent, administrative staff, officers' salaries, accounting department costs, and personnel department costs, which are requisite for general operation of the organization but are not directly allocable to a particular service or product.

M. **Maintenance:** Repairs, renovation, or upgrade of existing facility or infrastructure.

N. **Net Measure D Revenues:** The net amount of Measure D sales tax revenues remaining after costs required for administration, implementation and oversight of the measure. These expenses include annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. Net revenues are distributed by formula to the investment categories identified in the Expenditure Plan.

O. **Operations:** Provision of services that operate transportation facilities and programs. Operations costs do not include the costs to operate community outreach or other programs not directly related to a specific transportation service, program, or product.

P. **Pedestrian crossing improvements:** Pedestrian crossing improvements such as crosswalks, roadway/geometric changes, or reconfiguration specifically benefiting pedestrians.

Q. **Planning:** Identification of project and program current conditions and needs and development of strategies and plans to address the identified needs.

R. **Project completion/closeout:** Inspection/project acceptance, final invoicing, final reporting, and the processes for closing out a project.

S. **Recipient:** Agencies receiving direct allocations of funds from the "Neighborhood Projects" and "Transportation for Seniors and People with Disabilities" Expenditure Plan categories.

T. **Scoping and project feasibility:** Early capital project phases that identify project needs, costs, and implementation feasibility.

U. **Sidewalks and ramps:** New sidewalks, sidewalk maintenance, curb ramps, and stairs/ramps for pedestrian and Americans with Disabilities Act access.

V. **Signage:** Warning, regulatory, wayfinding, or informational signage.

W. **Signals:** New traffic signals or crossing signals, signal upgrades, countdown signals, audible signals, or signal timing improvements.

X. **Street resurfacing and maintenance:** Repaving and resurfacing of on-street surfaces, including striping.

Y. **Traffic calming:** Infrastructure primarily aimed at slowing down motor vehicle traffic.

Section 5. Fund Allocations

A. "Neighborhood Projects" Direct Allocation Funds

1. *General:* RTC distributes Measure D "Neighborhood Projects" funds to incorporated cities in the county and to the County of Santa Cruz to be spent on transportation capital improvements intended to directly maintain and improve the multimodal local streets and roads network in Santa Cruz County. Each city and Santa Cruz County will receive their proportional share (which share shall be adjusted annually as described in the Master Funding Agreement) of the direct allocation Neighborhood Projects funds based on the formula specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each city and the County. Recipient agencies must place all such funds in a separate account for the Measure D program and will require annual audits. Agencies will maintain all interest accrued from the Measure D funds within the program.

2. *Formula:* Neighborhood Project Funds to cities and the County of Santa Cruz shall be distributed by the following formula: Proportional share of the countywide population (29%), lane miles of roadway (39%) and site where the Measure Revenue from the transaction and use tax is generated (32%). Population, road mile, and tax site generation figures will be updated each year based on the latest available data.

3. *Eligible Project Types:* These funds may be used for any local transportation need based on local priorities identified in the recipient agency's annually updated 5-Year Program of Projects. Neighborhood Projects to be funded with Measure D revenues may include the items below under Eligible Uses (5) which are determined as necessary for the benefit of residents in those jurisdictions and approved through a public process by the jurisdiction.

4. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their local transportation needs, shall each prepare an annual report through a public process to identify how they plan to spend their share of measure funds in the next five years and how measure funds were spent in the prior year.

5. *Eligible Uses:* The Measure D "Neighborhood Projects" funds allocated to cities and the County of Santa Cruz may be used for capital projects, programs, maintenance, and operations that directly improve local streets and roads and local transportation. These include streets and roads projects, local transit projects, bicycle and pedestrian projects, projects (sponsored by others) that require local agency support, and other transportation projects, as approved through a public process by the jurisdiction. Where applicable, projects will also incorporate complete streets practices that make local roads safe for all modes, including bicyclists and pedestrians, and accommodate transit. Eligible uses for these funds include, but are not necessarily limited to:

a. Capital projects, including:

  i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management

  ii. Transportation infrastructure maintenance and preservation including fixing potholes, repaving, resurfacing, rehabilitation, and reconstruction of local streets, roads, pathways, and maintenance of curbs, gutters and drains.

  iii. Intersection improvements, including signals, turn lanes, etc.

  iv. Signage and striping on roadways, including crosswalks, traffic and bicycle lanes

  v. Improvements or upgrades to transportation bridges and tunnels

  vi. Installation of or upgrades to sidewalks and curb ramps

  vii. Americans with Disabilities Act (ADA) on-street improvements, including sidewalk upgrades and curb ramp installations

  viii. Purchase or lease of equipment or new vehicles dedicated for local streets and roads projects

  ix. Crossing projects including traffic signals, signage, traffic lights, and striping (at intersections, interchanges, railroads, freeways, etc.), including bicyclist and pedestrian treatments

  x. Pedestrian facility installation and maintenance, including sidewalk repair and installation, curb ramps, countdown signals, accessible signals, at-grade crossings

  xi. Bicycle facility installation and maintenance, including bikeways, bicycle routes, boulevards, lanes, multi-use pathways, green lanes, sharrows, bicycle boxes

  xii. Improvements to roadways at rail crossings, including grade separations and safety protection devices

  xiii. Pedestrian and bicycle access to, from and at transit facilities

  xiv. Traffic calming projects

  xv. Upgrades to or installation of new local streets and roads infrastructure including installation of streets, roads, and highways

  xvi. Bus stop improvements, including bus pads, turnouts and striping

  xvii. Improvements to roadways for truck or transit routing.

b. Transportation system operations including:

  i. Operations of traffic signal system controls and interconnections, corridor monitoring and management, signal synchronization and transit prioritization.

  ii. Public transit operations including bus, shuttle, rail, and paratransit services

  iii. Safe routes to schools programs.

c. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues.

d. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D "Neighborhood Projects" Funds.

6. *Ineligible Uses:* The following is a list of ineligible uses of Measure D "Neighborhood Projects" funds:

a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;

b. Capital projects, programs, maintenance, operations, or purchases that do not directly improve local transportation facilities;

c. Projects or programs that exclusively serve city/county staff;

d. Supplanting existing funds designated for transportation programs and projects;

e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs. Indirect costs shall only be applied to direct agency staff costs.

f. Mark-up to costs for services, materials, equipment, contracts, etc.

B. "Transportation for Seniors and People with Disabilities" Funds

1. *General:* RTC distributes Measure D "Transportation for Seniors and People with Disabilities" funds to Santa Cruz METRO and CTSA to be spent on transportation capital improvements, services, and operations that provide transportation services to seniors or people with disabilities, with the intent to maximize the number of rides provided. METRO and CTSA will receive direct allocations of net Measure D funds based on the formulas specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each service provider. Recipient agencies must place these funds in a separate account for the Measure D program and annual audits are required. Agencies will maintain all interest accrued from the Measure D funds within the program.

2. *Formulas and Purpose:* As described in the voter-approved Measure D Expenditure Plan:

a. 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities.

b. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, Community Bridges Lift Line, for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.

3. The METRO and CTSA are best able to determine their transportation needs, shall each prepare a five-year plan through a public process to identify how they plan to spend their share of measure funds in the next five years and an annual report detailing how measure funds were spent in the prior year. Reports prepared by the CTSA are subject to review and concurrence

from the RTC's Elderly and Disabled Transportation Advisory Committee (E&D TAC).

4. *Eligible Uses:* The Measure D funds allocated to Santa Cruz Metropolitan Transit District (METRO) and Community Bridges Lift Line (CTSA) may be used for capital projects, programs, maintenance, or operations that directly improve transportation for seniors and people with disabilities. Eligible uses for these funds include, but are not necessarily limited to:

   a. Capital projects, including:

      i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management

      ii. Upgrades to or expansions to bus, paratransit, and shuttle infrastructure

      iii. Purchase or lease of equipment or new vehicles for transit services

   b. Maintain or increase METRO public transit and paratransit system operations and services, including express, local, and feeder buses, shuttles, and paratransit services that serve seniors and people with disabilities

   c. Maintain or increase Paratransit services operated by the CTSA.

   d. Safety or security improvements for operators, passengers, service users, facilities, and infrastructure or property.

   e. Direct staff and consultant costs to develop, plan, implement, manage, operate and maintain transit and paratransit projects and programs that serve seniors and people with disabilities.

   f. Direct staff and consultant costs to provide customer service and outreach for transit and paratransit projects and programs

   g. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues

   h. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D "Transportation for Seniors and People with Disabilities" funds

5. *Ineligible Uses:* The following is a list of ineligible uses of Measure D "Transportation for Seniors and People with Disabilities" funds:

   a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;

   b. Capital projects, programs, maintenance, or operations that do not directly improve local transit or paratransit facilities or services;

   c. Projects or programs that exclusively serve recipient agency staff;

   d. Supplanting existing funds designated for transportation programs and projects;

   e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs.

C. **Approval of Projects/Program – The 5-Year Program of Projects:** Prior to the agency expending the Measure D funding on any projects or programs, all projects and programs that use Measure D "Neighborhood Projects" and "Transportation for Seniors and People with Disabilities" direct allocation funds must be approved by the recipient-agency governing board following a public hearing. This approval allows the opportunity for the public to provide input on planning for Measure D-funded projects. These projects and programs must be included in the Five Year Program of Projects. Project sponsors are encouraged to use the Five Year Program of Projects template included as Attachment A. In the case of the CTSA, the 5-Year Program of Projects must be reviewed by the RTC's Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting.

Section 6. Performance Metrics

A. Recipients of Measure D revenues shall report on the performance of Measure D funded activities as part of the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual report of prior year expenditures and Five-Year Program of Projects and the annual audit. Attachment B provides a list of performance measures that shall be used, unless substitute measures are approved by the RTC.

Section 7. Maintenance of Effort

A. Recipient shall use Measure D funds to supplement and not replace existing revenues used for transportation purposes, including agency indirect costs and overhead. A maintenance of effort formula ensures that Measure D results in an increased or sustained level of transportation-related activities than would otherwise have been possible. Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. While Measure D funds shall not be used to directly replace and/or reduce those charges, Recipient may reduce or provide subsidies to development for their transportation needs and/or charges using other non-transportation sources to offset those charges. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies.

B. An agency's baseline "maintenance of effort" shall be calculated based on the average of revenues and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).

C. The baseline calculation shall include the following revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc).

1. Local agency discretionary revenues (general funds, sales and property taxes and other fees) designated for transportation purposes which were calculated for the baseline shall be adjusted annually in proportion to growth or decline of gross Measure D sales tax revenues. Dedicated

funds for transportation which are not locally generated, such as state gas tax and other state and federal formula funds shall not be subject to this adjustment.

2. Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY14/15-16/17 (and optionally FY12/13 and 13/14) for special projects and/or emergencies will not be part of MOE baseline calculation but shall still be identified in the baseline report. This includes, but is not limited to, one-time grants such as Regional Surface Transportation Program (RSTP)/Surface Transportation Block Grant Program (STBG), State Transportation Improvement Program (STIP), Active Transportation Program (ATP), American Recovery and Reinvestment Act (ARRA), Highway Safety Improvement Program (HSIP), Highway Bridge Program (HBP), FTA5310, and FEMA grants. While these are not part of the baseline calculation, agencies will be expected to continue to seek and secure grants from other sources, use some Measure D funds to leverage other grants, and not depend on Measure D formula funds to supplant those efforts.

D. *Expenditures:* In the baseline report, Recipients shall also show how revenues were used in FY14/15-16/17 (and optionally FY12/13 and 13/14). This includes a breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs your agency has contributed funds to (such as safe route to school, transportation demand management, and paratransit programs), and agency staffing, overhead and indirect costs.

E. *Exceptions:* The RTC recognizes that there will be instances where other and sometimes longstanding local, state, or federal revenues, formula funds, and grants will fluctuate or no longer be available. There also may be instances where a recipient agency reserves several years of funds, then spends several years of banked revenues in one fiscal year. If there are past revenues or expenditures which an agency proposes to exclude from the baseline maintenance of effort calculations, or if an agency is unable to meet the baseline maintenance of effort in a given year, the agency must provide a written justification for such exclusion for consideration by the RTC and the Measure D Oversight Committee. The written justification must include evidence for the need for any lower base amount.

F. If extraordinary storm damage or other emergencies occur in a given year, an agency may request an exception to maintenance of effort requirements that year.

G. Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement, outlined in Section 7.C.1. If an agency fails to submit annual reports or within three fiscal years the adjusted average annual expenditures of local discretionary revenues over the past three years do not meet the adjusted minimum local expenditure maintenance of effort requirements, the Measure D allocations amount to the RECIPIENT will be reduced by the amount that the agency did not meet the baseline level of expenditures of the agency discretionary revenues and the remaining Measure D will be reserved until any and all maintenance of effort expenditures are fulfilled or a plan to meet the maintenance of effort amount moving forward has been approved by the RTC.

H. Recipients shall submit their baseline calculation to the RTC by August 1, 2017. Recipients shall demonstrate and certify their maintenance of effort through the annual report and audit, and provide supporting documentation of how they calculated their maintenance of effort, which may include annual fiscal expenditure reports or ledgers and/or State Controllers reports used to comply with Senate Bill 1 (2017) or the California Streets and Highways Code.

Section 8. Complete Streets Policy Requirement

A. To receive Measure D "Neighborhood Projects" funds, local jurisdictions must do both of the following with respect to Complete Streets policies:

1. Have an adopted Complete Streets policy or adopt a Complete Street policy by April 1, 2018, and

2. Comply with the California Complete Streets Act of 2008, including any amendments. The California Complete Streets Act (AB1358) requires that local general plans do the following:

    a. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.

        i. For the purposes of this paragraph, "users of streets, roads, and highways" means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.

        ii. The Governor's Office of Planning and Research has developed detailed guidance for meeting this law: *Update to the General Plan Guidelines: Complete Streets and the Circulation Element*
        https://www.opr.ca.gov/docs/Update_GP_Guidelines_Complete_Streets.pdf

B. Agencies shall utilize the *Monterey Bay Area Complete Streets Guidebook* checklist or another complete streets checklist when defining project scope and design.

Section 9. Signage

A. *Background:* The display of project signs is regularly utilized by public agencies to provide members of the public with information about the construction and operation of transportation projects. Project signs are posted near the location of the project, or on the vehicle in the case of bus transit projects, and typically display the project name, the project cost, funding source, project sponsor and estimated completion date. Project signs also are used to help inform the public of what programs help fund projects, like the Measure D transportation sales tax.

B. *Project Signage Provisions:* RTC, in coordination with local project sponsors, will utilize project signs to provide members of the public with information on projects and programs that the Measure D program is helping deliver. Project sign guidelines will help provide uniformity for project sponsors in the implementation of the Measure D program. Projects that meet the thresholds identified in the guidelines will follow the appropriate display schedules and project signage type. While specifications for Measure D project signs have been developed by types of projects, if the prescribed sign type obstructs user accessibility or causes a potential safety hazard, project sponsors have the discretion to install alternative signage that displays the Measure D logo at a minimum.

C. *Measure D Contribution Thresholds, Display Schedules, and Sign Specifications:* Measure D project sign installation will follow the Measure D contribution thresholds, display schedules, and sign specifications summarized in Attachment C. RTC will provide templates of sign specifications, developed in consultation with project sponsors.

Section 10. Advancement of Direct Local Allocation Distribution Funds

A. The RTC may consider advancing future year direct allocation funds, with the goal of seeing improvements made in the near term, if sufficient funding is available for short term loans from other Measure D programs. If a jurisdiction is interested in this option, a written request to the RTC Executive Director indicating the amount of funds requested and the projects on which the funds will be spent is required. Requests will be considered on an individual basis and will be approved by the RTC only if they do not delay implementation of other projects.

Section 11. Adoption of Guidelines

A. Measure D guidelines are adopted by the RTC on an as-needed basis. Changes to Guidelines will be brought through the RTC's Interagency Technical Advisory Committee for review and comment, as well as any other RTC committees as necessary, before changes are adopted by the RTC Commission.

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ATTACHMENT A:
5-YEAR PROGRAM OF PROJECTS CONTENT

All recipient agencies that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must receive approval of a 5-year program of projects, in accordance with the requirements of this Attachment A, from their governing board prior to the jurisdiction expending Measure D funding on any project/program. This approval allows the opportunity for the public to provide input on planning for local streets and roads and transit projects and programs.

Contents of 5-year Program of Projects, which must be adopted by the jurisdiction’s governing board, following a public hearing (which may be done as part of agency’s overall budget or Capital Improvement Program adoption):

1) **5-year Project List:** List of projects on which to specifically spend Measure D funds. All projects must be consistent with the Measure D Ordinance/Expenditure Plan and Implementation Guidelines. They should be focused on addressing the promises made to voters.
   a. **Grouped Project List**: List in spreadsheet how you anticipate using Measure D allocations.

			$$$ of Measure D to be used each year							
Name/ Road/ limits	**Description, complete streets components**	**Total Measure D**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**FY 21/22**	**Other funds**	**Total Cost**	**Project schedule**

   b. **Major Projects** – In addition to including in one row of grouped list, include following basic info on each major project/program (*Next page includes sample template for this information or project sponsors can use their own template/fact sheet that includes this information.)*
      i. Project name
      ii. Description: Brief description of work to be done and project location
      iii. Project benefits/purpose
      iv. Complete Streets consistency
      v. Cost/Funding: cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc.
      vi. Schedule – timing of environmental review, design, right-of-way, and construction

2) **Future Funds** *(if applicable)***:** General description of anticipated use of Measure D funds through 2047 if known (e.g. priority future projects, if there is a large project you may be saving funds up for, or general ongoing roadway rehab, paratransit service, Active Transportation Plan implementation)

3) **Public Process:** Describe public input process used to develop your 5-year plan and individual projects; public process must include at least one public hearing and approval of recipient’s governing board. In the case of CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting. Also explain how were these projects were prioritized – e.g. evaluation criteria used.

4) **Maintenance of effort:** Attach documentation of other revenues spent in past 3 years on transportation and amount budgeted in current/upcoming fiscal year. Provide justification of any reduction in local funds designated for operations and/or projects.

<u>Text from Measure D Ordinance related to 5-year Program of Projects – Section 32.A.1):</u> Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1)a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of the public.

PROJECT NAME/TITLE

Implementing Agency:
Agency name

Description/Scope:
Brief description of work to be done and project location (plus graphics, photos, etc if available/appropriate)

Project Location/Limits:
Describe project location, include map if appropriate

Project Purpose/Need/Benefits:
Description of benefits, reasons for project. Help the public understand what they are getting from the Measure D funding for your project/program. Include 5 main bullet points that are easy to understand, remember, repeat, etc. It can also include more detail in paragraph form.

Complete Streets consistency:
Description of complete streets components of project; ensure consistency with Complete Streets Guidebook (see: check list too - https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf)
If applicable:
Miles of New Bike Lanes/trails:
Miles of New Pedestrian Walkways/sidewalks:

Cost/Funding/Schedule Information:
Cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc. UPDATE with what makes sense for your project. This is a SAMPLE.

	Cost by phase				
	Environmental (PA/ED)	Design (PS&E)	Right-of-Way (ROW)	Construction	Other
Timing of work (start/end month/yr)					
Measure D					
List Other Sources (as applicable)					
HUTA					
Grant x					
METRO sales tax					
Developer Fee					
TBD-additional need					
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Public Outreach
List public outreach that has been done or will be done for project. (e.g. past plans, committee review, public hearings, etc.)

Project Contact: Project Manager Name/contact info/project website info (if applicable)

ATTACHMENT B
PERFORMANCE MEASURES

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be requested by the RTC or recipients.

Performance reporting will be done via the annual report, as well as the audit process and various planning activities, as applicable. Performance will be evaluated periodically through the aforementioned evaluation reports to determine the effectiveness of investments and to inform future investment decisions. Note: The *Measure D Guidelines for Direct Allocations* may contain additional listing of performance measures by program type.

NEIGHBORHOOD PROJECTS PROGRAM (Local Streets and Roads - LSR)
PERFORMANCE MEASURES

Performance Measure	Performance Metric and Standard	Corrective Action
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the "surface condition" of local streets from 1 to 100, at least every three years.	Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Complete Streets Implementation Expenditure of LSR Measure D funds on bicycle and pedestrian projects elements	▪ Percent of annual Measure D LSR investment to support bicycling and walking. ▪ Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways) ▪ Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/striping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained) ▪ Describe how school access was improved for children bicycling and walking, which may include collision data	Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Capital Project and Program Investment Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding projects.

TRANSPORTATION FOR SENIORS AND PEOPLE WITH DISABILITIES PROGRAM PERFORMANCE MEASURES

Performance Measure	Performance Metric and Standard	Corrective Action
Ridership/Service Utilization ▪ Annual Ridership ▪ Passenger trips per revenue vehicle hour/mile	Change in annual ridership and passenger trips per revenue vehicle hour/mile and qualitative explanation for possible reasons.	Provide information on why numbers went down.
Cost Effectiveness ▪ Operating Cost per Passenger ▪ Operating Cost per Revenue Vehicle Hour/Mile	Maintain operating cost per passenger or per revenue vehicle hour/mile; percentage increase less than or equal to inflation as measured by CPI	Any agency with significant increase in costs must provide an explanation
State of Good Repair	▪ Average age of bus and paratransit vehicles ▪ Number of vehicles beyond useful life	Provide information on plan to keep bus and paratransit vehicles in state of good repair.
Service Provision ▪ Frequency and service span on major corridors or trunk lines ▪ Revenue hours ▪ Revenue miles ▪ Service areas	▪ 15 minute or better frequencies on major corridors or trunk lines: 10 minute or better frequencies during weekday peak periods ▪ Service span of 7 days/week, 20 hours per day ▪ Maintain or increase revenue hours/miles ▪ Number of routes ▪ Total service hours	Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.
Service Operations and Provisions Number of people served or trips provided to seniors or people with disabilities Percent of fixed route service used by seniors and people with disabilities	Track number of seniors or people with disabilities served by program. ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit	Report on ridership or service data. Explain reasons for ridership reductions.
Cost Effectiveness Cost per Trip or Cost per Passenger Total Measure D program cost per one-way passenger trip divided by total trips or total passengers during period.	Maintain cost per trip or per passengers ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips	Any agency with significant increase in costs must provide an explanation
Breakdown of METRO budget for ParaCruz and fixed routes service	Maintain paratransit operating budget and service.	If other funds shifted from one program to another, provide explanation
Leveraged Funds	Report total grants and other funding secured using Measure D revenues as a match.	Explain if Measure D funds fully funding projects.

ATTACHMENT C

MEASURE D PROJECT SIGN GUIDELINES SUMMARY

Project Type	**Measure D Funding Threshold**	**Display Schedule**	**Type of Signage**
Neighborhood Projects: Capital Improvement Projects	Contribution greater than $25,000	Prior to the construction, during construction and 1 months after the completion of construction.	2’ by 3’ sign for $25k-$999,999; 4’ by 6’ for greater than$1 million
Transit/paratransit Capital	Contribution greater than $10,000	Vehicles: Life of vehicle Transit Facilities and Amenities: Prior to the construction, during construction and 1 month after the completion of construction.	Vehicles: 18” by 18” Amenities: 2’ by 3’
Transit Operations	Contribution greater than $10,000	Funding duration	18” by 18”
Regional Capital Projects (Highway, Rail, Trail)	All projects	Prior to the construction, during construction and 3 months after the completion of construction	4’ by 6’ sign

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RESOLUTION NO. 1923.2

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE FY 2017/18 TO FY 2021/22 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 and Purchase Plan, which was published for public review on the City's website on May 12, 2017 and reviewed during a public hearing of the proposed FY 2017/18 Annual Budget at the City Council's regular meeting on June 7, 2017; 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 2017/18 to FY 2021/22 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 21st day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

Measure D
5 - Year Program of Projects
Fiscal Year 2017/2018

Prepared by:
City of Scotts Valley Public Works
701 Lundy Lane
Scotts Valley, CA 95066

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1 5-year Project List

Measure D: 5-Year Program of Projects (FY17/18-FY22/23)
Agency: **City of Scotts Valley**
Expenditure Plan Category: Neighborhood Projects

	Measure D Revenues				
	FY17/18	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**
Estimated Annual Measure D Allocations	**$251,531**	**$251,531**	**$251,531**	**$251,531**	**$251,531**

			Amount of Measure funds to be used									
Name/Road/ limits	**Description, complete streets components**	**Total Measure D**	**FY17/18**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**Total cost estimate**	**Other Funds $**	**Other fund sources**	**Est. Construction start date**	**Major project? * (yes/no)**
Green Hills Road (Glen Canyon Road to terminus)	Provide bike lanes, road widening, new curb and gutter, restriping on Glen Canyon Road from Vern Hart Fish Park to Green Hills Road. On South Navarra Drive from Green Hills Road to Grant Creek Road provide signage and sharrows.	$ 100,000	$ 100,000					$ 900,000	$ 800,000	RTC-STBG - 711,000 Gas Tax - 89,000	Fall 2017	Yes
Bean Creek Road (Montevalle to the City limit)	Rework subgrade, asphalt overlaying, drainage improvements, and restriping	$ 500,000		$ 500,000				$ 500,000			Summer 2018	Yes
Glenwood Drive (Casa Way and the City limit)	Widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.	$ 566,800				$ 566,800		$ 566,800			Summer 2020	Yes
Kings Village Road (Mt. Hermon Road to Bluebonnet Lane)	Improve sidewalks on both sides of the street on Kings Village Road from Mt. Hermon Road to Bluebonnet Lane.	$ 181,300					$ 181,300	$ 181,300			Spring 2022	No
		Estimated Annual Measure D Expenditures	**$ 100,000**	**$ 500,000**	**$ -**	**$ 566,800**	**$ 181,300**					
		Carry over to next fiscal year	**$151,531**	**($96,938)**	**$154,972**	**($160,540)**	**($89,921)**	**Note 1**				
		Annual Interest Earnings on Measure D Revenues		**$379**	**($242)**	**$387**	**($401)**					

Footnotes

Note 1 - The City of Scotts Valley will provide temporary cash flow as necessary to ensure the projects are completed on a timely basis and in anticipation of annual Measure D revenues to be remitted to the City

2 Major Projects

2.1 Green Hills Road

2.2 Bean Creek Road

2.3 Glenwood Drive

2.1 Green Hills Road

MEASURE D: <u>MAJOR PROJECT</u> INVESTMENTS

Category: Neighborhood Projects

<u>Pavement Rehabilitation on Green Hills Road</u>

<u>Implementing Agency:</u> City of Scotts Valley

<u>Description/Scope:</u>
This project will rehabilitate Green Hills Road from Glen Canyon Road to its terminus. The project will include bike lanes, road widening, new curb and gutter, restriping on Glen Canyon Road from Vern Hart Fish Park to Green Hills Road. The project will also include signage and sharrows on South Navarra Drive from Green Hills Road to Grant Creek Road.

<u>Project Location/Limits:</u>
The project location is in Scotts Valley, CA, and includes Glen Canyon Road from Flora Lane to Green Hills Road, Green Hills Road from Glen Canyon Road to the northern end at S. Navarra Drive, and S. Navarra Drive from the southern end to Granite Creek Road.

<u>Project Purpose/Need/Benefits:</u>
This project will preserve the existing roadways and enable its use as an eastern corridor of the city's Active Transportation Network. Part of Glen Canyon Road and all of Green Hills Road are currently in very poor condition and require repaving. Safety will be improved with the use of bike lane green striping and signage at the Glen Canyon Road/Green Hills Road and Mt. Hermon Road/Glen Canyon Road intersections. Safety is also a concern through a narrow stretch of Glen Canyon Road under Highway 17, where green striping, sharrows, and signage are also planned. Sharrows will also be added on S. Navarra Drive. Together, these project improvements will provide a key piece in the City's overall plan to increase bicycling and walking to all of its primary destinations.

<u>Complete Streets consistency:</u>
See attached Complete Street Project Review Checklist

<u>Cost/Funding/Schedule Information:</u>
Total funding for this project is $900,000. Primary funding source is a combination of a grant from the Regional Transportation Commission – Surface Transportation Block Grant , which has provided a grant of $711,000 based on an 11% matching requirement by the City from Gas Tax and Measure D revenues.

Estimated project schedule:

Preliminary Design	January-March 2017
Final Design	April-May 2017
Issue Bids for Construction	July 2017
Construction	August-October 2017

<u>Public Outreach</u>
The following stakeholder groups have provided input on project scope and design: Active Transportation Workgroup, Falcon Ridge Homeowner Association, RTC Bicycle and Elderly and Disabled Committees, and Ecology Action.

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz.

<u>Project Contact:</u>
Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvalley.org

2.2 Bean Creek Road

MEASURE D: <u>MAJOR PROJECT</u> INVESTMENTS

Category: Neighborhood Projects

<u>Bean Creek Road Rehabilitation</u>

<u>Implementing Agency:</u> City of Scotts Valley

<u>Description/Scope:</u>
This project would improve Bean Creek Road, between Montevalle to the City limits, by reworking the subgrade, asphalt overlaying, drainage improvements, and restriping.

<u>Project Location/Limits:</u>
Bean Creek Road is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Glenwood Drive in the County of Santa Cruz.

Bean Creek Road from Bluebonnet Lane to the City/County limit is .6 miles of 22', 2 lane road fronting medium high density residential and the Montevalle Senior Mobile Home Park. The roadway becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

<u>Project Purpose/Need/Benefits:</u>
The portion of Bean Creek Road from Scotts Valley Drive to Bluebonnet Lane is fronted by Scotts Valley Middle School and medium high density residential. This portion was widened to add bicycle lanes and sidewalk, and overlaid using various grant funds in 2009.

Bean Creek Road is heavily used by recreational cyclists as well as a more limited number of pedestrians again as recreation because of its rural, forested nature. Recent complaints by both communities about the poor condition of the roadway surface (poor drainage, potholes, and uneven pavement surfaces) have raised the priority by the City for rehabilitation. City Council directed staff to proceed to seek funds for rehabilitation of the roadway.

<u>Complete Streets consistency:</u>
See attached Complete Street Project Review Checklist.

<u>Cost/Funding/Schedule Information:</u>
A placeholder funding amount of $500,000 is included in the City's Capital Improvement Program as a preliminary estimate pending the completion of the pavement management study. Estimated project schedule:

Develop Bid Specs	Spring 2018
Issue Bids for Construction	Summer 2018
Construction	Summer/Fall 2018

<u>Public Outreach</u>
Recent complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

<u>Project Contact:</u>
Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvalley.org

2.3 Glenwood Drive

MEASURE D: <u>MAJOR PROJECT</u> INVESTMENTS
Category: Neighborhood Projects

<u>Rehabilitation on Glenwood Drive</u>

<u>Implementing Agency:</u> City of Scotts Valley

<u>Description/Scope:</u>
This project would widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.

<u>Project Location/Limits:</u>
Glenwood Drive is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Highway 17 in the County of Santa Cruz.

Glenwood Drive from Casa Lane to the City/County becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

<u>Project Purpose/Need/Benefits:</u>
The portion of Glenwood Drive from Scotts Valley Drive to Casa Way is fronted by Scotts Valley High School and medium density residential. This portion was widened to add bicycle lanes and sidewalk in 1999 and 2003.

Past this High School the roadway is deteriorating and lacks any bicycle facilities.

<u>Complete Streets consistency:</u>
Will be completed prior to preliminary design.

<u>Cost/Funding/Schedule Information:</u>
Total funding for this project is $566,800. Primary source of funding would be Measure D Sales Tax revenues. Alternative funding sources could include grant funding from federal and/or state resources and Gas Tax revenues.

Estimated project schedule:

Preliminary Design	Summer 2019
Final Design	Winter 2019/2020
Develop Bid Specs	Winter 2019/2020
Issue Bids for Construction	Spring 2020
Construction	Summer/Fall 2020

<u>Public Outreach</u>
The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

<u>Project Contact:</u>
Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvalley.org

3 Public Process

3.1 5- Year Plan

Throughout the fiscal year, City staff members continually monitor the functional status and performance of all of the City's physical plant. Maintenance activities supporting City infrastructure are documented and analyzed to determine if rehabilitation or replacement is necessary. In addition, throughout the year, policy direction from the City Council may be received to construct, enhance or rehabilitate City facilities. Staff makes note of these projects and begins to define the scope, nature and extent of projects as may be required.

Each project is assigned a priority category based on staff's professional judgment using the factors and priority levels identified below:

- **Priority A** – project is ***essential/critical*** to health and safety or legal/regulatory requirements
- **Priority B –** project is ***important*** to maintaining health and safety or maintaining quality of life, ***but not critical***.
- **Priority C –** project is ***deferrable*** and would only be implemented to the extent that higher priority projects are first funded.

The Measure D 5-Year plan is completed concurrently with the City's Capital Improvements Program (CIP). Prior to or concurrent with the completion of the draft CIP plan, staff will meet with representatives from various city commissions as appropriate to gain input from those bodies relative to CIP projects for which they may have input. Two commissions in particular that have discussions on the City's CIP plans are the ADA Accessibility Committee and the Parks & Recreation Commission.

Starting in FY 2017/18, once the draft plan is created, it is presented to the City Council in a Study Session held in late March or early April. Council then provides direction on each of the projects within the plan and any changes are incorporated into a revised Five Year CIP Plan. Any updates requiring further discussion are provided once again to the City Council at its May Budget Study Session. The CIP Plan is also provided to the Planning Commission in May for their review and concurrence that the proposed five-year plan is consistent with the City's General Plan.

The Council then holds a Public Hearing on the budget, which includes the Five Year CIP Plan, normally the first Wednesday in June. Subject to any public testimony and final Council direction, the final Five Year CIP Plan is prepared, and the project costs associated with any projects which are funded in the next fiscal year are appropriated by the City Council as part of the adoption of the Annual Budget. Project costs are adjusted annually based on updated project schedule and cost information, as well as information on any grants and other funds the City may secure for projects.

Additional public participation has been or will be solicited for the current 5-year program of projects as described below.

3.2 Project List

3.2.1 Green Hills Road

Public input has been sought for the project in several ways. 1) A flyer was developed and distributed to local employers, environmental groups, the public library, health facilities, and public offices to invite the public to a meeting to describe the project. Community members representing the local bike shop, bike industry, environmental groups, and local other business owners and individuals attended, and gave input on the project and other issues regarding active transportation in Scotts Valley. 2) Local homeowners were approached, with the result that the entire Falcon Ridge Homeowners Association wrote a letter to the City concerning their views on the project. 3) Many parts of this project were envisioned in 2012 when Scotts Valley adopted a Bicycle Transportation Plan. The RTC Elderly and Disabled Committee and the Bicycle Committee were consulted on the plan in 2012, 2015, and in 2017.

3.2.2 Bean Creek Road

Complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.3 Glenwood Drive

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.4 Kings Village Road Sidewalk

The Sidewalk Master Plan prepared in 1996 has been used as the basis for implementation of various sidewalk improvements. Discussion about this length of sidewalk has been brought up repeatedly by the City's ADA committee and has been included for funding in several un-awarded grant applications. There is currently no direct assessable path from Mount Hermon Road to the US Post Office via Kings Village Road. The following stakeholder groups will be asked to provide input in future on project scope and design: Santa Cruz Metro and Elderly and Disabled Committees.

4 Baseline Maintenance of Effort

The table below summarizes the amount budgeted for transportation for FY 2017/18 as reflected in the annual budget.

	FY 2017/18 BUDGETED EXPENDITURES
On-going Operations: Admin & Engineering	335,462
Street Maintenance	410,923
Street Repairs	55,000
Major Projects:	
Pavement Rehabilitation - Green Hills Road	811,000
Sidewalk Improvements	39,600
TOTAL BUDGETED EXPENDITURES	**1,651,985**

The baseline "maintenance of effort" is calculated based on the average of revenues and expenditures for transportation purposes in the five fiscal years prior to the start of Measure D allocations (FY16/17, FY15/16, FY14/15, FY13/14, and FY12/13). Supporting documentation (State Controllers reports) used to calculate this baseline is attached to this document.

The baseline calculation includes the following:

Revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc). Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY12/13-16/17 for special projects and/or emergencies are not part of maintenance of effort baseline calculation but are identified below.

Expenditures: breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs the City has contributed funds to, and agency staffing, overhead and indirect costs.

CITY OF SCOTTS VALLEY
MEASURE D
5-YEAR MAINTENANCE OF EFFORT

	Projected FY 2016/17	FY 2015/16	FY 2014/15	FY 2013/14	FY 2012/13	Average	MOE Baseline
REVENUES:							
Gas Tax	237,289	261,455	341,807	375,790	273,759	298,020	310,166
Traffic Mitigation Impact Fees	95,003	81,216	42,763	61,898	131,245	82,425	79,909
Drainage Construction Impact Fees	9,825	4,730	5,214	54,825	6,947	16,308	17,605
RSTPX Exchange Funds	-	-	-	225,000	-	45,000	-
DOT Federal Grant /Vine Hill School Road	-	-	400,000	-	-	80,000	-
DOT Federal Emergency Grant	-	-	1,000	-	-	200	-
Investment Income	7,319	6,351	4,930	4,563	5,053	5,643	5,308
Measure D Sales Tax for Transportation	-	-	-	-	-	-	-
TOTAL REVENUES	**349,436**	**353,752**	**795,714**	**722,076**	**417,004**	**527,596**	**412,988**
EXPENDITURES:							
On-going Operations: Admin & Engineering	(285,943)	(307,668)	(259,867)	(284,958)	(237,313)	(275,150)	(275,150)
Street Maintenance	(384,887)	(364,570)	(301,853)	(363,342)	(352,483)	(353,427)	(353,427)
Street Repairs	-	(78,194)	(123,045)	(170,623)	-	(74,372)	(74,372)
Equipment Purchase-Backhoe	-	(25,000)	-	-	-	(5,000)	(5,000)
Street Signs & Lighting	-	(87,318)	(132,586)	(24,650)	(9,105)	(50,732)	(50,732)
Major Projects:							
Mt. Hermon Road/Scotts Valley Drive Intersection	(61,000)	(58,429)	(7,448)	-	-	(25,375)	-
Pedestrian/Bike Lane –Vine Hill School Road	-	-	(597,557)	(22,979)	(30,206)	(130,148)	-
Scotts Valley Drive Slurry Seal	-	-	-	(235,891)	-	(47,178)	(47,178)
Traffic Signals	-	-	-	-	(31,376)	(6,275)	(6,275)
Granite Creek Overpass	(202,000)	-	-	-	-	(25,250)	(22,725)
Mt. Hermon Road Slurry Seal	(218,000)	-	-	-	-	(27,250)	(24,525)
TOTAL EXPENDITURES	**(1,151,830)**	**(921,179)**	**(1,422,356)**	**(1,102,443)**	**(660,483)**	**(967,658)**	**(812,134)**

Attachments

Complete Street Project Review Checklist for Major Projects

MOE Supporting Documentation: State Controllers reports 2012-2016

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager
Steve Toler, Budget and Financial Consultant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **APPROVAL OF FY 2017/18 ANNUAL OPERATING AND CAPITAL BUDGET**

SUMMARY OF ISSUE

Over the past three months, the City Council has provided policy and budget direction at five City Council meetings:

- **February 15, 2017** – the Council received the FY 2016/17 Mid-Year Financial Report and provided policy direction on City goals and priorities relative to the preparation of the Preliminary FY 2017/18 Annual Budget and Five-Year Financial Plan.
- **April 5, 2017** – the Council provided direction regarding the draft Five-Year Capital Improvement and Capital Purchase Plan ("Five-Year CIP Plan"), and inclusion of replacement costs associated with the City's investment in equipment, vehicles and building systems into an alternative scenario in the development of the Five-Year Financial Plan.
- **May 3, 2017** – the Council provided direction regarding the inclusion of funding options in the Five-Year Financial Plan for post-employment benefit costs associated with retiree medical benefits.
- **May 17, 2017** – the Council reviewed the Preliminary FY 2017/18 Annual Budget and Five-Year Financial Plan and provided direction.
- **June 7, 2017** – the Council considered changes to master fees and charges for all City services (excluding development impact fees and wastewater rates), obtained public input on the proposed FY 2017/18 Annual Budget, and provided final direction in preparation of the proposed FY 2017/18 Annual Budget, including direction on minimum reserve policies and funding the City's OPEB obligations in an amount equal to 25% of the difference between the annual required contribution and the pay-as-you-go amount in an irrevocable trust.

The final budget incorporates all of the Council's direction received at these meetings and the public hearing. The fund balances (reserves) in all City funds begin and end the fiscal year meeting or exceeding minimum fund balance requirements provided by Council direction during those meetings.

Final FY 2017/18 Annual Budget

The FY 2017/18 General Fund indicates an annual deficit of $523,000 that will draw down reserves from $3.1 million to $2.6 million. Ending reserves equate to 22% of annual operating expenditures plus net transfers out to other funds, exceeding the City Council's targeted minimum reserve of 17%. The Five-Year Financial Plan included in the final budget indicates that, without any corrective action, the General Fund would draw down reserves below the targeted 17% minimum reserve balance starting in FY 2020/21. The City Council is committed to preserving the City's fiscal health, and has instructed the City Manager to prepare a fiscal sustainability plan that will be reviewed by the City Council during FY 2017/18 in preparation of the Preliminary FY 2018/19 Annual Budget and Five-Year Financial Plan.

The Five-Year Financial Plan also included a review of the Five-Year Capital Improvement and Purchase Plan, which included 64 capital improvement projects and purchases totaling $19.2 million, of which $10.6 million of projects were scheduled over the five years. Twenty-one capital improvement projects and purchases totaling $2,135,100 scheduled for FY 2017/18 have been incorporated in the FY 2017/18 Annual Budget. The City Council is required to approve a five-year program of projects for the use of Measure D funds through a separate resolution. This item is on tonight's agenda for separate City Council consideration.

Attached are the financial and personnel summary pages for the final FY 2017/18 Annual Budget. Once the City Council adopts the resolutions approving the final budget, the entire budget document will be produced and distributed by June 30.

Fund Balances and Minimum Reserve Policy

There are several new funds that have been created in the proposed FY 2017/18 annual budget. Government Accounting Standards Board (GASB) Statement #54, "Fund Balance Reporting and Governmental Fund Type Definitions", requires that the governing board of a governmental agency periodically update its policies and assignment of fund balances so that the presentation of those fund balances in the agency's Comprehensive Annual Financial Report (CAFR) comply with the agency's policies. A separate resolution has been prepared that allows the City to remain in compliance with GASB 54.

Council provided policy direction to implement a minimum reserve policy for the City's various operating and capital funds. The targeted minimum reserves are as follows:

- General Fund – 17% of annual operating expenditures plus net transfers out to other funds, equivalent to approximately two months of operating expenditures.
- General CIP Fund - $500,000 for emergency capital infrastructure replacement needs not funded by other sources

- Recreation Enterprise Fund – a minimum reserve equal to zero, with the General Fund subsidizing any deficits through a transfer of available reserves
- Wastewater Enterprise Funds – 67% of annual operating expenses (equivalent to eight months of operating expenses), plus $1,000,000 in capital reserves for emergency capital infrastructure replacement

A resolution reflecting the Council's policy direction has been prepared for City Council adoption.

Utility Users Tax Continuation
Ordinance No. 109.3 (SVMC §3.35.180) requires, concurrent with budget adoption, that the Council also approve the continued collection of the utility users' tax placed upon gas and electric service providers serving Scotts Valley properties. The final Annual Budget assumes the continued collection of the utility users' tax, which is estimated to total $740,000 in FY 2017/18.

FISCAL IMPACT

The City's final FY 2017/18 Annual Budget, including all funds, indicates total expenditures of $17,682,178, and transfers between funds totaling $998,786.

STAFF RECOMMENDATION

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

1. Resolution No. 630.37 approving the final FY 2017/18 Annual Budget and making appropriations for the amounts budgeted.
2. Resolution No.1931 approving a fund balance policy under the provisions of GASB 54 for FY 2016/17 and 2017/18 (Council Policy No. 03-17).
3. Resolution No. 1932 approving a minimum reserve policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds (Council Policy No. 04-17).
4. Resolution No. 1501.24 approving the continued collections of the utility users' tax for FY 2017/18.

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RESOLUTION NO. 630.37

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CITY'S ANNUAL BUDGET FOR FISCAL YEAR 2017/18 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;

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 2017/18 Annual Budget for the fiscal year ending June 30, 2018 is hereby approved as set forth in the attached Exhibit 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.
5. A total of $136,364 in unassigned General Fund reserves is appropriated as an assigned reserve in the General Fund for the credit support agreement for the Monterey Bay Community Power Authority until which time the credit support is no longer required.

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 21st day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

EXHIBIT A

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2017/18

	Fund	Beginning Fund Balance 7/1/2017	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2018
General Funds								
1	General Fund	2,589,500	10,933,000	260,000	13,782,500	11,116,447	660,715	2,005,338
6	Equipment Replacement Reserve	534,700	60,100		594,800	600		594,200
	Subtotal General Funds	**3,124,200**	**10,993,100**	**260,000**	**14,377,300**	**11,117,047**	**660,715**	**2,599,538**
General Capital Improvement Fund								
150	General Capital Improvements	154,400	162,000	-	316,400	316,200	-	200
Special Revenue Funds - Development Impact Fees								
7	Drainage Construction Impact Fees	15,200	54,605	-	69,805	55,030	-	14,775
8	Traffic Impact Mitigation Fees	385,600	174,600	-	560,200	9,500	-	550,700
9	Park & Recreation Facilities Impact Fees	497,700	251,900	-	749,600	85,700	-	663,900
21	General Facility Impact Fees	56,400	25,450	-	81,850	80	-	81,770
27	Police Facility Building Impact Fees	191,400	102,800	-	294,200	250	-	293,950
51	Mt. Hermon Traffic Mitigation	51,600	300	-	51,900	70	-	51,830
86	Library Impact Fees	244,800	36,150	-	280,950	23,300	-	257,650
315	Police Development Fees	165,200	900	-	166,100	100,240	-	65,860
	Subtotal Special Revenue Funds - Development Impact Fees	**1,607,900**	**646,705**	**-**	**2,254,605**	**274,170**	**-**	**1,980,435**
Special Revenue Funds - Other								
2	Recycling/Environment	18,200	66,060	-	84,260	60,650	-	23,610
3	Gas Tax	186,600	333,100	-	519,700	114,600	260,000	145,100
5	SMIP Fees	12,900	5,060	-	17,960	5,020	-	12,940
18	Senior Center Designated Donations	-	-	-	-	-	-	-
19	Affordable Housing	335,100	38,860	-	373,960	284,520	-	89,440
25	Lennar Funds	627,000	-	-	627,000	134,800	-	492,200
28	Senior Center Operations	(9,900)	77,650	41,700	109,450	105,729	3,695	26
31	STP Exchange Projects	26,900	711,000	-	737,900	711,040	-	26,860
33	Tree Replacement	15,300	610	-	15,910	10,000	-	5,910
35	Green Building Funding	209,200	101,400	-	310,600	2,250	-	308,350
36	Disability Compliance	3,100	750	-	3,850	760	-	3,090
50	Pinewood Estates Maintenance District	5,500	6,290	-	11,790	5,512	-	6,278
77	Skypark Landscape Maintenance District	4,600	41,750	-	46,350	41,000	-	5,350
78	Skypark Landscape Maintenance District Insurance	490,200	11,230	-	501,430	700	-	500,730
88	Library Facilities Improvements (Measure S)	161,600	165,050	-	326,650	292,000	-	34,650
123	Commmunity Facility Center Operations	48,700	113,650	-	162,350	68,970	1,443	91,937
155	Measure D Sales Tax for Transportation	40,000	240,100	-	280,100	100,000	-	180,100
306	Supplemental Law Enforcement Services	44,300	100,280	-	144,580	-	-	144,580
316	Homeland Security Grant	(3,200)	47,500	-	44,300	47,500	-	(3,200)
317	EDG Revolving Loan	500	-	-	500	-	-	500
	Subtotal Special Revenue Funds - Other	**2,216,600**	**2,060,340**	**41,700**	**4,318,640**	**1,985,051**	**265,138**	**2,068,451**

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2017/18

	Fund	Beginning Fund Balance 7/1/2017	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2018
Debt Service Funds								
26	Pension Obligation Bond	-	-	448,786	448,786	448,786	-	-
66	COP Debt Service Reserve	948,500	4,100	-	952,600	1,400	-	951,200
	Subtotal Debt Service Funds	**948,500**	**4,100**	**448,786**	**1,401,386**	**450,186**	**-**	**951,200**
Recreation Enterprise Fund								
4	**Recreation**	**(136,100)**	**1,050,100**	**248,300**	**1,162,300**	**1,136,892**	**25,354**	**54**
Wastewater Enterprise Funds								
10	Wastewater Operations	(211,900)	1,909,000	-	1,697,100	1,970,702	47,579	(321,181)
11	Tertiary Operating	(121,100)	120,000	-	(1,100)	203,368	-	(204,468)
12	Wastewater Capital Reserve	2,066,800	467,600	-	2,534,400	151,500	-	2,382,900
14	Wastewater Equipment Replacement	734,800	3,700	-	738,500	7,000	-	731,500
15	TTP District Reserve	6,100	11,050	-	17,150	12	-	17,138
	Subtotal Wastewater Enterprise Funds	**2,474,700**	**2,511,350**	**-**	**4,986,050**	**2,332,582**	**47,579**	**2,605,889**
Internal Service Fund								
112	**Dental Insurance**	**38,000**	**63,990**	**-**	**101,990**	**70,050**	**-**	**31,940**
Total All Funds		**10,428,200**	**17,491,685**	**998,786**	**28,918,671**	**17,682,178**	**998,786**	**10,237,707**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
GENERAL FUNDS					
	1-GENERAL				
	TAXES:				
3010	PROPERTY TAXES/CURR/SEC	809,063	820,000	861,236	**891,000**
3011	PROPERTY TAXES/CURR/UNSEC	16,304	18,200	17,891	**18,500**
3012	SUPPLEMENTAL ROLL/CURR/SEC	20,782	14,500	9,148	**10,000**
3013	SUPPLEMENTAL ROLL/CURR/UNSEC	1,372	250	263	**300**
3014	PROPERTY TAXES - TEA	421,554	186,000	318,830	**320,000**
3015	PROPERTY TAXES - SUCCESSOR AGENCY	33,017	60,000	250,395	**60,000**
3021	PROPERTY TAXES/PRIOR/UNSECURED	2,605	700	1,094	**1,000**
3022	SUPPLEMENTAL ROLL/PRIOR/SEC	1,327	1,000	577	**900**
3023	SUPPLEMENTAL ROLL/PRIOR/UNSEC	816	400	310	**500**
3040	PENALTIES ON DELINQUENT TAX	6,737	2,000	1,671	**2,000**
3080	SALES AND USE TAXES	2,259,919	2,198,000	2,083,539	**2,124,000**
3081	SALES TAXES - PROP 172	63,978	55,000	34,418	**35,000**
3083	SALES TAX - MEASURE U	1,274,604	1,162,000	1,162,000	**1,233,000**
3120	BUSINESS LICENSE TAX	433,324	325,000	357,305	**360,000**
3121	DELINQUENT BUSINESS LIC TAX	3,554	3,000	1,755	**1,700**
3150	UTILITY USER'S TAX	694,552	715,000	717,481	**740,000**
3160	TRANSIENT OCCUPANCY TAX	-	1,100,000	-	**-**
	Hilton Scotts Valley	754,858		950,400	**1,000,000**
	Best Western SV	223,029		220,692	**250,000**
	Santa Cruz Ranch RV	33,545		42,366	**44,000**
3582	HOMEOWNER'S PROPERTY TAX RELIEF	5,901	6,000	5,852	**5,800**
3140	REAL PROPERTY TRANSFER TAX	86,313	85,000	81,800	**85,000**
3521	STATE IN LIEU TAXES/MOTOR VEHICLE	960,758	950,000	1,020,709	**1,056,000**
	TOTAL TAXES	8,107,912	7,702,050	8,139,732	**8,238,700**
	FRANCHISE FEES:				
3101	FRANCHISE - GAS	32,450	31,000	32,000	**35,300**
3102	FRANCHISE - ELECTRIC	156,214	149,000	160,000	**164,800**
3103	FRANCHISE - CABLE TV	168,484	165,000	-	**-**
3104	FRANCHISE - SOLID WASTE	560,891	570,000	582,785	**615,900**
3105	FRANCHISE - VIDEO SERVICES	54,912	55,000	198,564	**210,000**
	TOTAL FRANCHISE FEES	972,951	970,000	973,349	**1,026,000**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	FINES & FORFEITURES:				
3310	VEHICLE CODE FINES	1,806	1,200	1,915	**2,000**
3311	LOCAL CRIME PREVENTION	69	100	65	**100**
3312	GENERAL FINES	26,777	30,000	27,543	**30,000**
3313	NARCO FINES	187	-	38	**50**
3320	PARKING FINES	6,572	6,000	5,233	**5,500**
	TOTAL FINES & FORFEITURES	35,411	37,300	34,794	**37,650**
	CHARGES FOR SERVICES:				
3250	CONSTRUCTION PERMITS - Recurring	201,010	250,000	215,878	**240,000**
3250	CONSTRUCTION PERMITS - Significant	38,370		616,400	**345,000**
3280	ENCROACHMENT PERMITS - Recurring	26,959	30,000	18,546	**30,000**
3280	ENCROACHMENT PERMITS - Significant	124,006		(22,500)	**5,000**
3290	OTHER LICENSES & PERMITS	353	300	808	**500**
3430	RENTS & CONCESSIONS	52,434	60,000	61,422	**62,000**
3608	GENERAL PLAN MAINTENANCE FEE - Recurring	79,876	74,000	77,523	**90,000**
3608	GENERAL PLAN MAINTENANCE FEE - Significant	11,651		242,300	**180,000**
3609	TREE REMOVAL	1,630	800	1,600	**1,500**
3611	FEES & PERMITS - ZONING	7,000	7,000	10,710	**8,000**
3612	FEES & PERMITS - USE PERMITS	5,910	6,000	4,742	**7,000**
3615	FEES & PERMITS - GEN PLAN AMEND	3,500	3,500	3,444	**4,000**
3616	FEES & PERMITS - OTHER PLANNING	3,004	500	639	**500**
3617	FEES & PERMITS - DESIGN REVIEW	19,548	6,500	52,471	**20,000**
3618	FEES & PERMITS - SITE PLAN	22,737	20,000	4,506	**7,000**
3620	SUBDIVISION FEES	21,003	10,000	20,129	**20,000**
3623	CONCEPTUAL REVIEW FEES	-	2,000	-	**1,000**
3624	LOT LINE ADJUSTMENT	-	1,000	800	**1,000**
3626	FINAL PARCEL MAP CHECK - PLANNING	-	600	-	**-**
3627	FINAL SUBDIVISION MAP CK - PLANNING	-	1,000	-	**-**
3630	SALE OF MAPS, PUBLICATIONS & COPIES	340	200	133	**200**
3631	SALE OF AERIAL PHOTO COPIES	15	-	-	**-**
3640	OTHER FILING & CERTIFICATION FEES	-	-	797	**-**
3650	SPECIAL POLICE DEPT SERVICES	220	300	-	**-**
3651	ALARM SERV FEE & FALSE ALARM	9,180	8,000	9,468	**10,000**
3652	ABANDONED VEHICLE ABATEMENT	6,151	7,000	7,117	**7,000**
3654	VEHICLE RELEASE/IMPOUND FEE	12,952	9,000	5,984	**8,000**
3660	ENGINEERING PLAN CHECK FEES - Recurring	12,690	15,000	9,639	**13,000**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
3660	ENGINEERING PLAN CHECK FEES - Significant	74,504		58,198	**31,000**
3662	ON-SITE CIVIL IMPROVEMENT PERMIT	-	-	136,176	**12,500**
3711	ENVIRONMENTAL ASSESSMENT	2,082	1,500	3,518	**3,000**
3712	NEGATIVE DECLARATION	6,026	5,500	5,774	**8,000**
3713	PUBLIC HEARING NOTICE	2,465	2,000	1,174	**1,500**
3718	PLANNING SERVICES	2,920	2,000	1,476	**1,500**
3750	OTHER BLDG DEPT SERVICES	2,395	-	3	**-**
3760	COLLECTION FEE - FIRE DISTRICT	549	500	2,914	**2,000**
3762	COLLECTION FEE - TOURISM MKTG DIST	1,663	1,500	2,618	**2,700**
3891	RETURNED CHECK FEES	44	30	33	**50**
	TOTAL CHARGES FOR SERVICES	753,187	525,730	1,554,440	**1,122,950**
3410	**INVESTMENT EARNINGS**	12,635	4,500	8,971	**10,000**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	11,635	-	2,250	**-**
3551	POST	10,901	6,000	6,320	**25,000**
3555	STATE MANDATED COSTS REIMB	19,255	-	-	**2,500**
3815	IMPACT FEES/ADMINISTRATION - Recurring	6,431	6,000	12,603	**12,000**
3815	IMPACT FEES/ADMINISTRATION - Significant	1,930	-	28,303	**53,000**
3818	LEGAL FEE REIMBURSEMENTS	-	150,000	367,007	**-**
3819	COST REIMBURSEMENT	128,760	153,000	75,000	**50,000**
3890	OTHER REVENUE	34,392	171,600	180,861	**100,000**
3893	INSURANCE REIMBURSEMENT	-	-	25,000	**-**
3996	COST ALLOCATION	243,125	235,000	268,518	**255,200**
	TOTAL OTHER REVENUE	456,429	721,600	965,862	**497,700**
	TOTAL GENERAL FUND (1)	**10,338,525**	**9,961,180**	**11,677,148**	**10,933,000**
	6-GENERAL EQUIPMENT RESERVE				
3410	**INVESTMENT EARNINGS**	1,821	1,500	2,161	**2,100**
	OTHER REVENUE:				
3110	PEG VIDEO FEE	-	-	27,724	**28,000**
3716	MODERNIZATION FEE	27,968	26,000	29,788	**30,000**
	TOTAL GENERAL EQUIPMENT RESERVE FUND (6)	**29,789**	**27,500**	**59,673**	**60,100**
	TOTAL GENERAL FUNDS	**10,368,314**	**9,988,680**	**11,736,821**	**10,993,100**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	GENERAL CAPITAL IMPROVEMENT FUND				
	150-GENERAL CAPITAL PROJECTS				
3410	**INVESTMENT EARNINGS**	2,020	1,130	1,314	**1,000**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	346,000	-	**-**
3890	OTHER REVENUE	10,376	325,800	2,140	**161,000**
	TOTAL OTHER REVENUE	10,376	671,800	2,140	**161,000**
	TOTAL GENERAL CAPITAL PROJECTS FUND (150)	**12,396**	**672,930**	**3,454**	**162,000**
	SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES				
	7-DRAINAGE CONSTRUCTION				
3410	**INVESTMENT EARNINGS**	65	50	104	**105**
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	3,281	3,000	5,659	**7,500**
3815	IMPACT FEES - Significant	1,449	-	4,166	**47,000**
	TOTAL DRAINAGE CONSTRUCTION FUND (7)	**4,795**	**3,050**	**9,929**	**54,605**
	8-TRAFFIC IMPACT MITIGATION				
3410	**INVESTMENT EARNINGS**	4,434	3,500	4,642	**4,600**
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	65,162	20,000	47,129	**30,000**
3815	IMPACT FEES - Significant	16,054	-	47,874	**140,000**
	TOTAL TRAFFIC IMPACT MITIGATION FUND (8)	**85,650**	**23,500**	**99,645**	**174,600**
	9-PARK & RECREATION FACILITIES				
3410	**INVESTMENT EARNINGS**	1,700	1,500	1,828	**1,900**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	12,335	30,000	49,974	**40,000**
3815	IMPACT FEES - Significant	28,509		74,637	**209,000**
3890	OTHER REVENUE	19,586	-	-	**1,000**
	TOTAL OTHER REVENUE	60,430	30,000	124,611	**250,000**
	TOTAL PARK & RECREATION FACILITIES FUND (9)	**62,130**	**31,500**	**126,439**	**251,900**
	21-GENERAL FACILITY				
3410	**INVESTMENT EARNINGS**	218	230	254	**250**
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	997	3,000	3,532	**3,000**
3815	IMPACT FEES - Significant	1,218	-	5,482	**22,200**
	TOTAL GENERAL FACILITY FUND (21)	**2,433**	**3,230**	**9,268**	**25,450**
	27-POLICE FACILITY BUILDING				
3410	**INVESTMENT EARNINGS**	667	580	780	**800**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	60,000	-	**-**
3815	IMPACT FEES - Recurring	5,407	5,000	8,850	**5,000**
3815	IMPACT FEES - Significant	2,817	-	12,788	**97,000**
3890	OTHER REVENUE	-	-	-	**-**
	TOTAL OTHER REVENUE	8,224	65,000	21,638	**102,000**
	TOTAL POLICE FACILITY BUILDING FUND (27)	**8,891**	**65,580**	**22,418**	**102,800**
	51-MT HERMON TRAFFIC MITIGATION				
3410	**INVESTMENT EARNINGS**	**189**	**170**	**302**	**300**
	OTHER REVENUE:				
3815	IMPACT FEES	**-**	**-**	**-**	**-**
	TOTAL MT HERMON TRAFFIC MITIGATION FUND (51)	**189**	**170**	**302**	**300**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	86-LIBRARY				
3410	**INVESTMENT EARNINGS**	839	730	1,148	**1,150**
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	1,515	5,000	5,929	**5,000**
3815	IMPACT FEES - Significant	2,605	-	9,588	**30,000**
3890	OTHER REVENUE	-	-	-	**-**
	TOTAL OTHER REVENUE	4,120	5,000	15,517	**35,000**
	TOTAL FUND 86	**4,959**	**5,730**	**16,665**	**36,150**
	315 - POLICE DEVELOPMENT FEES				
3410	**INVESTMENT EARNINGS**	605	550	756	**900**
	OTHER REVENUE:				
	TOTAL POLICE DEVELOPMENT FEES FUND (315)	**605**	**550**	**756**	**900**
	TOTAL SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES	**169,652**	**133,310**	**285,422**	**646,705**

SPECIAL REVENUE FUNDS - OTHER

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	2-RECYCLING				
3410	**INVESTMENT EARNINGS**	58	-	57	**60**
	OTHER REVENUE:				
3090	CSA 9CA RECYCLING	52,736	53,000	61,000	**61,000**
3550	OTHER STATE GRANTS	5,000	5,000	5,000	**5,000**
3890	OTHER REVENUE	503	-	-	**-**
	TOTAL OTHER REVENUE	58,239	58,000	66,000	**66,000**
	TOTAL RECYCLING FUND (2)	**58,297**	**58,000**	**66,057**	**66,060**
	3-GAS TAX				
3410	**INVESTMENT EARNINGS**	1,753	1,400	2,573	**2,500**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	TAXES:				
3536	STATE GAS TAX/2103	48,949	28,130	28,816	**48,600**
3530	STATE GAS TAX/2105	61,120	74,500	70,190	**70,500**
3531	STATE GAS TAX/2106 SELECT	39,134	41,160	47,190	**47,400**
3532	STATE GAS TAX/2107 NON-SELECT	79,291	103,450	90,666	**91,100**
3533	STATE GAS TAX/2107.5 ENGINEERING	-	3,000	3,000	**3,000**
3534	STATE GAS TAX/2030 RMRA ACT 2017	-	-	-	**70,000**
	TOTAL TAXES	228,494	250,240	239,862	**330,600**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	-	-	**-**
	TOTAL GAS TAX FUND (3)	**230,247**	**251,640**	**242,435**	**333,100**
	5-SMIP				
3410	**INVESTMENT EARNINGS**	35	40	56	**60**
	OTHER REVENUE:				
3240	SMIP FEES	4,241	3,500	17,205	**5,000**
	TOTAL FUND 5	**4,276**	**3,540**	**17,261**	**5,060**
	18-SENIOR CENTER DESIGNATED DONATIONS				
3410	**INVESTMENT EARNINGS**	-	-	-	**-**
	OTHER REVENUE:				
3840	CONTRIBUTIONS FROM NON-GOV'T	-	-	-	**-**
	TOTAL SENIOR CENTER DESIGNATED DONATIONS FUND (18)	**-**	**-**	**-**	**-**
	19-AFFORDABLE HOUSING				
3410	**INVESTMENT EARNINGS**	20,734	-	6,112	**6,100**
	OTHER REVENUE:				
3430	RENTAL INCOME	44,910	-	32,760	**32,760**
3890	OTHER REVENUE	71,416	-	1,056	**-**
	TOTAL OTHER REVENUE	116,326	-	33,816	**32,760**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	TOTAL AFFORDABLE HOUSING FUND (19)	**137,060**	**-**	**39,928**	**38,860**
	25-LENNAR FUNDS				
3410	**INVESTMENT EARNINGS**	-	-	-	**-**
	28-SENIOR CENTER OPERATIONS				
	CHARGES FOR SERVICES:				
3632	BOUTIQUE SALES	9,747	10,500	9,644	**10,000**
3770	MEMBERSHIP FEES	8,326	10,000	10,480	**10,000**
3872	CLASSES	-	-	-	**-**
3897	SR CENTER VAN INCOME	170	500	303	**300**
3898	SR CENTER ACTIVITIES	38,877	35,000	32,623	**41,800**
3940	FACILITY/BUILDING RENTAL	8,910	12,000	13,522	**13,000**
	TOTAL CHARGES FOR SERVICES:	66,030	68,000	66,572	**75,100**
3410	**INVESTMENT EARNINGS**	47	50	51	**50**
	OTHER REVENUE:				
3573	REBATES	-	-	-	**-**
3840	CONTRIBUTIONS FROM NON-GVMT	2,306	2,000	2,306	**2,000**
3890	OTHER REVENUE	478	400	641	**500**
	TOTAL OTHER REVENUE	2,784	2,400	2,947	**2,500**
	TOTAL SENIOR CENTER OPERATIONS FUND (28)	**68,861**	**70,450**	**69,570**	**77,650**
	31-SURFACE TRANSPORTATION GRANTS				
3410	**INVESTMENT EARNINGS**	99	90	114	**-**
	OTHER REVENUE:				
3563	OTHER STATE GRANTS	-	-	-	**711,000**
	TOTAL STP EXCHANGE FOR STORM DAMAGE FUND (31)	**99**	**90**	**114**	**711,000**
	33-TREE REPLACEMENT FUND				
3410	**INVESTMENT EARNINGS**	99	50	106	**110**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	OTHER REVENUE:				
3622	TREE REPLANTING FEES	646	300	1,640	**500**
	TOTAL OTHER REVENUE	646	300	1,640	**500**
	TOTAL TREE REPLACEMENT FUND (33)	**745**	**350**	**1,746**	**610**
	35-GREEN BUILDING FUNDING				
3410	**INVESTMENT EARNINGS**	516	430	877	**900**
	CHARGES FOR SERVICES:				
3242	GREEN BLDG STANDARD FEES - Recurring	590	800	1,310	**1,000**
3242	GREEN BLDG STANDARD FEES - Significant	434		2,462	**5,000**
3707	GREEN BUILDING FEES - Recurring	15,787	25,000	24,132	**25,000**
3707	GREEN BUILDING FEES - Significant	27,094	-	123,798	**69,500**
	TOTAL OTHER REVENUE	43,905	25,800	151,702	**100,500**
	TOTAL GREEN BUILDING FUND (35)	**44,421**	**26,230**	**152,579**	**101,400**
	36-DISABILITY COMPLIANCE FUND				
3410	**INVESTMENT EARNINGS**	-	-	13	**-**
	OTHER REVENUE:				
3244	DISABILITY COMPLIANCE FEE	1,152	1,000	1,421	**750**
	TOTAL DISABILITY COMPLIANCE FUND (36)	**1,152**	**1,000**	**1,434**	**750**
	50-PINEWOOD EST LNDSCP MAINT DIST				
3410	**INVESTMENT EARNINGS**	**31**	**30**	**44**	**50**
	OTHER REVENUE:				
3890	OTHER REVENUE	**5,760**	**6,240**	**6,240**	**6,240**
	TOTAL PINEWOOD EST LNDSCP MAINT DIST FUND (50)	**5,791**	**6,270**	**6,284**	**6,290**
	77-SKYPARK MAINTENANCE ASSESSMENT DISTRICT				
	OTHER REVENUE:				

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
3890	OTHER REVENUE	**41,325**	**41,750**	**41,750**	**41,750**
	TOTAL SKYPARK MAINT ASSESSMENT DIST FUND (77)	**41,325**	**41,750**	**41,750**	**41,750**
	78-SKYPARK MAINTENANCE ASSESSMENT DISTRICT INSURANCE				
3410	**INVESTMENT EARNINGS**	**1,723**	**1,500**	**2,220**	**2,230**
	OTHER REVENUE:				
3895	PREMIUMS	**9,000**	**9,000**	**9,000**	**9,000**
	TOTAL SKYPARK MAINT ASSESSMENT DIST INSURANCE FUND (78)	**10,723**	**10,500**	**11,220**	**11,230**
	88-LIBRARY FACILITIES AUTHORITY				
3410	**INVESTMENT EARNINGS**	-	-	50	**50**
	OTHER REVENUE:				
3030	TAXES-SPECIAL ASSESSMENTS	-	-	161,522	**165,000**
	TOTAL LIBRARY FACILITIES AUTHORITY (88)	**-**	**-**	**161,572**	**165,050**
	123-COMMUNITY FACILITY CENTER				
	CHARGES FOR SERVICES:				
3940	FACILITY/BUILDING RENTAL	107,264	134,000	87,587	**112,300**
3935	CLASS RENTAL	324	-	-	**-**
	TOTAL CHARGES FOR SERVICES	107,588	134,000	87,587	**112,300**
3410	**INVESTMENT EARNINGS:**	103	50	340	**350**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS				
3573	REBATES	-	-	-	**-**
3840	CONTRIBUTIONS FROM NON-GVMT	-	-	-	**-**
3890	OTHER REVENUE	68	75,000	500	**1,000**
	TOTAL OTHER REVENUE	68	75,000	500	**1,000**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	TOTAL COMMUNITY CENTER FUND (123)	**107,759**	**209,050**	**88,427**	**113,650**
	155-MEASURE D SALES TAX FOR TRANSPORTATION				
3410	**INVESTMENT EARNINGS**	-	-	-	**100**
	OTHER REVENUE:				
3084	SALES TAX-MEASURE D FUNDS	-	-	40,000	**240,000**
	TOTAL MEASURE D SALES TAX FOR TRANSPORTATION (155)	**-**	**-**	**40,000**	**240,100**
	306-SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLESF)				
3410	**INVESTMENT EARNINGS**	232	200	276	**280**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	100,000	100,000	100,000	**100,000**
	TOTAL OTHER REVENUES	100,000	100,000	100,000	**100,000**
	TOTAL SLESF FUND (306)	**100,232**	**100,200**	**100,276**	**100,280**
	316 -HOMELAND SECURITY GRANT				
3410	**INVESTMENT EARNINGS**	-	-	1	**-**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	5,962	-	-	**47,500**
	TOTAL HOMELAND SECURITY GRANT FUND (316)	**5,962**	**-**	**1**	**47,500**
	317 - EDG REVOLVING LOAN FUND				
3410	**INVESTMENT EARNINGS**	738	-	2	**-**
	TOTAL EDG REVOLVING LOAN FUND (317)	**738**	**-**	**2**	**-**
	TOTAL SPECIAL REVENUE FUNDS - OTHER	**817,688**	**779,070**	**1,040,656**	**2,060,340**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	DEBT SERVICE FUNDS				
	26-PENSION OBLIGATION BONDS				
3410	**INVESTMENT EARNINGS**	-	-	-	**-**
	66-COP DEBT SERVICE RESERVE				
3410	**INVESTMENT EARNINGS**	3,476	3,060	4,118	**4,100**
	TOTAL COP DEBT SERVICE RESERVE FUND (66)	**3,476**	**3,060**	**4,118**	**4,100**
	TOTAL DEBT SERVICE FUNDS	**3,476**	**3,060**	**4,118**	**4,100**
	RECREATION ENTERPRISE FUND				
	4-RECREATION				
	CHARGES FOR SERVICES:				
3871	AQUATICS	21,846	51,000	35,836	**65,400**
3872	CLASSES	142,387	109,000	112,551	**74,600**
3873	FACILITIES RENTALS	142,105	100,000	116,169	**132,500**
3874	SCHOOL AGE RECREATION	626,687	650,000	706,463	**700,000**
3876	SPORTS	42,602	70,000	31,820	**75,100**
	TOTAL CHARGES FOR SERVICES	975,627	980,000	1,002,839	**1,047,600**
	OTHER REVENUE:				
3819	COST REIMBURSEMENTS	5,807	-	-	**-**
3874	SPECIAL EVENTS	-	-	140	**500**
3890	OTHER REVENUE	-	10,000	2,385	**2,000**
	TOTAL OTHER REVENUE	5,807	10,000	2,525	**2,500**
	TOTAL RECREATION ENTERPRISE FUND	**981,434**	**990,000**	**1,005,364**	**1,050,100**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
WASTEWATER ENTERPRISE FUNDS					
	10-WASTEWATER OPERATIONS				
	CHARGES FOR SERVICES:				
3670	SEWER SERVICE FEES	1,852,411	1,990,000	1,867,133	**1,900,000**
3277	WASTEWATER DISCHARGE PERMITS	-	-	-	**-**
3775	PENALTIES FOR DELINQUENCIES	5,649	7,000	6,618	**7,000**
3890	OTHER REVENUE				
	TOTAL CHARGES FOR SERVICES	1,858,060	1,997,000	1,873,751	**1,907,000**
	OTHER REVENUE				
3550	OTHER STATE GRANTS	-	-	-	**-**
3890	OTHER REVENUE	2,660	3,600	19,495	**2,000**
	TOTAL OTHER REVENUE	2,660	3,600	19,495	**2,000**
3410	**INVESTMENT EARNINGS**	-	-	-	**-**
	TOTAL WASTEWATER OPERATIONS FUND (10)	**1,860,720**	**2,000,600**	**1,893,246**	**1,909,000**
	11-TERTIARY TREATMENT PLANT				
	CHARGES FOR SERVICES:				
3571	SCOTTS VALLEY WATER DEPT REIMB.	102,084	108,150	119,266	**120,000**
	TOTAL TERTIARY TREATMENT PLANT FUND (11)	**102,084**	**108,150**	**119,266**	**120,000**
	12-WASTEWATER CAPITAL RESERVE				
3410	**INVESTMENT EARNINGS**	5,585	4,500	5,642	**5,600**
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	120,000	-	**-**
3815	IMPACT FEES - Recurring	16,715	50,000	61,146	**50,000**
3815	IMPACT FEES - Significant	12,274	-	48,800	**412,000**
3890	OTHER REVENUE	86,720	-	-	**-**
	TOTAL OTHER REVENUE	115,709	170,000	109,946	**462,000**
	TOTAL WASTEWATER CAPITAL RESERVE FUND (12)	**121,294**	**174,500**	**115,588**	**467,600**

City of Scotts Valley
Summary of Revenues
FY 2017/18

ACCT#	ACCOUNT TITLE	2015 / 2016 Actual	2016 / 2017 Budget	2016 / 2017 Projected Revenue	2017/2018 Estimated Revenue
	14-WASTEWATER EQMT REPLACEMENT RESERVE				
3410	**INVESTMENT EARNINGS**	3,017	2,600	3,677	**3,700**
	TOTAL WASTEWATER EQUIPMENT REPLACEMENT RESERVE FUND (14)	**3,017**	**2,600**	**3,677**	**3,700**
	15-TTP - DISTRICT RESERVE FUND				
3410	**INVESTMENT EARNINGS**	2	-	43	**50**
	OTHER REVENUE:				
3890	OTHER REVENUE	6,096	-	10,337	**11,000**
	TOTAL TTP DISTRICT RESERVE FUND (15)	**6,098**	**-**	**10,380**	**11,050**
	TOTAL WASTEWATER ENTERPRISE FUNDS	**2,093,213**	**2,285,850**	**2,142,157**	**2,511,350**
	INTERNAL SERVICE FUND				
	112 - DENTAL INSURANCE				
3410	**INVESTMENT EARNINGS:**	169	150	184	**190**
	OTHER REVENUE:				
3895	PREMIUMS	64,280	70,000	62,800	**63,800**
	TOTAL DENTAL INSURANCE FUND (112)	**64,449**	**70,150**	**62,984**	**63,990**
	TOTAL ALL FUNDS	**14,452,594**	**14,864,360**	**16,221,420**	**17,432,115**

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2017/18

Fund/ Dept	Fund/Department Title	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Proposed
General Funds				
General Fund (#001)				
41	Legislative	225,544	254,789	251,686
42	City Attorney	159,398	171,500	184,000
43	General Government	1,067,450	1,321,346	952,171
44	City Manager/Administration	468,301	424,398	404,874
45	Admin Services - Finance	388,951	535,075	691,170
46	Admin Services - Human Resources	-	-	91,800
47	Admin Services - Information Technology	-	-	119,190
48	Admin Services - Risk Management	-	-	118,100
51	Police	4,668,558	4,646,001	4,952,123
52	Animal Control	111,172	117,842	120,000
53	Emergency Services	76,438	81,884	93,041
61	Community Development - Planning	554,433	462,006	528,490
62	Community Development - Building	490,134	348,778	756,475
71	Public Works - Engineering	615,499	576,104	672,113
72	Public Works - Streets	410,944	376,811	410,923
73	Public Works - Vehicle/Equipment Maintenance	135,280	126,139	154,477
75	Public Works - Parks	281,492	221,974	358,288
76	Public Works - Building Maintenance	247,995	244,272	257,526
	Total General Fund (#001)	9,901,589	9,908,919	11,116,447
6	**Equipment Replacement Fund**	671	-	600
	Total General Funds	**9,902,260**	**9,908,919**	**11,117,047**
General Capital Improvement Fund				
150	**General Capital Improvement**	**87,710**	**1,752,919**	**316,200**
Special Revenue Funds - Development Impact Fees				
7	Drainage Construction Fund	24	-	55,030
8	Traffic Impact Mitigation	87,318	150,000	9,500

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2017/18

Fund/ Dept	Fund/Department Title	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Proposed
9	P&R Facilities	82,600	70,000	85,700
21	General Facility Fees	57,305	-	80
27	Police Facility Impact Fees	246	60,000	250
51	Mt. Hermon Traffic Mitigation	70	-	70
86	Library Impact Fees	310	-	23,300
315	Police Development Fees	224	-	100,240
	Total Special Revenue Funds - Development Impact Fees	**228,097**	**280,000**	**274,170**
Special Revenue Funds - Other				
2	Recycling/Env	75,545	58,500	60,650
3	Gas Tax	78,194	142,225	114,600
5	SMIP	6,023	4,050	5,020
18	Sr Ctr Designated Donations	3,676	-	-
19	Affordable Housing	124,847	-	284,520
25	Lennar Funds	-	-	134,800
28	Senior Center	85,927	85,020	105,729
31	STP Exchange Projects	37	-	711,040
33	Tree Replacement Fund	14,846	10,000	10,000
35	Green Building Fund	3,042	5,000	2,250
36	Disability Compliance	379	400	760
50	Pinewood Estates Maintenance District	5,149	10,600	5,512
77	Skypark Landscape Maintenance District	37,388	41,000	41,000
78	Skypark Landscape Maintenance District Insurance	636	-	700
88	Library Facilities Improvements Measure S	-	-	292,000
123	Community Facility Center	63,025	143,775	68,970
155	Measure D Transportation	-	-	100,000
306	SLESF	144,123	95,000	-
316	Homeland Security Grants	5,029	3,000	47,500
317	EDG Revolving Loan Fund	334	-	-
	Total Special Revenue Funds - Other	**648,199**	**598,570**	**1,985,051**

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2017/18

Fund/ Dept	Fund/Department Title	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Proposed
Debt Service Funds				
26	Pension Obligation Bonds	446,428	444,905	448,786
66	COP Debt Service Reserve	1,285	-	1,400
	Total Debt Service Funds	**447,713**	**444,905**	**450,186**
Recreation Enterprise Fund				
4	**Recreation**	**1,125,041**	**1,063,684**	**1,136,892**
Wastewater Enterprise Funds				
10	Wastewater Operations	2,776,890	1,914,511	1,970,702
11	Tertiary Treatment Plant	187,024	196,150	203,368
12	Wastewater Capital Reserve	75,226	258,100	151,500
14	Wastewater ERF	68,094	18,560	7,000
15	TTP District Reserve	1	-	12
	Total Wastewater Enterprise Funds	**3,107,235**	**2,387,321**	**2,332,582**
Internal Service Fund				
112	**Dental Insurance**	**67,217**	**70,000**	**70,050**
	Total All Funds	**15,613,472**	**16,506,318**	**17,682,178**

City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2017/18

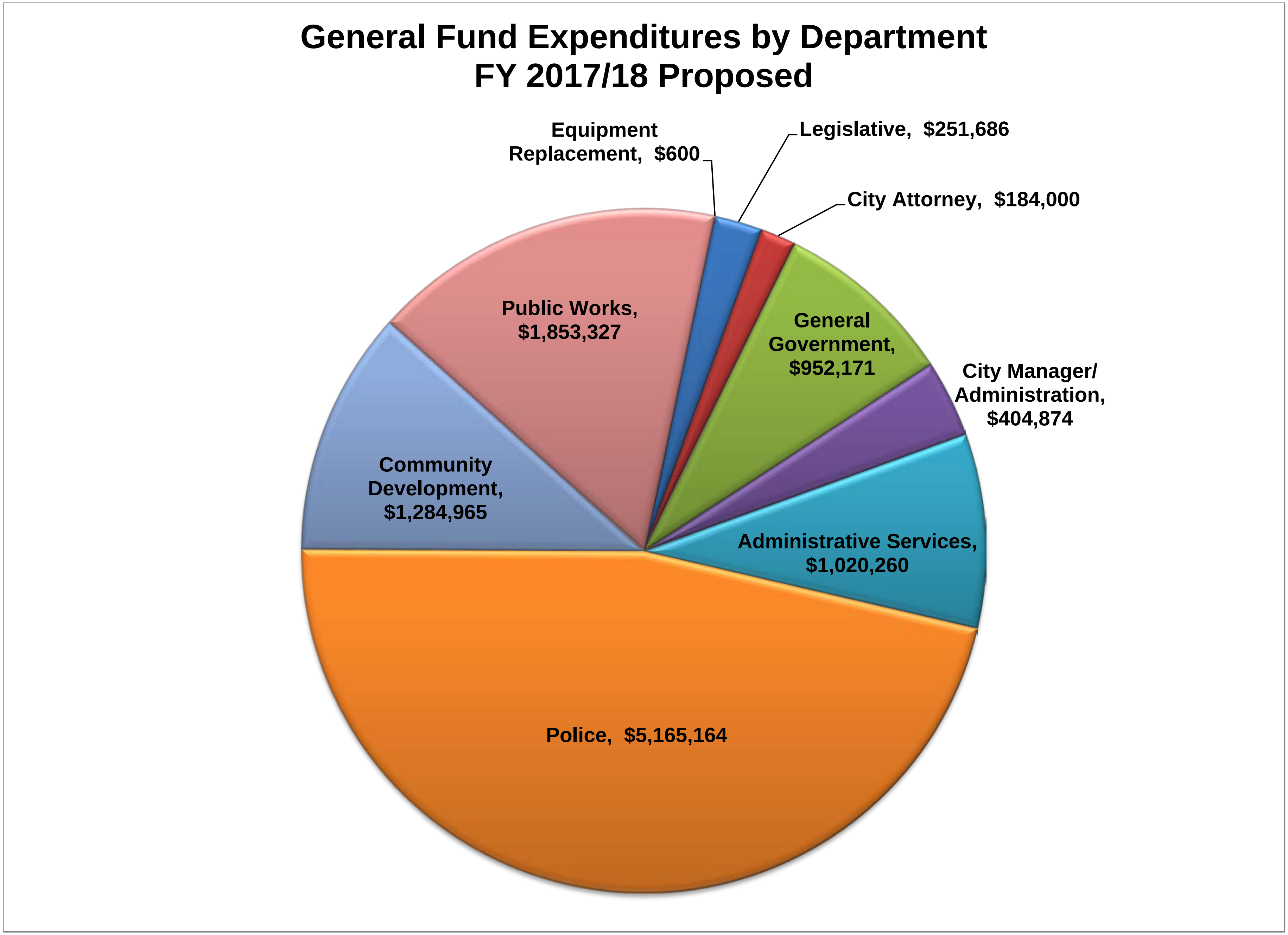
Fund/ Dept	Fund/Department Title	FY 2017/18 Proposed				
		Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
General Funds						
General Fund (#001)						
41	Legislative	223,786	27,900	-	-	251,686
42	City Attorney	180,000	4,000	-	-	184,000
43	General Government	348,000	64,700	-	539,471	952,171
44	City Manager/Administration	392,474	12,400	-	-	404,874
45	Admin Services - Finance	568,220	122,950	-	-	691,170
46	Admin Services - Human Resources	5,600	86,200	-	-	91,800
47	Admin Services - Information Technology	-	119,190	-	-	119,190
48	Admin Services - Risk Management	-	118,100	-	-	118,100
51	Police	4,649,578	269,020	5,075	28,450	4,952,123
52	Animal Control	-	120,000	-	-	120,000
53	Emergency Services	-	1,240	-	91,801	93,041
61	Community Development - Planning	502,915	25,575	-	-	528,490
62	Community Development - Building	250,525	505,950	-	-	756,475
71	Public Works - Engineering	494,573	175,040	2,500	-	672,113
72	Public Works - Streets	294,323	116,600	-	-	410,923
73	Public Works - Vehicle/Equipment Maintenance	148,677	5,800	-	-	154,477
75	Public Works - Parks	183,888	99,400	75,000	-	358,288
76	Public Works - Building Maintenance	171,491	86,035	-	-	257,526
	Total General Fund (#001)	**8,414,050**	**1,960,100**	**82,575**	**659,722**	**11,116,447**
6	**Equipment Replacement Fund**	**-**	**600**	**-**	**-**	**600**
	Total General Funds	**8,414,050**	**1,960,700**	**82,575**	**659,722**	**11,117,047**
General Capital Improvement Fund						
150	**General Capital Improvement**	**-**	**-**	**316,200**	**-**	**316,200**
Special Revenue Funds - Development Impact Fees						
7	Drainage Construction Fund	-	30	55,000	-	55,030
8	Traffic Impact Mitigation	-	9,500	-	-	9,500
9	P&R Facilities	-	700	85,000	-	85,700
21	General Facility Fees	-	80	-	-	80

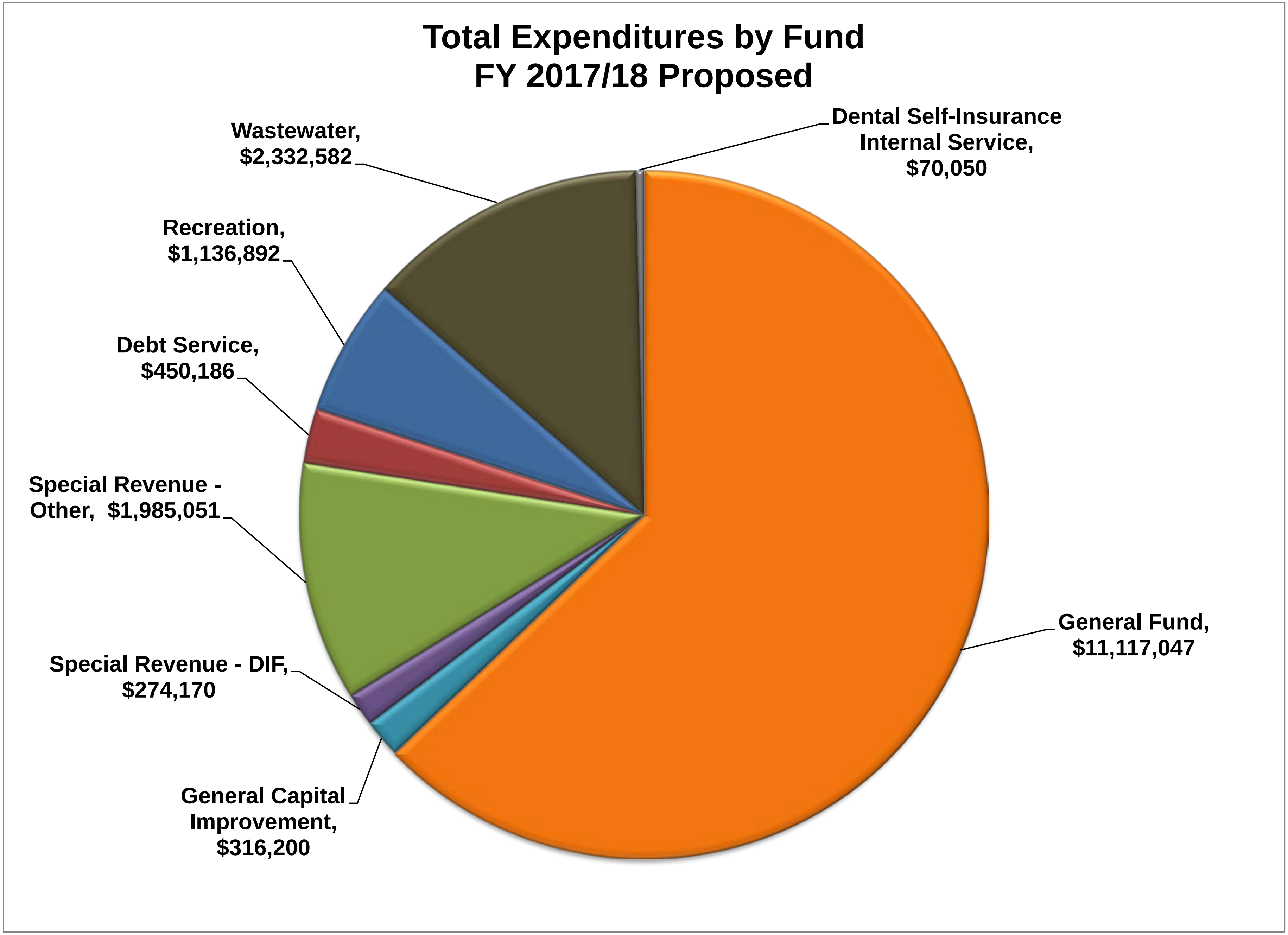
City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2017/18

Fund/ Dept	Fund/Department Title	FY 2017/18 Proposed Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
27	Police Facility Impact Fees	-	250	-	-	250
51	Mt. Hermon Traffic Mitigation	-	70	-	-	70
86	Library Impact Fees	-	300	23,000	-	23,300
315	Police Development Fees	-	240	100,000	-	100,240
	Total Special Revenue Funds - Development Impact Fees	**-**	**11,170**	**263,000**	**-**	**274,170**
Special Revenue Funds - Other						
2	Recycling/Env	-	60,650	-	-	60,650
3	Gas Tax	-	-	114,600	-	114,600
5	SMIP	-	5,020	-	-	5,020
18	Sr Ctr Designated Donations	-	-	-	-	-
19	Affordable Housing	-	284,520	-	-	284,520
25	Lennar Funds	-	-	134,800	-	134,800
28	Senior Center	69,669	36,060	-	-	105,729
31	STP Exchange Projects	-	40	711,000	-	711,040
33	Tree Replacement Fund	-	-	10,000	-	10,000
35	Green Building Fund	-	2,250	-	-	2,250
36	Disability Compliance	-	760	-	-	760
50	Pinewood Estates Maintenance District	-	5,512	-	-	5,512
77	Skypark Landscape Maintenance District	-	41,000	-	-	41,000
78	Skypark Landscape Maintenance District Insurance	-	700	-	-	700
88	Library Facilities Improvements Measure S	-	-	292,000	-	292,000
123	Community Facility Center	30,900	38,070	-	-	68,970
155	Measure D Transportation	-	-	100,000	-	100,000
306	SLESF	-	-	-	-	-
316	Homeland Security Grants	-	-	47,500	-	47,500
317	EDG Revolving Loan Fund	-	-	-	-	-
	Total Special Revenue Funds - Other	**100,569**	**474,582**	**1,409,900**	**-**	**1,985,051**
Debt Service Funds						
26	Pension Obligation Bonds	-	3,500	-	445,286	448,786
66	COP Debt Service Reserve	-	1,400	-	-	1,400
	Total Debt Service Funds	**-**	**4,900**	**-**	**445,286**	**450,186**

City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2017/18

Fund/ Dept	Fund/Department Title	FY 2017/18 Proposed Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
Recreation Enterprise Fund						
4	**Recreation**	**866,592**	**270,300**	**-**	**-**	**1,136,892**
Wastewater Enterprise Funds						
10	Wastewater Operations	982,502	704,500	27,500	256,200	1,970,702
11	Tertiary Treatment Plant	50,718	140,650	12,000	-	203,368
12	Wastewater Capital Reserve	-	1,500	150,000	-	151,500
14	Wastewater ERF	-	1,000	6,000	-	7,000
15	TTP District Reserve	-	12	-	-	12
	Total Wastewater Enterprise Funds	**1,033,220**	**847,662**	**195,500**	**256,200**	**2,332,582**
Internal Service Fund						
112	**Dental Insurance**	**70,000**	**50**	**-**	**-**	**70,050**
	Total All Funds	**10,484,431**	**3,569,364**	**2,267,175**	**1,361,208**	**17,682,178**


General Fund Expenditures by Department
FY 2017/18 Proposed
Equipment Replacement, $600
Legislative, $251,686
City Attorney, $184,000
General Government, $952,171
City Manager/ Administration, $404,874
Administrative Services, $1,020,260
Police, $5,165,164
Community Development, $1,284,965
Public Works, $1,853,327


Total Expenditures by Fund
FY 2017/18 Proposed
Wastewater, $2,332,582
Dental Self-Insurance Internal Service, $70,050
Recreation, $1,136,892
Debt Service, $450,186
Special Revenue - Other, $1,985,051
General Fund, $11,117,047
Special Revenue - DIF, $274,170
General Capital Improvement, $316,200

City of Scotts Valley
Schedule of Fund Balance Transfers
FY 2017/18

					Transfers In						
		Fund #		1		26		4		28	
	Fund #	Fund Title		General Fund		Pension Obligation Bond		Recreation		Senior Center	Total
Transfers out	1	General Fund		-	B	370,715	C	248,300	D	41,700	**660,715**
	3	Gas Tax Fund	A	260,000		-		-		-	**260,000**
	4	Recreation Fund		-	B	25,354		-		-	**25,354**
	28	Senior Center Operations		-	B	3,695		-		-	**3,695**
	123	Community Facility Center Operations		-	B	1,443		-		-	**1,443**
	10	Wastewater Operations		-	B	47,579		-		-	**47,579**
		Totals		**260,000**		**448,786**		**248,300**		**41,700**	**998,786**

Notes:

A - Transfer Gas Tax revenues to General Fund for streets maintenance expenditures.

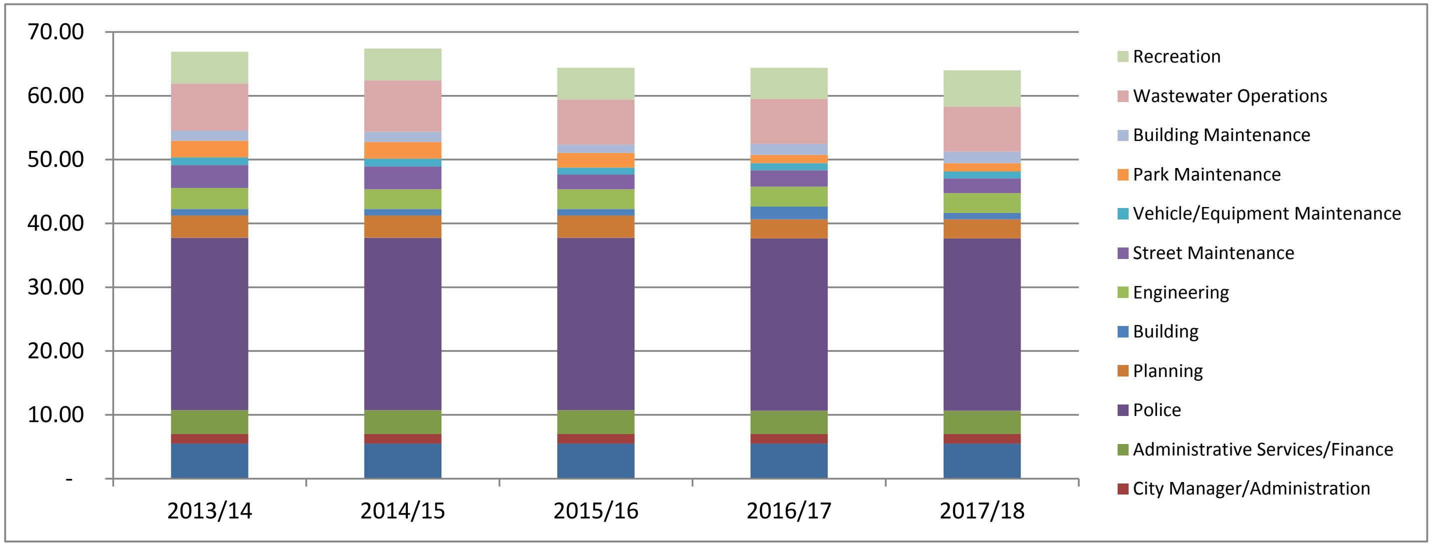
B - Transfer from operating department budgets to fund allocation of costs associated with Pension Obligation Bond debt service and administrative costs.

C - Transfer to Recreation Fund from General Fund to subsidize recreation programs and liquidate deficit fund balance from FY 2016/17

D - Transfer to Senior Center Operating Fund from General Fund to subsidize Senior Center programs and liquidate deficit fund balance from FY 2016/17

City of Scotts Valley
Personnel Summary by Department
FY 2017/18

	Fiscal Year				
	Actual			Approved	Proposed
Department	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Legislative	5.50	5.50	5.50	5.50	5.50
City Manager/Administration	1.50	1.50	1.50	1.50	1.50
Administrative Services/Finance	3.75	3.75	3.75	3.65	3.65
Police	27.00	27.00	27.00	27.00	27.00
Commmunity Development					
Planning	3.50	3.50	3.50	3.00	3.00
Building	1.00	1.00	1.00	2.00	1.00
Public Works					
Engineering	3.30	3.10	3.10	3.10	3.10
Street Maintenance	3.60	3.60	2.30	2.60	2.30
Vehicle/Equipment Maintenance	1.20	1.20	1.10	1.10	1.10
Park Maintenance	2.60	2.60	2.30	1.30	1.30
Building Maintenance	1.60	1.60	1.30	1.70	1.80
Wastewater Operations	7.35	8.05	7.05	7.05	7.05
Recreation	5.00	5.00	5.00	4.90	5.70
Total	**66.90**	**67.40**	**64.40**	**64.40**	**64.00**



RESOLUTION NO. 1931

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ADOPTING A FUND BALANCE POLICY UNDER THE REQUIREMENTS OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NUMBER 54 (GASB 54) FOR FISCAL YEARS 2016/17 AND 2017/18

WHEREAS, GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, was issued in 2009 that changed the method in which Fund Balances for Governmental Fund Types are reported in the City’s Comprehensive Annual Financial Report (CAFR) and became effective for all government agencies for fiscal years beginning after June 15, 2010; and

WHEREAS, the provisions of GASB 54 require that the government agency establish fund balance policies that are reflective of the provisions of the pronouncement; and

WHEREAS, City staff has analyzed GASB 54’s provisions in light of the City’s financial resources and existing City policies and has developed a Fund Balance Policy Under the Requirements of GASB 54; and

WHEREAS, City staff has also developed a GASB 54 Fund Balances Listing for FY 2016-17 and FY 2017-18 considering existing fiscal policies, the recommendations under the Fund Balance Policy in accordance with GASB 54, and based upon the direction received at the June 7, 2017 Budget Public Hearing.

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

1. The Fund Balance Policy Under the Requirements of GASB 54 effective for fiscal years 2016/17 and 2017/18, attached hereto and incorporated therein, is approved.
2. The GASB 54 Fund Balances Listing for FY 2016/17 and FY 2017/18, attached hereto and incorporated herein, is approved.
3. The City Manager is hereby directed to incorporate these policies into the City’s CAFR for FY 2016/17 and 2017/18.

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 21st day of June, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:______________________________
Randy Johnson, Mayor

Attest: ____________________________
Tracy A. Ferrara, City Clerk

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: FUND BALANCE POLICY – GASB 54	**POLICY NUMBER:** 03-17
EFFECTIVE DATE: 06/21/2017	**PAGES:** 3
REVISED DATES:	
APPROVED BY:	

Fund Balance Policy Under the Requirements of GASB 54
(Fiscal Year 2016/17 and 2017/18)

Background

The Government Accounting Standards Board (GASB) issued Statement No. 54 ("GASB 54") in February 2009. GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions", sets forth new standards in regards to the presentation of fund balance classifications in government agencies' Comprehensive Annual Financial Reports (CAFR). It establishes a hierarchy of fund balance classifications based primarily upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB 54 has no impact on the presentation of Enterprise Funds (e.g., Wastewater and Recreation Funds). The provisions of the pronouncement were implemented for fiscal years beginning on or after June 15, 2010, which for Scotts Valley was implemented in its CAFR for the year ended June 30, 2011.

Purpose

The purpose of this policy is to establish the policies of the City of Scotts Valley in regards to the treatment and presentation of fund balances in its Comprehensive Annual Financial Report.

Hierarchy of Fund Balance Classifications

GASB 54 has established the following hierarchy of fund balance classifications, presented from the most restrictive to the least restrictive.

- <u>Non-Spendable</u> – amounts that cannot be spent because they are either:
    - Not in spendable form; or,
    - Legally or contractually required to be maintained intact.
- <u>Restricted Fund Balance</u> – amounts that are restricted to specific purposes that may be placed on the use of those resources by either:
    - Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or,

  - o Imposed by law through constitutional provisions or enabling legislation[1]

- Committed Fund Balance – amounts that can only be used for specific purposes that are constrained by the formal action of the agency's highest level of decision-making authority, and cannot be used for any other purpose unless that authority removes or changes the specified use through the same type of action which placed the commitment on the fund previously.

- Assigned Fund Balance – amounts that are constrained by the agency's intent to be used for specific purposes, but do not fit the definitions of either Restricted or Committed funds. The authority for making an assignment does not require the agency's highest level of decision-making authority.

- Unassigned Fund Balance – this represents the residual classification for the General Fund, as all other funds would fall under the prior categories. It should be noted that minimum reserve policies for the General Fund would be categorized as Unassigned fund balance, but can be disclosed in the footnotes to the CAFR.

- Stabilization Arrangements – this is a special provision whereby an agency may elect to set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise. These would be classified as restricted or committed funds based upon the nature of the arrangement.

Policy

The City hereby establishes the following policies relating to its fund balance classifications.

1. Committed Fund Balances

   a. Highest Level of Decision-Making Authority – the City Council is hereby acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating Committed Fund Balances.

   b. Formal Action Required – the Council shall have the authority to establish, modify or rescind Committed Fund Balances by Ordinance, Resolution or Minute Order, where appropriate, passed by a majority vote.

   c. Timing – the Council will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual CAFR.

2. Assigned Fund Balances

   a. Approval Authority – the Council delegates the authority to the City Manager to assign fund balance amounts to specific purposes when such policies are enacted by the governing body.

   b. Specific Policies – the Council may establish policies as needed to delegate authority to an appropriate official to assign resources to specific purposes in terms of creating,

[1] "Enabling legislation" would authorize the agency to assess, levy, charge, or otherwise mandate payment of resources with legally enforceable provisions that those resources can only be used for the specific purposes in that legislation.

modifying or rescinding Assigned Fund Balances. Such policies will be approved by the governing body by Resolution or Minute Order passed by a majority vote.

3. Expenditure of Funds – Order of Expenditure

   a. Restricted and Unrestricted Funds – when an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund Balances are available, the City shall consider that Restricted Funds shall be spent first until such funds are exhausted, at which time Committed, Assigned or Unassigned Funds will be used as provided below.

   b. Committed, Assigned or Unassigned Funds – when an expenditure is incurred where there are no Restricted Funds available, and for which Committed and/or Assigned Fund Balances are available, the City shall exhaust Committed Funds first until such funds are exhausted, then shall exhaust Assigned Funds until such funds are exhausted.

4. Classification of Fund Balances

   a. The City shall at least on an annual basis, and by virtue of the adoption of its annual budget, establish a listing of all Fund Balances and their classifications. This GASB 54 Fund Balances Listing will be attached to this Policy as an Exhibit.

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

EXHIBIT B

City of Scotts Valley

GASB 54 Fund Balances Listing

For Fiscal Year 2016/17 and 2017/18

The following represents a listing of all fund balance classifications for the City in accordance with the provisions of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” Funds are identified as to General Fund, Capital Projects Fund, Special Revenue Funds (Development Impact Fees, Maintenance Districts, and Other), and Debt Services Funds.[1] G/L account numbers, where established, are provided parenthetically in this table. Amounts are not identified in this table as final balances will be determined when the books of the organization are closed.

	Most Restrictive ◄			►	**Least Restrictive**
Governmental Fund Type	**Nonspendable**	**Restricted**	**Committed**	**Assigned**	**Unassigned**
General Funds	◆ Advances to Other Funds (001.TBD) ◆ Inventories and Prepaid Expenses (001.TBD)	N/A	N/A	◆ Assigned for Encumbrances (001.2695; 006.2695) ◆ Assigned for Credit Support Agreement for the Monterey Bay Community Power Authority (001.TBD)	◆ Unrestricted Surplus (001.2600; 006.2600)
Capital Projects Funds	◆ Advances to Other Funds (150.TBD)	None	None	◆ Committed Projects (150.2695) ◆ Unrestricted Surplus (150.2600)	N/A

[1] Enterprise Funds (Wastewater and Recreation), Internal Service Funds (Dental Self-Insurance) Succesor Agency Private Purpose Trust Fund and other Agency Funds are excluded from this listing as GASB 54 only applies to Governmental Fund Types.

	Most Restrictive	⟷			Least Restrictive
Governmental Fund Type	**Nonspendable**	**Restricted**	**Committed**	**Assigned**	**Unassigned**
Special Revenue Funds – Development Impact Fees	None	◆ Drainage Construction Impact Fees (007.26xx) ◆ Traffic Impact Mitigation Fees (008.26xx) ◆ Park & Recreation Facilities Impact Fees (009.26xx) ◆ General Facility Impact Fees (021.26xx) ◆ Police Facility Building Impact Fees (027.26xx) ◆ Mt. Hermon Traffic Mitigation (051.26xx) ◆ Library Impact Fees (086.26xx) ◆ Police Development Impact Fees (315.26xx)	None	None	N/A

	Most Restrictive				Least Restrictive
Governmental Fund Type	**Nonspendable**	**Restricted**	**Committed**	**Assigned**	**Unassigned**
Special Revenue Funds - Other	None	◆ Recycling/Environment (002.26xx) ◆ Gas Tax (003.26xx) ◆ SMIP Fees (005.26xx) ◆ Senior Center Designated Donations (018.26xx) ◆ Affordable Housing (019.26xx) ◆ Lennar Funds (025.26xx) ◆ STP Exchange Projects (031.26xx) ◆ Tree Replacement (033.26xx) ◆ Green Building Funding (035.26xx) ◆ Disability Compliance (36.26xx) ◆ Pinewood Estates Landscape Maintenance District (050.26xx) ◆ Skypark Maintenance Assessment District (077.26xx and 078.26xx) ◆ Library Facilities Improvements Measure S (088.26xx) ◆ Measure D Sales Tax for Transportation (155.26xx) ◆ Supplemental Law Enforcement Services (306.26xx) ◆ Homeland Security Grant (316.26xx) ◆ EDG Revolving Loan (317.26xx)	None	◆ Senior Center Operations (028.26xx) ◆ Community Facility Center Operations (123.26xx)	N/A

	Most Restrictive				Least Restrictive
Governmental Fund Type	**Nonspendable**	**Restricted**	**Committed**	**Assigned**	**Unassigned**
Debt Service Funds	None	◆ Pension Obligation Bond (026.26xx) ◆ COP Debt Service Reserve (066.26xx)	None	None	N/A

Definitions:

- **Nonspendable** – amounts that cannot be spent because they are either not in spendable form or legally/contractually required to remain intact
- **Restricted** – amounts restricted to specific purpose that are:
    - o Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments
    - o Imposed by law through constitutional provisions or enabling legislation
- **Committed** – amounts that can only be used for specific purposes that are constrained by the formal action of the City Council and cannot be used for any other purpose unless the Council removes or changes the specified use through the same type of action which placed the commitment on the fund previously
- **Assigned** – amounts that are constrained by the agency's intent to be used for specific purposes, but do not fit the definitions of either Restricted or Committed funds. The authority for making an assignment does not require the agency's highest level of decision-making authority
- **Unassigned** – this represents the residual classification for the General Fund, as all other funds would fall under the prior categories. Minimum reserve policies for the General Fund would be categorized as Unassigned fund balance, but can be disclosed in the footnotes to the CAFR.

RESOLUTION NO. 1932

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING A MINIMUM RESERVE POLICY FOR THE GENERAL FUND, GENERAL CAPITAL IMPROVEMENT FUND, RECREATION ENTERPRISE FUND AND WASTEWATER ENTERPRISE FUNDS FOR FY 2017/18

WHEREAS, the terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and,

WHEREAS, maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and,

WHEREAS, the City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and,

WHEREAS, the level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that a minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 201718 as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds
- **General Capital Improvement Fund** – a targeted minimum reserve equal to $500,000 for emergency capital infrastructure replacement needs not funded by other sources
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero ($0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 67% (or, approximately eight months) of annual operating expenses, plus $1,000,000 in capital reserves for emergency capital infrastructure replacement.

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 21st day of June 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: MINIMUM RESERVE POLICY	**POLICY NUMBER:** 04-17
EFFECTIVE DATE: 06/21/2017	**PAGES:** 1
REVISED DATES:	

APPROVED BY:

POLICY

This policy establishes a minimum reserve policy for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2017/18.

SCOPE

- The terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and,
- Maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and,
- The City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and,
- Level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

OBJECTIVES

A minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2017/18 as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds;
- **General Capital Improvement Fund** – a targeted minimum reserve equal to $500,000 for emergency capital infrastructure replacement needs not funded by other sources;
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero ($0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves;
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 67% (or, approximately eight months) of annual operating expenses, plus $1,000,000 in capital reserves for emergency capital infrastructure replacement.

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

RESOLUTION NO. 1501.24

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX FOR THE FISCAL YEAR 2017/18

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 2017/18 requires the continuation of the collection of the utilities users' tax for FY 2017/18.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2018.

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 21st day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ______________________________
Tracy A. Ferrara, City Clerk