



MINUTES

Meeting of the Scotts Valley City Council

Date: June 20, 2018

Time: 6:00 pm

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	The agenda was posted 6-15-18 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvally.org .

CALL TO ORDER 6:00 PM

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

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:

Jim Reed, Mayor
Jack Dilles, Vice Mayor
Stephany E. Aguilar, Council Member
Randy Johnson, Council Member
Donna Lind, Council Member

CITY STAFF MEMBERS PRESENT:

Jenny Haruyama, City Manager
Kirsten Powell, City Attorney
Taylor Bateman, Community Development Director
Steve Walpole, Chief of Police
Jessica Kahn, Civil Engineer
Michelle Edwards, Senior Planner
Brenda Stevens, Assistant Planner
Tracy Ferrara, City Clerk

SPECIAL SET MATTERS

- (1) **Introduction of new Administrative Services Director, Tony McFarlane, by City Manager Haruyama**

CM Haruyama introduced the new Administrative Services Director, Tony McFarlane, who will begin working with the City on July 9, 2018.

- ~~(2) **Presentation from the Scotts Valley Community Theater Guild (SVCTG)**~~

Cancelled by SVCTG.

COMMITTEE REPORTS

VM Dilles reported that he attended a Seniors Advisory Board meeting where they discussed federal, state, and local funding.

VM Dilles reported that he attended the Integrated Waste Management Task Force where they discussed organics diversion and new upcoming regulations.

VM Dilles reported that as an alternate member of the Santa Margarita Groundwater Agency Joint Powers Authority, he was interviewed by the facilitator that is interviewing all of the members and alternates that sit on the JPA. He stated it was an opportunity to provide his input on water management.

CM Johnson reported that the Santa Cruz County Regional Transportation Commission (SCCRTC) Board met and approved a contract with a company called Progressive Rail, who will handle the freight issues associated with the rail corridor.

CM Lind reported that she attended the Santa Margarita Groundwater Agency Joint Powers Authority where they are planning for future water use that has been mandated by the state. She stated that a mediator has been hired to assist in communication between all of the stakeholders involved in this JPA.

CM Lind reported that she will be attending the American Public Transportation Association annual meeting that is being held at the Scotts Valley Hilton, June 23-26, 2018.

CM Lind reported that LAFCO will be holding a special meeting on Friday, June 29, 2018 from 10:00 am to Noon at the Central Fire Station on 17th Avenue in Santa Cruz to discuss the Consolidation Study for the Aptos, Central, and La Selva Fire agencies.

CITY MANAGER REPORT

- **Art Walk:** The Arts Commission's 2nd Annual Art Walk Opening Ceremony is scheduled for Saturday, June 23 from 4-6 pm at SKypark. You'll have a chance to meet the artists and enter a free raffle.
- **Recreation Enrollment Activity:** 94 enrollments the first week for one Summer Camp (Jumanji Rec). We are averaging over 80 enrollments a week for all 10 weeks.
- **Circus is coming to town:** The Flynn Creek Circus will be at Skypark, June 21 – 24. Go to www.flynncreekcircus.com for hours and cost.
- **New Class:** We are now offering beginning level Synchronized Swim Lessons at Siltanen Family Swim Center for children ages 5-10 with Bronze Olympic Medalist, Kendra Zanotto.

- **Polo Ranch Traffic Diversion Notification:** Due to unforeseen delays and construction issues, the use of Succinto Drive for residential traffic will be extended through Monday, July 9, 2018.
- **Mount Hermon Road Intersection:** Public Works staff and Granite Construction completed an initial walk through of the Mount Hermon Intersection project today. Remaining work consists of concrete work, sign placement, and landscaping. All work requiring major traffic control should be complete at the end of this week.
- **Green Hills Road:** Work on Green Hills Road will begin on Monday, June 25. Notifications were sent out to residents and businesses affected this week. Work in the first phase of the project consist of locating and protecting existing utilities, adjusting utility lids (manholes, valve boxes, etc.) and shoulder and median grading. The project is scheduled to be completed in mid-August.
- **No July Council Meetings:** I would like to remind the community that there will be no Council meeting during the month of July and the next scheduled meeting is Wednesday, August 1, 2018.
- **4th of July Events:** Hope to see you all at the annual 4th of July parade and celebration! 4th of July wristbands are on sale at the Parks and Recreation Office, Zinnias, Scotts Valley Market, and Ben Lomond Market. Tickets are \$6 in advance, \$8 the day of the event, and children under 4 are free.

PUBLIC COMMENT TIME

Sue Draper, Scotts Valley resident, spoke regarding the Valley Gardens Golf Course water recharge area and the impacts that development and re-zoning of the Golf Course could have to that water recharge area.

Mike Birley, President of the Scotts Valley Police Officers Association, spoke in support of the City's Fiscal Sustainability Plan (FSP) and encouraged the City Council to listen to staff recommendations related to the FSP.

VM Dilles announced that he recently participated in a dig/trail building day at the Glenwood Preserve with 40 other volunteers. He stated that anyone interested in volunteering could contact Mountain Bikers of Santa Cruz County (www.MBOSC.org) for upcoming dates.

CM Lind announced that she attended the recent fundraiser put on by the Scotts Valley Community Theater Guild (SVCTG).

CM Lind announced that she attended a flag retirement ceremony that was performed by Boy Scout Troop 614 on Flag Day, June 14, 2018.

ALTERATIONS TO CONSENT AGENDA

M/S: Lind/Aguilar

To approve the Consent Agenda.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

CONSENT AGENDA

- A. Approve City Council meeting minutes 6-6-18
- B. Approve check registers dated 6-4-18, 6-8-18, 6-14-18, 6-15-18
- C. Approve Resolution No. 1139.22 approving the Investment Policy for the City of Scotts Valley, City Council Policy No. 05-17
- D. Approve Resolution No. 1007.31 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 2018/19
- E. Statewide General Election Resolutions:
 - (1) Resolution No. 1949 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and
 - (2) Resolution No. 1949.1 calling for a Statewide General Election for the election of members of the City Council, determining that costs of Candidate's Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will be opened and closed
- F. Approve Resolution No. 514.16, amending the Conflict of Interest Code for designated positions and incorporating by reference the Fair Political Practices Commission's Standard Model Conflict of Interest Code
- G. Approve Resolution No. 1435.23 approving the destruction of obsolete records by the Chief of Police:
 - (1) Any personnel records of past employees that have been maintained for five (5) years after departure prior to June 30, 2013; and
 - (2) Any recruitment records of past applicants that have been maintained for three (3) years after closing/completion prior to June 30, 2015.
- H. Approve the Specialized Roadway Improvements Maintenance Agreement with 1440 DEVCO LLC and authorize the Mayor to execute the agreement
- I. Approve Resolution No. 1895.21 a resolution accepting the offer of dedication for the realigned Bethany Drive
- J. Approve Resolution No. 1923.3 approving the FY 2018/19 to FY 2022/23 five-year program of projects to be funded with Measure D revenues and the Measure D: 5-Year Program of Projects (FY18/19 – FY22/23) for the City of Scotts Valley

ALTERATIONS TO REGULAR AGENDA

M/S: Lind/Johnson

To approve the Regular Agenda.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

M/S: Reed/Lind

To hear Item 7 first on the agenda, as public hearings cannot be heard until 6:30 pm.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

REGULAR AGENDA

7. **Consider first reading and introduction of an ordinance of the City Council of the City of Scotts Valley amending Chapter 3.24 of Title 3 (Revenue and Finance) of the City's Municipal Code regarding Uniform Transient Occupancy Taxes (TOT)**

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

VM Dilles recommended the following change to the last sentence of Section 3.24.070 – Reporting and remitting, A, “At the time the tax return is filed, the full amount of tax collected shall be remitted in a form payment acceptable to the city Finance Director.”

M/S: Aguilar/Lind

To approve the first reading and introduction of Ordinance No. 76.2, amending Chapter 3.24 of Title 3 (Revenue and Finance) of the City's Municipal Code regarding Uniform Transient Occupancy Taxes (TOT) as amended above, and waive the reading thereof.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

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

1. **PUBLIC HEARING: Consider approval of Minor Land Division No. MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet into three parcels located southwest of Nashua Drive and Grace Way in the R-M-6 Zoning District, APN's 023-171-05 and 023-171-06**

AP Stevens presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED – 6:41 PM

No one came forward.

PUBLIC HEARING CLOSED – 6:41PM

M/S: Lind/Dilles

To approve Resolution No. 1950, approving a Minor Land Division No. MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet into three parcels located southwest of Nashua Drive and Grace Way in the R-M-6 Zoning District, APN Nos. 023-171-05 and 023-171-06.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

2. **PUBLIC HEARING: Consider approval of a General Plan Amendment, Pre-Zoning, and Annexation of 1.52 acres of property into the City - 374 Hacienda Drive (County Boetzer property/APN 070-331-09) to be annexed into 54 Cumbre Lane (City Chapman property/APN 023-161-04)**

SP Edwards presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED – 6:48 PM

No one came forward.

PUBLIC HEARING CLOSED – 6:48 PM

M/S: Aguilar/Lind

To approve Resolution No. 1951, approving a General Plan Amendment (GPA17-002) to change the land use designation of 1.52 acres at 374 Hacienda Drive (County Boetzer property / APN 070-331-09) from Mountain Residential to Rural Residential to be annexed into 43 Cumbre Lane (City Chapman property / APN 023-161-04).

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

M/S: Aguilar/Dilles

To approve first reading and introduction of Ordinance No. 16-ZC-227, approving 1) Pre-zone No. PRE-ZC17-002 to pre-zone 1.52 acres at 374 Hacienda Drive (County Boetzer property / APN 070-331-09) from a Mountain Residential zone (R-MT) to a Rural Residential zone (R-R-2.5) to be annexed into 54 Cumbre Lane (City Chapman property / APN 023-161-04); and 2) Amendment to the City's Sphere of Influence map to include the 1.52 acres to be annexed, and waive the reading thereof.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

M/S: Dilles/Lind

To approve Resolution No. 1951.1, approving an Annexation (A17-001) of 1.52 acres from 374 Hacienda Drive (County Boetzer property / APN 070-331-09) into 54 Cumbre Lane (City Chapman property / APN 023-161-04) into the City of Scotts Valley.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

3. **PUBLIC HEARING: Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP- 30; Annual Engineer's Report for FY 2018-19**

Mayor Reed recused himself from this item as he is a resident of Skypark.

CE Kahn presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED – 6:53 PM

No one came forward

PUBLIC HEARING CLOSED – 6:53 PM

M/S: Lind/Aguilar

To approve the FY 2018/19 Annual Engineer's Report and approve Resolution No. 1555-SP-30, ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Skypark Open Space Maintenance District.

Carried 4/1 (AYES: Aguilar, Dilles, Johnson, Lind; ABSENT: Reed)

4. **PUBLIC HEARING: Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.32; Annual Engineer's Report Pinewood Estates for FY 2018-19**

CE Kahn presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED – 6:54 PM

No one came forward.

PUBLIC HEARING CLOSED – 6:54 PM

M/S: Lind/Dilles

To approve the FY 2018/19 Annual Engineer's Report and approve Resolution No. 1213.32, ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Pinewood Estates Landscaping Maintenance District.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

5. **PUBLIC HEARING: Consider approval of the vacation and abandonment of a portion of Bethany Drive**

CE Kahn presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED – 6:56 PM

No one came forward.

PUBLIC HEARING CLOSED – 6:56 PM

M/S: Aguilar/Dilles

To approve Resolution No. 1895.22, approving the vacation and abandonment of a portion of Bethany Drive.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

REGULAR AGENDA (Continued)

6. Discussion of user fee study results and policy direction regarding FY 2018/19 Planning, Building, Public Works, Police, and Administrative fees and charges for FY 2018/19

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

CDD Bateman spoke regarding Building and Planning fees, the reasoning behind City staff recommendations regarding cost recovery percentages, and responded to questions from Council.

Steve Toler, Financial Consultant, reviewed the proposed three-year phased-in approach used to achieve the targeted cost recovery levels for each fee and responded to questions from Council.

CM Aguilar recommended requiring a small fee for residential solar permits.

The majority of the City Council agreed to the following:

- (1) Solar permit fees be set at 50% cost recovery.
- (2) Establish full cost recovery for pre-application discussion regarding general plan amendments and zone changes.
- (3) Use the three-year phased-in approach to achieve the targeted cost recovery levels for each fee, and authorized City staff to return with a resolution at the next regular City Council meeting to establish the FY 2018/19 fees and charges.

8. Consideration of changes to Uniform Transient Occupancy Tax Rate and placing the Measure before the voters at the November 6, 2018 Statewide Election

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

CM Lind stated she is checking into funding to help with a shuttle for hotels from transportation funds, and she also recommended hiring a staff person to help promote businesses, social media, etc.

VM Dilles stated that he would prefer a 12% rate.

CM Johnson expressed concerns about going to 12% as he feels it could cause more opposition. He is in support of 11% at this time.

CM Lind recommended asking for an 11% increase the first year, with an increase to 12% the second year.

Mayor Reed expressed concerns about going to 12% as he feels it could cause more opposition. He is in support of 11% at this time.

CM Aguilar recommended asking for an increase to 11% this year, with an increase to 12% in three years.

M/S: Aguilar/Dilles

To approve Resolution No. 1949.2, requesting submission to the voters of a local ballot measure regarding an increase in the City's Transient Occupancy Tax from 10% to 11% for inclusion on the November 6, 2018 consolidated general election ballot and directing the City Attorney to prepare an impartial analysis of the measure.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

9. Consideration of City of Scotts Valley Final FY 2018/19 Annual Budget and approval of the following documents:

- (1) Resolution No. 630.38 approving the final FY 2018/19 Annual Budget and making appropriations for the amounts budgeted**
- (2) Resolution No. 1932.1 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)**
- (3) Resolution No. 1501.25 approving the continued collections of the utility users' tax for FY 2018/19**

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

VM Dilles recommended pre-paying the annual CalPERS payment in July, as it will save \$30,000 to \$50,000 per year.

CM Aguilar agreed with VM Dilles regarding the CalPERS payment.

CM Johnson recommended using the \$30,000 savings from CalPERS to build a new backstop at Siltanen Park, or possibly using Lennar funds.

CM Aguilar stated that she would prefer to use park bond monies for a backstop when they are available.

CM Haruyama recommended bringing options back with a budget amendment, once costs and funding sources can be identified.

CM Lind stated that she agreed with VM Dilles regarding the pre-payment to CalPERS.

M/S: Aguilar/Dilles

To approve Resolution No. 630.38, approving the City's annual budget for Fiscal Year 2018/19 and making appropriations for the amounts budgeted.

Carried 4/0/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

M/S: Aguilar/Lind

To approve Resolution No. 1932.1, approving a Minimum Reserve Policy for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund, and Wastewater Enterprise Funds for FY 2018/19.

Carried 4/0/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

M/S: Aguilar/Lind

To approve Resolution No. 1501.25, approving the continued collection of the Utility Users' Tax for the Fiscal Year 2018/19.

Carried 4/0/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

10. Future Council agenda items

None.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 9:05 p.m. to discuss the following items:

- (1) Pursuant to Government Code Section 54957.6, the City Council met in closed session to confer with their labor negotiator re employee negotiations with SEIU, Mid Management Group, Management Group, Scotts Valley Police Bargaining Unit, Scotts Valley Police Supervisors Association.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 9:55 p.m.

REPORT ON ACTION TAKE DURING CLOSED SESSION

Mayor Reed announced that there was nothing to report.

ADJOURNMENT

The meeting adjourned at 9:55 p.m.

Approved: _____

Jim Reed, Mayor

Attest: _____

Tracy A. Ferrara, City Clerk