A G E N D A

Meeting of the
Scotts Valley City Council

Date: May 3, 2017
Time: 6:00 p.m.

CITY OF SCOTTS VALLEY	**MEETING LOCATION**	**POSTING**: The agenda was
1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	posted 4-28-17 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org.

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

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 4-19-17, 4-5-17

B. Approve check register – 4-24-17

C. Approve non-collection of fees for the use of Skypark Park in the amount of $1,300 for the Scotts Valley Education Foundation Touch a Truck event being held on May 7, 2017

D. Approve non-collection of fees for the use of Skypark Park in the amount of $3,000 for American Cancer Society, Inc., Relay for Life 24 Hour Cancer Walk being held on June 3-4, 2017

E. Approve acceptance of Scotts Valley Advocates donation to the City of Scotts Valley of $21,334.53 for the following purchases: (1) New Gator for Maintenance Services, $13,236.53; (2) Financial Assistance Funds (Scholarship Funds) for Families in Need, $1,500.00; and (3) Funding for a Shade Structure at the Siltanen Family Swim Center, $6,598.00

F. Approve fireworks agreement between the City of Scotts Valley and Pyro Spectaculars North, Inc. in the amount of $16,500, and authorize the City Manager to sign the agreement

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. Presentation of Scotts Valley Arts Commission Verse in the Valley Poetry Contest Winners for 2017 (Oral Presentation)

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

2. Consider approval of Resolution No. 1895.19.1 approving vacation and abandonment of Gaston Circle offer of dedication (Public Works Hamby)

   - Open public hearing
   - Close public hearing
   - Approve Resolution No. 1895.19.1

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

3. Policy Direction regarding Long Term Obligations – Other Post Employment Benefits (OPEB) (Consultant Toler / City Manager Haruyama)

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

CONVENE TO CLOSED SESSION

CLOSED SESSION
SUBJECT:

(1) Conference with labor negotiator re employee negotiations with SEIU.
Legal Authority: Government Code Section 54957.6
Name of Case: N/A
Staff Present: City Manager

(2) Conference with legal counsel re potential litigation – 2 cases.
Legal Authority: Government Code Section 54956.9
Name of Case: N/A
Staff Present: City Manager

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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M I N U T E S

Meeting of the Scotts Valley City Council

Date: April 19, 2017

POSTING:
The agenda was posted on 4-14-17 at City Hall, the SV Senior Center, and the SV Library, by the City Clerk.

CALL TO ORDER 6:00 p.m.

SPECIAL SET MATTER

Mayor Johnson introduced Mayor for the Day, Kacie Van Der Walde, who called the meeting to order and did the pledge of allegiance and moment of silence. Mayor Johnson presented Kacie with a certificate and spoke about her agenda for the day.

PLEDGE OF ALLEGIANCE and **MOMENT OF SILENCE**

ROLL CALL

Present:	Mayor Johnson	City Manager Haruyama
	Vice Mayor Reed	City Attorney Powell
	Council Member Dilles	Interim Police Chief Walpole
	Council Member Lind	Public Wks Director Hamby
	Mayor for a Day Van Der Walde	Acting Community Development Dir Bateman
		Civil Engineer Kahn
		City Clerk Ferrara
Absent:	Council Member Aguilar	

COMMITTEE REPORTS

CM Lind reported that she attended two DARE graduations at Vine Hill School and Baymonte, and congratulated the Scotts Valley Police Department on their work on the DARE program.

CM Lind reported that she attended the Traffic Safety Advisory Committee meeting where they discussed several items including the proposed Mt. Hermon Road/Scotts Valley Drive/ Whispering Pines Drive intersection improvements. She reported that they also discussed concerns regarding bike safety in Scotts Valley, specifically at the Spring Lakes intersection, and parking issues on Lundy Lane.

CM Lind reported that the Criminal Justice Council had scheduled a program for April, 2017, dealing with youth safety and violence. This program has now been postponed to October, 2017 and CM Lind will provide more information as it becomes available.

CM Lind reported that the Santa Margarita Groundwater Basin Advisory Agency met and discussed the history and procedures that the Advisory Agency will be working on. She stated that additional information is available on the Scotts Valley Water District's website.

CM Dilles reported that he also attended the Santa Margarita Groundwater Basin Advisory Agency meeting, as he is the alternate on this Committee, and he felt the presentation provided a good overview of the process.

Mayor Johnson reported that he attended the Santa Cruz County Regional Transportation Commission Board meeting where they discussed Measure D funds, which are schedule to be dispersed in August, 2017.

CITY MANAGER REPORT

Police in Pursuit Fundraiser

- This Friday, Scotts Valley Police Department, along with other local law enforcement, will put their pedal to the medal or the top spot at Ocean Speedway in Watsonville to raise funds for the Special Olympics Northern California.
- Proceeds from the "Police in Pursuit" event assist will help provide year round free sports training and competition to children and adults with intellectual and developmental disabilities at no cost.

O'Neil Sea Odyssey Program

- The City annually supports the O'Neil Odyssey program through grant funds to encourage outreach and education about how recycling benefits the ocean, and the importance of reducing waste in landfills.
- The program, which has been around for nearly 3 decades, provides annual reports to the City and since 2001, has served 3,500 Scotts Valley youth. Overall, its program has reached more than 100,000 students in the Santa Cruz area.
- This year, 222 Scotts Valley students participated in the program, learning about the proper treatment of watersheds and storm drains in order to protect the ocean and environment.

Siltanen Park Mural

- Plans are underway to update the Siltanen Park Mural.
- This summer, members of the community will have the opportunity to sign up through the Recreation Division to help paint the mural and give it a new look.
- It is anticipated that a conceptual design will be brought forward to Council in mid-May.

PUBLIC COMMENT

Wendy Brannan, SV resident, expressed concerns about CM Reed participating in the discussion of an item at the last meeting that she feels CM Reed should have recused himself from participating in related to Skypark.

Lex Rau, former Transportation Commission bicycle representative, acknowledged PWD Hamby for his support of bicycle and pedestrian safety.

CM Reed responded to Ms. Brannan's concerns. He stated that it was his intention to discuss the City's general weed abatement policy, and that he used the condition of the Skypark Linear Park as an example of the City's larger weed abatement policy.

ALTERATIONS TO
CONSENT AGENDA

M/S: Lind/Dilles
To approve the Consent Agenda.
Carried 4/0/1 (AYES: Dilles, Johnson, Lind, Reed; ABSENT: Aguilar)

Consent Agenda:

A. Approve check register – 4-5-17, 4-12-17
B. Approve and ratify Mayor Randy Johnson's appointment of Bobbie Lynne Ward to the Arts Commission to replace Jeanne Shada
C. Approve the designation of applicant's agent resolution for non-state agencies by title to obtain federal and/or state financial assistance through the California Office of Emergency Services

ALTERATIONS TO
REGULAR AGENDA

M/S: Lind/Reed
To approve the Regular Agenda.
Carried 4/0/1 (AYES: Dilles, Johnson, Lind, Reed; ABSENT: Aguilar)

REGULAR AGENDA

1. **Interview process to rank and appoint three at-large members to serve on the General Plan Advisory Committee (GPAC)**

   Acting CDD Bateman presented the written staff report and responded to questions from Council. He stated that GPAC candidates need not be present for the interview to be considered for the position.

   Mayor Johnson recommended including the fourth ranked individual as an alternate due to the large time commitment that will be required of the GPAC, and the City Council agreed with this recommendation.

   The GPAC candidates were given the opportunity to briefly share their qualifications to serve as a GPAC at-large member and answer questions from the City Council. The GPAC candidates, in alphabetical order, introduced themselves and responded to questions from the City Council:

(1) Rocco Chappie; (2) Steve Clark; (3) Diane Cohan; (4) Todd Creamer; (5) John Franich; (6) Angela Franklin; (7) Edward Harmon; (8) Brian Harrison (out of town); (9) Jeffrey Hill; (10) Ryan Hinn; (11) Michael Lazarus; (12) Deborah Muth (out of town).

Cathy Herteman, SV resident, spoke in support of Angela Franklin being appointed to the GPAC.

Wendy Brannan, SV resident, recommended that the City Council take into consideration more diversity for the GPAC than its current representation.

The City Council ranked the applicants and City Clerk Ferrara tabulated the weighted results and presented the top four GPAC candidates based on the weighted results.

M/S: Lind/Dilles
To appoint Steve Clark, Angela Franklin, and Ed Harmon to serve as the three at-large members of the General Plan Advisory Committee (GPAC) with Jeff Hill as the alternate.
Carried 4/0/1 (AYES: Dilles, Johnson, Lind, Reed; ABSENT: Aguilar)

2. **Consider approval of final design for the Mt. Hermon Road/Scotts Valley Drive/ Whispering Pines Drive Intersection Improvement Project and Amendment No. 1 to the Agreement for Professional Services between the City of Scotts Valley and Mesiti-Miller Engineering**

PWD Hamby presented the written staff report and responded to questions from Council.

Rodney Cahill, Principal at Mesiti-Miller Engineering, and Leo Trujillo, Mott MacDonald, spoke regarding the project and responded to questions from Council.

Janneke Strause, Executive Director of Bike Santa Cruz County, spoke in support of the project and the bike boxes.

M/S: Lind/Dilles
To approve the plans for the Mount Hermon Road/Scotts Valley Drive/Whispering Pines Drive Intersection Improvement Project and allow staff and design engineers to determine the appropriate use of bike boxes.
Carried 4/0/1 (AYES: Dilles, Johnson, Lind, Reed; ABSENT: Aguilar)

M/S: Lind/Dilles
To approve Amendment No. 1 to the Agreement for Professional Services with Mesiti-Miller Engineering for the design of the Mount Hermon Road/Scotts Valley Drive/Whispering Pines Drive Intersection Improvement Project.
Carried 4/0/1 (AYES: Dilles, Johnson, Lind, Reed; ABSENT: Aguilar)

3. **Future Council agenda items**

None.

ADJOURNMENT The meeting adjourned at 8:43 p.m.

Approved: ______________________________
Randy Johnson, Mayor

Attest:________________________________
Tracy A. Ferrara, City Clerk

M I N U T E S

Joint Meeting of the
Scotts Valley City Council
and the
Scotts Valley Public Financing Authority

Date: April 5, 2017

POSTING:
The agenda was posted on 3-31-17
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 Dir Bateman
		Budget/Financial Consultant Toler
		Recreation Division Manager Ard
		City Clerk Ferrara

COMMITTEE REPORTS

CM Dilles reported that attended the retirement party for Scotts Valley Police Officer Chris Culwell.

CM Aguilar reported that she attended the AMBAG Board meeting where they discussed the legislation that is going forward on transportation funding.

VM Lind reported that she attended the Santa Cruz Metropolitan Transit District (SCMTD) Board meeting where they have been working to support SB1, which would provide additional funding for the SCMTD. She also reported that the SCMTD sent a group of representatives to Washington D.C. to lobby for transportation funding.

VM Lind reported that she and Mayor Johnson attended the UCSC grand opening.

VM Lind reported that she attended the swearing in ceremony for new Emergency Dispatch Clerk I Kiara Jacobsen.

VM Lind reported that she attended the DARE graduation held at Brook Knoll Elementary School.

VM Lind reported that she attended the Senior Center pancake breakfast fundraiser.

VM Lind reported that she attended the Eagle Court of Honor for three local young men and presented proclamations.

VM Lind reported that she attended Operation S.E.R.V.E., which is an ocean therapy program, to help wounded veterans. She stated that the Vision of S.E.R.V.E. is to empower our returning military veterans by promoting physical healing, uplifting lives, and providing a lifelong level of success.

VM Lind reported that she attended the LAFCO Board meeting where they reviewed their preliminary budget and LAFCO voted to approve a 10% increase to agencies that participate in LAFCO, which equates to a $741 increase to Scotts Valley.

VM Lind announced that the first Canepa Cars and Coffee event of the season will be held at Canepa Motorsports on Scotts Valley Drive on Saturday, April 12, 2017.

VM Lind announced that Police in Pursuit, a fundraiser benefiting Special Olympics of Northern California is being held at Ocean Speedway in Watsonville on April 21, 2017 from 6:00 pm to 10:00 pm.

CITY MANAGER REPORT

<u>PG&E</u>

- As you know, we are expecting another storm Thursday night through Saturday. To address any outages, PG&E has established a base camp and will be fully operational Thursday morning.

<u>POLICE</u>

- Next week, Chief Steve Walpole and Lieutenant John Wilson will attend the California Police Chiefs Association Annual Training Symposium in Monterey. This year’s Symposium will offer sessions on leadership, legal updates, regional collaboration, and many other topics of interest for law enforcement in California.
- Sergeant Rutherford graduated from the POST Supervisory Leadership Institute (SLI). SLI is an eight month commitment towards improving leadership skills for sergeants. Congratulations to Sergeant Rutherford for completing this challenging curriculum to move the department forward.

VINE HILL FLOORING

- The flooring in the Vine Hill modulars used the City's afterschool program will be replaced this week. The flooring for the Brook Knoll modular is scheduled for June.

SENIOR CENTER IMPROVEMENTS/PARKS

- Special thanks for the maintenance crews for painting the Senior Center in time for the Pancake Breakfast this week – they are taking care of the final touches this week. New flooring was also installed.
- Maintenance crews are busy preparing the sports fields for soccer season.
- New drinking fountains were installed at Skypark.

GFOA

- The City was recognized by the Government Finance Officers Association (GFOA) with a Certificate of Achievement of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR). This is the highest form of recognition in the area of governmental accounting and financial reporting a city can receive. Scotts Valley has received this award for more than 15 years.

PUBLIC COMMENT

Chief Walpole announced that the City of Scotts Valley's DARE Officer, Police Detective Mike Birley, has been designated as the Police Officer of the Year by the Scotts Valley Exchange Club.

Ray, Vista Del Lago resident, expressed concerns regarding the limited parking on Lundy Lane. He stated that Vista Del Lago does not have enough parking for its residents and additional parking on Lundy Lane would be helpful.

Mayor Johnson recommended that Ray contact the Police Department to see if they can add this item to one of their Traffic Safety Advisory Committee meetings for review and discussion.

Mandy Draper, SV resident, questioned the process used to sell the Suburban property on Mt. Hermon Road.

Wendy Brannan, SV resident, expressed concerns regarding the Successor Agency meeting times and agenda process.

CM Aguilar announced that the Senior Center will be holding its Passion for Fashion Show on Saturday, April 29, 2017 from noon to 2:30 pm. Interested parties can contact the Senior Center at 831-438-8666.

**ALTERATIONS TO
CONSENT AGENDA**

CM Haruyama stated that as noted in Item E, a supplemental staff report was submitted once all bids were received, and Earthworks Paving was the lowest bidder.

M/S: Aguilar/Lind
To approve the Consent Agenda as amended with the supplemental staff report for Item E.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

Consent Agenda:

A. Approve City Council meeting minutes 3-15-17
B. Approve check register – 3-10-17, 3-20-17, 3-27-17
C. Approve a revenue and expenditure budget adjustment in the amount of $177,674 for library improvements
D. Approve a budget expenditure adjustment in the amount of $19,341 for HVAC units for 911 server room and authorize City Manager to enter into the attached proposal from KT Mechanical, Inc.
E. Authorize City Manager to execute the attached Agreement with the lowest bidder for the construction of the Pasatiempo Golf Course Secondary Effluent Diversion Project
F. Approve Resolution No. 1895.19 approving the intention to vacate and abandon Gaston Circle Offer of Dedication
G. Approve resolutions approving a second amendment of 1997 and 2003 supplemental lease, supplemental sublease, and assignment agreement and second amendment of 2013 supplemental lease, supplemental sublease, and 2013 assignment agreement as follows:
(1) Resolution No. 1926.1, City Council resolution approving second amendment of 1997 and 2003 supplemental lease, supplemental sublease, and assignment agreement;
(2) Resolution No. 1926.2, City Council resolution approving second amendment of 2013 supplemental lease, 2013 supplemental sublease, and 2013 assignment agreement;
(3) Resolution No. JPA-42.1, Public Financing Authority resolution approving second amendment of 1997 and 2003 supplemental lease, supplemental sublease, and assignment agreement; and
(4) Resolution No. JPA-42.2, Public Financing Authority resolution approving second amendment of 2013 supplemental lease, 2013 supplemental sublease, and 2013 assignment agreement.

**ALTERATIONS TO
REGULAR AGENDA**

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

REGULAR AGENDA

1. **Tourism presentation by Maggie Ivy, CEO of the Santa Cruz County Conference and Visitors Council**

   Maggie Ivy, CEO of the Santa Cruz County Conference and Visitors Council, gave a PowerPoint presentation providing a profile of 2016 visitors to Santa Cruz County and responded to questions from Council.

2. **Presentation by Scotts Valley Water District regarding the formation of the Santa Margarita Groundwater Joint Powers Authority** (Oral Presentation)

   Piret Harmon, General Manager of the Scotts Valley Water District and John Ricker, Santa Cruz County Water Resources Division Director, gave a PowerPoint presentation regarding the Santa Margarita Groundwater Basin and its management, the role of the City of Scotts Valley in that management, and responded to questions from Council.

   VM Reed recommended that they consider adding an additional position from the City of Scotts Valley and the City of Santa Cruz.

3. **Consideration of Five-Year Capital Improvement Project and Capital Purchase Plan for FY 2017/18 to FY 2021/22**

   CM Haruyama presented the written staff report, and Steve Toler, Budget and Financial Consultant, and PWD Hamby gave a PowerPoint presentation on the five-year Capital Improvement Project and Capital Purchase Plan for FY 2017/18 to FY 2021/22, and responded to questions from Council.

   CM Aguilar and CM Dilles both expressed concerns about damage to Glen Canyon Road where the County of Santa Cruz is storing the dirt from mudslides.

   CM Haruyama recommended that PWD Hamby explore a maintenance agreement with the County in order to ensure that the road is returned to the condition it was in before use by the County.

   VM Reed expressed concerns about the condition of the Vine Hill and Brook Knoll modulars and questioned when the City should stop putting money into repairs and move toward replacing the modulars.

RDM Ard responded that the repairs and replacement of the modulars is included in the CIP and that she is continuing to look for grant money for replacement of the modulars.

CM Haruyama stated that given planned Middle School construction, she has been in contact with the Scotts Valley Unified School District, to determine if available modulars could be used to replace those at Vine Hill and Brook Knoll. She stated that condition and cost would be a factor and staff will continue to explore this potential option with the School District.

CM Aguilar stated that she would like to have the flexibility to include street repairs in the CIP once the pavement management evaluation is complete.

CM Aguilar requested that replacement of the Public Works modulars be included in the CIP.

CM Dilles stated that he would like to see Measure D funding going toward the following: (1) Sidewalks; (2) Protected bike lanes on Scotts Valley Drive and Glenwood Drive; and (3) Additional dollars for general street maintenance.

CM Lind questioned why funding for Estrella Drive and Pinecone Drive drainage problems were considered a Category B for funding, and recommended construction of a Kings Village Road sidewalk due to pedestrian and ADA issues.

Mayor Johnson requested funding for infrastructure in Skypark including trenching due to drainage problems. He stated that new infrastructure should include new irrigation, new pumps, and new sprinkler systems. He recommended working with soccer to possibly share in the cost for the drainage repairs. Mayor Johnson also requested a funding placeholder for the future Sports Complex for the Scotts Valley Unified School District, possibly using Lennar Funds as a funding source. In addition, he recommended an additional capital improvement project to improve the Skypark Linear Park landscaping and then put a better maintenance plan in motion.

VM Reed agreed with Mayor Johnson regarding the Skypark Linear Park and regarding the contribution to the Sports Complex and fields at the Scotts Valley High School using Lennar Funds.

CM Lind does not support using Lennar Funds for the Sports Complex as the City has too many other priorities that need funding, and funding for the Sports Complex should come from the School District.

Wendy Brannan, SV resident, spoke in opposition to the City providing funding for the Sports Complex as she feels this funding should come from the School District and the community. She also requested that a correction be made on page 44 changing the Camp Evers Fishing Park to the Vern Hart Fishing Park. She spoke in opposition to funding for sidewalks on Estrella Drive, which she feels should not be done until current sidewalks in the City are safe and up to code. She questioned if the item regarding the Library roof on page 64 would be for the entire building or just the library portion. She spoke in favor of item 52 on page 72, bodycams for the Police Department and expressed concerns about adding an additional shade structure at Skypark when the current shade structure is in need of repair. She also stated that she feels the modulars at Vine Hill and Brook Knoll need to be included in the ADA plan before any work is done on them.

Piet Canin, Vice President of Transportation for Ecology Action, requested Measure D funding for the following: (1) Protected bike lanes in Scotts Valley; and, (2) Program money for safe routes to school (3%).

Janneke Strause, Executive Director of Bike Santa Cruz County, requested Measure D funding for the following: (1) Protected bike lanes in Scotts Valley; and, (2) Program money for safe routes to school (3% of funds or $7,500 per year).

Tom Cassera, parent of Vine Hill School student, stated that he would like to see protected bike lanes and infrastructure in Scotts Valley to allow students to ride safely to and from home and school. He also recommended reviewing the City's Bicycle Transportation Plan to be sure it is up to date with regulations.

Mandy Draper, SV resident, thanked the Public Works Department for all the work they do, and recommended holding an annual bike festival to raise funds to help support protected bike lanes.

CM Dilles stated that he would like to see the City use DIF funds to update its development impact fees to support and align current projects.

CM Aguilar recommended staff look into current guidelines/parameters for bike lanes.

CM Haruyama reviewed the comments made by Council regarding the CIP and received Council consensus on the following items:

- Development Fees: The update of development fees will occur as a part of the General Plan update process;
- Transportation Funding: Staff will return to Council with additional recommendations for reallocation of gas tax, Measure D, or other funds for transportation, mobility, bike lane improvements, and increases to street maintenance, once information is obtained regarding the pending approval and completion of the City's pavement management study;

- Public Works Modulars: An unscheduled/unfunded item will be included in the CIP for the replacement of the Public Works modulars. Funding options for both the Public Works and Recreation modulars will be explored;
- Skypark Infrastructure and Drainage: A project will be included to address park infrastructure and drainage issues;
- Wheelchair Access on Sidewalk on Kings Village Road: Staff will evaluate the situation and return to Council with an update.

There was no Council consensus to provide funding for the School Sports Complex. CM Dilles requested information regarding access the community would have to this proposed facility. CM Haruyama stated that she will continue to keep the Council updated as she receives information from the School District.

4. **Policy Direction regarding Equipment Replacement Funding**

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

After Council discussion, it was determined that the equipment replacement funding will be incorporated into the 5-year budget forecast and the wastewater study. Staff will not incorporate equipment replacement funding in the proposed 2017/18 operating budget until the forecast has been completed and analyzed.

~~5. **Policy Direction regarding Long Term Obligations – Other Post Employment Benefits (OPEB)**~~

The City Council unanimously agreed to defer item 5 to a future meeting.

6. **Future Council agenda items**

None.

ADJOURNMENT The meeting adjourned at 9:35 p.m.

Approved:______________________________
Randy Johnson, Mayor/Chair

Attest:________________________________
Tracy A. Ferrara, City Clerk/Secretary

SCOTTS VALLEY ACCOUNTS PAYABLE CITY OF SCOTTS VALLEY
04/24/2017 15:24:57 Check Register GL050S-V08.05 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 042417 COMMENT... A/P AS OF APRIL 24, 2017

DATA-JE-ID	DATA COMMENT
W-04242017-330	A/P AS OF APRIL 24, 2017

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01		CASCPRT01	Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
003566	ABA BUILDING SERVICES	110119	04/24/17	1,220.00
001460	ABBOTT'S PRO POWER	110120	04/24/17	253.08
003457	ADAMS/TROY	110121	04/24/17	1,166.60
001985	AEP	110122	04/24/17	495.00
001626	AGUILAR/STEPHANY	110123	04/24/17	98.65
000563	APPI	110124	04/24/17	160.00
001948	ART STORE	110125	04/24/17	275.19
000998	ASSOCIATED SERVICES CO.	110126	04/24/17	98.61
000097	AT&T	110127	04/24/17	157.48
001822	BC LABORATORIES INC.	110128	04/24/17	222.00
001066	BEHAVIORAL HEALTH CARE I	110129	04/24/17	122.00
000500	BOLANOS/DORENE	110130	04/24/17	152.46
003237	BOWEN/TIMOTHY D	110131	04/24/17	1,519.70
000021	BOWMAN & WILLIAMS	110132	04/24/17	27,308.75
000437	BRASS KEY LOCKSMITH	110133	04/24/17	59.27
001216	C & N TRACTORS	110134	04/24/17	1,571.35
001385	CALIFORNIA PUBLIC EMPLOY	110135	04/24/17	135,193.45
003521	CARD SERVICE CENTER	110136	04/24/17	4,052.86
003446	CARROT-TOP INDUSTRIES	110137	04/24/17	502.01
000773	CENTRAL COAST LANDSCAPE	110138	04/24/17	437.00
001051	COASTAL EVERGREEN CORP	110139	04/24/17	1,773.00
002091	COMCAST	110140	04/24/17	269.60
003588	CONDUENT BUSINESS SVCS,	110141	04/24/17	1,792.76
000037	CRYSTAL SPRINGS WATER CO	110142	04/24/17	38.70
003558	DECKER EQUIPMENT	110143	04/24/17	328.21
000318	DEPT OF TRANSPORTATION	110144	04/24/17	1,243.09
003286	ENCOMPASS COMMUNITY SERV	110145	04/24/17	409.00
003286	ENCOMPASS COMMUNITY SERV	110146	04/24/17	279.00
001597	ENVIRONMENTAL INNOVATION	110147	04/24/17	2,610.00
001997	EPIC SPORTS	110148	04/24/17	827.85
000703	FAMILY SERVICE AGENCY	110149	04/24/17	1,020.75
000375	FIRST ALARM SECURITY & P	110150	04/24/17	109.75
000051	FISHER SCIENTIFIC	110151	04/24/17	163.68
000338	GRAHAM CONTRACTORS INC	110152	04/24/17	68,448.95
001239	HAYASHI DDS/ARTHUR K	110153	04/24/17	252.00
000066	KING'S PAINT & PAPER	110154	04/24/17	64.79
001992	KOSMONT COMPANIES, INC	110155	04/24/17	1,269.99
002032	KT MECHANICAL INC	110156	04/24/17	1,599.01
003589	LANDMARK DENTAL GROUP	110157	04/24/17	292.00
001673	LINCOLN FINANCIAL GROUP	110158	04/24/17	1,409.61
003565	MANAGEMENT PARTNERS	110159	04/24/17	19,986.27
003403	MAR-KEN INTERNATIONAL PO	110160	04/24/17	260.00
001234	MC GRAW DDS/BERNARD	110161	04/24/17	161.20
000195	MESITI-MILLER ENGINEERIN	110162	04/24/17	16,163.47
003171	MICHALAK/GENE	110163	04/24/17	110.00
000939	NATIONAL COMTEL NETWORK	110164	04/24/17	22.70
003591	NICHOLS CONSULTING	110165	04/24/17	6,300.00
000463	RALEY'S	110166	04/24/17	238.38

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
003230	REDWOOD TOXICOLOGY LAB	110167	04/24/17	41.57	
001479	ROBB DDS/JOSEPH W	110168	04/24/17	135.00	
001022	S.B.R.P.S.T.C.	110169	04/24/17	3,301.00	
000201	SAFETY-KLEEN CORP	110170	04/24/17	915.85	
001533	SANTA CRUZ COUNTY BANK	110171	04/24/17	550.97	
001544	SANTA CRUZ COUNTY CONFER	110172	04/24/17	44,694.54	
001558	SCOTT DDS/KEVIN RAY	110173	04/24/17	125.00	
000129	SCOTTS VALLEY BANNER	110174	04/24/17	350.00	
003085	SHRED-IT US JV LLC	110175	04/24/17	117.73	
000405	SILVERSTEIN/THOMAS	110176	04/24/17	2,115.52	
001264	SMITH DDS/JAMES B	110177	04/24/17	1,100.00	
002053	STEPFORD	110178	04/24/17	5,240.00	
000143	SUMMIT UNIFORMS	110179	04/24/17	2,062.99	
003590	VARGAS ACADEMY OF GYMNAS	110180	04/24/17	2,170.00	
001106	VERIZON WIRELESS	110181	04/24/17	929.16	
000899	VISTA CENTER FOR THE BLI	110182	04/24/17	518.50	
000714	VOLUNTEER CENTER	110183	04/24/17	653.25	
001877	WATER ENVIRONMENT FEDERA	110184	04/24/17	312.00	
000952	WILSON/JOHN	110185	04/24/17	32.00	
002021	ZOOM	110186	04/24/17	645.14	
	GENERAL CHECKING ACCOUNT			368,519.44	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				368,519.44

RECORDS PRINTED - 000163

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	225,541.99
003	GAS TAX - SPECIAL STATE TRST	6,300.00
004	RECREATION	17,528.48
010	WASTEWATER OPERATIONS	18,245.01
011	TERTIARY TREATMENT PLANT	222.00
023	SVRDA SUCCESSOR AGENCY	1,269.99
028	SENIOR CENTER	2,345.09
050	PINEWOOD EST LNDSCP MAINT DT	437.00
077	SKYPARK MAINT ASSESS DIST	825.00
112	DENTAL INS INTERNAL SERV	2,065.20
123	COMMUNITY FACILITY CENTER	828.26
150	GENERAL CAPITAL IMPROVEMENTS	92,911.42
TOTAL ALL FUNDS		368,519.44

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	368,519.44
TOTAL ALL BANKS		368,519.44

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 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 FOR TOUCH A TRUCK EVENT-SCOTTS VALLEY EDUCATIONAL FOUNDATION**

SUMMARY OF ISSUE

The Scotts Valley Educational Foundation (SVEF) is an all-volunteer 501(c)(3) non-profit organization. SVEF is hosting their 1st Annual Touch a Truck event at Skypark on Sunday, May 7, 2017. The event will be located in the open space adjacent to the dog park and the skatepark parking lot. Proceeds raised at this event will be donated to the Scotts Valley Unified School District to assist with costs including, but not limited to: library expenses, counseling services, and technology needs.

The SVEF requests that the City Council consider not collecting the $1,300 facilities use permit fee for the event space and use of Skypark classroom. This fee is based on event attendance; approximately 400 participants are expected to attend the event.

FISCAL IMPACT

The fiscal impact associated with this action will result in a loss of General Fund revenue in the amount of $1,300. 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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Scotts Valley Educational Foundation
216-E Mt. Hermon Road, #150
Scotts Valley, CA 95066

April 14, 2017

Kristin Ard
361 Kings Village Road
Scotts Valley, CA 95066

Dear Kristin,

The Scotts Valley Educational Foundation is very excited to be hosting our 1st Annual Touch a Truck event to benefit the Scotts Valley Unified School District on May 7, 2016. We plan to host our event at Skypark and the adjacent field.

We hope that the City of Scotts Valley can donate the use of the space to SVEF at no cost to assist in our goal of providing more funds to the local schools.

This will be our biggest fundraiser of the year, and 100% of the net proceeds will go directly to benefit our local schools. ***In the past 5 years, SVEF has donated over $620,000, toward our children's education!***

- SVEF funded **all four school libraries** for the past 5 years;
- SVEF paid to reinstate and expand **counseling services** at all four schools;
- SVEF funded **technology needs** on each campus;
- SVEF underwrote GLAD training for our teachers;
- AND MORE! (view our annual report at www.SVEF.net to learn more)

These critical services would not have been possible without our community's support. Since SVEF is a 100% volunteer organization, the City's donation of the event space will directly benefit the quality of education in Scotts Valley. To learn more, please review our annual report online, which can be found on the homepage at www.SVEF.net. Your donation will be used to continue to provide critical services that directly impact each and every one of our Scotts Valley students.

Thank you in advance for answering the call to help our local schools. Hope to see you at the Touch A Truck event!

Sincerely,

Derek Timm
President & Volunteer
Scotts Valley Educational Foundation

SVEF is an all-volunteer 501(c)(3) non-profit organization. Our tax ID number is (Tax ID 77-0006718).

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 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 FOR AMERICAN CANCER SOCIETY, INC. - RELAY FOR LIFE EVENT**

SUMMARY OF ISSUE

The American Cancer Society is a qualified 501(c)(3) tax-exempt organization. The Scotts Valley annual Relay for Life event is scheduled for June 2-4, 2017 at Skypark. The money raised at this event goes towards helping save over 500 lives a day, uniting communities to celebrate people who have battled cancer and remember loved ones.

The American Cancer Society requests that the City Council consider not collecting the $3,000 facilities use permit fee. This fee is based on event attendance; approximately 450 participants are anticipated to attend the event. Council has considered and approved the non-collection of fees for the Relay for Life event in prior years.

FISCAL IMPACT

The fiscal impact associated with this action will result in a loss of General Fund revenue in the amount of $3,000. 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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Kristi Cole | Community Manager, Relay For Life
California Division | American Cancer Society, Inc.

Wednesday, Feb 1st, 2017

City Council of Scotts Valley,

Relay For Life of Scotts Valley Leadership Team is in the process of planning the 2017 Kickoff to Relay For Life, which will be taking place at Sky Park on June 3rd & 4th, 2017. Relay For Life is a non-profit community and volunteer driven 24-hour fundraising event to support the mission of the American Cancer Society.

The American Cancer Society Relay For Life movement is the world's largest and most impactful fundraising event to end cancer. It unites communities across the globe to celebrate people who have battled cancer, remember loved ones lost, and take action to finish the fight once and for all. With the support of thousands of volunteers, the American Cancer Society is helping save more than 500 lives a day.

Our team would love to host the 2017 Kickoff at the Scotts Valley Community Center. The Relay For Life of Scotts Valley Leadership Team would like to request the fees to be waived for the use of the Community Center in order to host our 2017 Kickoff either Saturday, March 4th or Saturday, March 11th.

If you have any questions or concerns, please let me know.

Thank you,

Kristi Cole | Community Manager, Relay For Life
California Division | American Cancer Society, Inc.
747 Camden Avenue Suite B
Campbell, CA 95008
Phone: 408.688.0089 | Mobile: 301.956.6204 | Fax: 408.871.2993
cancer.org | 1.800.227.2345

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 2017

TO: Honorable Mayor and City Council

FROM: Kristin Ard, Recreation Division Manager

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **ACCEPTANCE OF MONETARY DONATIONS FROM SCOTTS VALLEY ADVOCATES**

SUMMARY OF ISSUE

The Scotts Valley Advocates are a non-profit 501(c)(3) organization that raises funds to support community parks and recreation needs. The organization hosts the annual July 4th event in Scotts Valley and monies raised from the event are given back to the City of Scotts Valley to support park and recreation services. Past donations include:

- New Van for Parks and Recreation
- Flooring, Paint, and Landscaping for both Senior/Community Centers
- Movie in the Park at Skypark for the Community
- Financial Assistance Funds (Scholarship Funds) for Families in Need

For FY 2016/17, the Scotts Valley Advocates have approved the following donations to the City of Scotts Valley:

• New Gator for Maintenance Services	$13,236.53
• Financial Assistance Funds (Scholarship Funds) for Families in Need	$ 1,500.00
• Funding for a Shade Structure at the Siltanen Family Swim Center	$ 6,598.00
TOTAL	**$21,334.53**

FISCAL IMPACT

Acceptance of the Scotts Valley Advocates donation in the amount of $21,334.53 will help reduce General Fund expenses, freeing up funding to support other City services and equipment needs.

STAFF RECOMMENDATION

It is recommended that Council accept the Scotts Valley Advocates donation of $21,334.53.

CONSENT AGENDA ITEM F
DATE: 5-3-17

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 2017

TO: Honorable Mayor and City Council

FROM: Kristin Ard, Recreation Division Manager

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **CONSIDERATION OF APPROVAL FOR THE JULY 4, 2017 FIREWORKS CONTRACT BETWEEN THE CITY AND THE PYRO SPECTACULARS NORTH, INC.**

SUMMARY OF ISSUE

The City has contracted with Pyro Spectaculars North, Inc. for the past several years for firework display services for July 4th events. Staff recommends approval of the attached agreement with Pyro Spectaculars North, Inc. for the July 4, 2017 fireworks show.

Pyro Spectaculars North, Inc. has done shows locally for the City of Santa Cruz and Capitola as well as larger events for the San Francisco Giants and Oakland Athletics. This year's show will be approximately 20 minutes and have a larger finale with more salutes. It will include a total of 2,556 shots/shells and include music. The total cost is $16,500, half of which must be paid by May 20, 2017; the remaining balance is due after July 4, 2017.

The 4th of July Fireworks show is funded through event entry tickets and donations received from the Scotts Valley Advocates, a non-profit organization that raises funds for Scotts Valley park and recreations needs. The 4th of July event is a major fundraising event for the Advocates.

FISCAL IMPACT

The total cost of the fireworks display is $16,500. Funding for this event will be provided by the Scotts Valley Advocates through donations and event proceeds. There is no fiscal impact to the General Fund.

STAFF RECOMMENDATION

It is recommended that City Council approve the fireworks agreement between Pyro Spectaculars North, Inc. and the City of Scotts Valley and authorize the City Manager to sign the agreement.

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PYRO SPECTACULARS by Souza®

2017 Pyrotechnic Proposal

City of Scotts Valley

July 4, 2017

PYRO SPECTACULARS by Souza

www.pyrospec.com

April 13, 2017

City of Scotts Valley
Kristin Ard
361 Kings Village Road
Scotts Valley, CA 95066

Dear Ms. Ard,

Pyro Spectaculars North, Inc. is happy to provide our pyrotechnic proposal for your July 4, 2017 event. The following proposal outlines your custom designed Program "A" for the amount of $16,500.00. The various fireworks elements provided are prepared to shoot from City Park for 20 minutes.

Our full service program includes the services of a licensed pyrotechnic operator, specialized crew, an electronic firing system, and safety equipment used for support and protection. The price also includes insurance coverage, sales tax and delivery. To help ensure public safety, we work directly with the local fire authority while we apply for all the necessary fire department and other fireworks related permits. Our winning combination of products, people and production capabilities help produce the safest fireworks entertainment package possible.

Your organization will be responsible for payment of all Scotts Valley Fire District permit fees and/or standby firemen fees, if any. The Fire Department may bill you directly for any additional standby fees for inspections. Your organization will also be responsible for providing the display location and all necessary security for the display site.

Enclosed you will find a Product Synopsis, Production Agreement for signature and Scope of Work. Please have one copy of this fully executed agreement returned to our office by May 19, 2017 along with your deposit.

Please take the time to review this proposal in detail. If you wish to discuss any changes in your program or need more information, please call either myself or your Customer Service Representative Marco Montenegro at (909) 355-8120 ext. 239.

Sincerely,

PYRO SPECTACULARS NORTH, INC.

Pat Dyas

Pat Dyas

PYRO Show Producer

PD/mam

Enclosures

Product Synopsis • Pyrotechnic Proposal

City of Scotts Valley

PROGRAM A – July 4, 2017

$16,500.00

Opening

Description	Quantity
♦ 2.5" Souza Designer Opening Salutes	30
♦ 3" Souza Designer Opening Salutes	10
Total of Opening	**40**

Main Body - Aerial Shells

Description	Quantity
♦ 2.5" Souza Designer Selections	150
♦ 3" Souza Designer Selections	200
Total of Main Body - Aerial Shells	**350**

Pyrotechnic Devices

Description	Quantity
♦ Sousa Gold Line Custom Multishot Device	100 Shots
♦ Sousa Emerald Line Custom Multishot Device	300 Shots
♦ Sousa Sapphire Line Custom Multishot Device	200 Shots
♦ Sousa Ruby Line Custom Multishot Device	860 Shots
♦ Sousa Silver Line Custom Multishot Device	202 Shots
Total of Pyrotechnic Devices	**1,662**

Grand Finale

Description	Quantity
♦ 2" Souza Designer Bombardment Shells	100
♦ 2.5" Souza Designer Bombardment Shells	180
♦ 3" Souza Designer Bombardment Shells	215
Total of Grand Finale	**495**

Grand Total 2,547

PRODUCTION AGREEMENT

This agreement ("Agreement") is made this _________day of __________, 20__ by and between **Pyro Spectaculars North, Inc.**, a California corporation, hereinafter referred to as ("PYRO"), and City of Scotts Valley, hereinafter referred to as ("CLIENT"). PYRO and CLIENT are sometimes referred to as "Party" or collectively as "Parties" herein.

1. **Engagement** - CLIENT hereby engages PYRO to provide to CLIENT one fireworks production ("Production"), and PYRO accepts such engagement upon all of the promises, terms and conditions hereinafter set forth. The Production shall be substantially as outlined in Program "**A**", attached hereto and incorporated herein by this reference.

1.1 **PYRO Duties** – PYRO shall provide all pyrotechnic equipment, trained pyrotechnicians, shipping, pyrotechnic products, application for specific pyrotechnic permits (the cost of which, including standby fees, shall be paid by CLIENT) relating to the Production, insurance covering the Production and the other things on its part to be performed as more specifically set forth below in this Agreement and in the Scope of Work ("Scope of Work"), attached hereto, incorporated herein by this reference, and made a part of this Agreement as though set forth fully herein.

1.2 **CLIENT Duties** – CLIENT shall provide to PYRO a suitable site ("Site") for the Production, security for the Site as set forth in Paragraph 6 hereof, access to the Site, any permission necessary to utilize the Site for the Production, and the other things on its part to be performed as more specifically set forth below in this Agreement and in the Scope of Work. All Site arrangements are subject to PYRO's reasonable approval as to pyrotechnic safety, suitability, and security. All other conditions of the Site shall be the responsibility of CLIENT, including, but not limited to, access, use, control, parking and general safety with respect to the public, CLIENT personnel and other contractors.

2. **Time and Place** - The Production shall take place on **July 4, 2017**, at approximately **9:30 p.m.**, at **City Park; 361 Kings Village Road**, **Scotts Valley, CA**, Site.

3. **Fees, Interest, and Expenses** -

3.1 **Fee** - CLIENT agrees to pay PYRO a fee of $**16,500.00**USD (**SIXTEEN THOUSAND FIVE HUNDRED DOLLARS**) ("Fee") for the Production. CLIENT shall pay to PYRO $**8,250.00** USD (**EIGHT THOUSAND TWO HUNDRED FIFTY DOLLARS**) of the Fee plus estimated permit and standby fees, specified production costs, and other regulatory costs approximated at **$ 00.00 OR an amount to be determined,** for a total of **$8,250.00**, as a deposit ("Deposit") upon the execution of this Agreement by both parties but no later than **May 19, 2017**. The balance of the Fee shall be paid no later than **July 5, 2017**. CLIENT authorizes PYRO to receive and verify credit and financial information concerning CLIENT from any agency, person or entity including but not limited to credit reporting agencies. The "PRICE FIRM" date, the date by which the executed Agreement must be delivered to Pyro, is set forth in paragraph 20.

3.2 **Interest** - In the event that the Fee is not paid in a timely manner, CLIENT will be responsible for the payment of 1.5% interest per month or 18% annually on the unpaid balance. If litigation arises out of this Agreement, the prevailing party shall be entitled to reasonable costs incurred in connection with the litigation, including, but not limited to attorneys' fees.

3.3 **Expenses** – PYRO shall pay all normal expenses directly related to the Production including freight, insurance as outlined, pyrotechnic products, pyrotechnic equipment, experienced pyrotechnic personnel to set up and discharge the pyrotechnics and those additional items as outlined as PYRO's responsibility in the Scope of Work. CLIENT shall pay all costs related to the Production not supplied by PYRO including, but not limited to, those items outlined as CLIENT's responsibility in this Agreement and Scope of Work.

4. **Proprietary Rights** - PYRO represents and warrants that it owns all copyrights, including performance rights, to this Production, except that PYRO does not own CLIENT-owned material or third-party-owned material that has been included in the Production, and as to such CLIENT-owned and third-party-owned material, CLIENT assumes full responsibility therefore. CLIENT agrees that PYRO shall retain ownership of, and all copyrights and other rights to, the Production, except that PYRO shall not acquire or retain any ownership or other rights in or to CLIENT-owned material and third-party-owned material and shall not be responsible in any way for such material. If applicable, CLIENT consents to the use of CLIENT-owned material and represents that it has or will obtain any permission from appropriate third parties sufficient to authorize public exhibition of any such material in connection with this Production. PYRO reserves the ownership rights in its trade names that are used in or are a product of the Production. Any reproduction by sound, video or other duplication or recording process without the express written permission of PYRO is prohibited.

5. **Safety** - PYRO and CLIENT shall each comply with applicable federal, state and local laws and regulations and employ safety programs and measures consistent with recognized applicable industry standards and practices. At all times before and during the Production, it shall be within PYRO's sole discretion to determine whether or not the Production may be safely discharged or continued. It shall not constitute a breach of this Agreement by PYRO for fireworks to fail or malfunction, or for PYRO to determine that the Production cannot be discharged or continued as a result of any conditions or circumstances affecting safety beyond the reasonable control of PYRO.

6. **Security** - CLIENT shall provide adequate security personnel, barricades, and Police Department services as may be necessary to preclude individuals other than those authorized by PYRO from entering an area to be designated by PYRO as the area for the set-up and discharge of the Production, including a fallout area satisfactory to PYRO where the pyrotechnics may safely rise and any debris may safely fall. PYRO shall have no responsibility for monitoring or controlling CLIENT's other contractors, providers or volunteers; the public; areas to which the public or contractors have access; or any other public or contractor facilities associated with the Production.

7. **Cleanup** - PYRO shall be responsible for the removal of all equipment provided by PYRO and clean up of any live pyrotechnic debris made necessary by PYRO. CLIENT shall be responsible for any other clean up which may be required of the Production or set-up, discharge and fallout areas including any environmental clean-up.

8. **Permits** - PYRO agrees to apply for permits for the firing of pyrotechnics only from the **SCOTTS VALLEY FIRE DISTRICT**, FAA, and USCG, if required. CLIENT shall be responsible for any fees associated with these permits including standby fees. CLIENT shall be responsible for obtaining any other necessary permits, paying associated fees, and making other appropriate arrangements for Police Departments, other Fire Departments, road closures, event/activity or land use permits or any permission or permit required by any Local, Regional, State or Federal Government.

9. **Insurance** - PYRO shall at all times during the performance of services herein ensure that the following insurance is maintained in connection with PYRO's performance of this Agreement: (1) commercial general liability insurance, including products, completed operations, and contractual liability under this Agreement; (2) automobile liability insurance, (3) workers' compensation insurance and employer liability insurance. Such insurance is to protect CLIENT from claims for bodily injury, including death, personal injury, and from claims of property damage, which may arise from PYRO's performance of this Agreement, only. The types and amounts of coverage shall be as set forth in the Scope of Work. Such insurance shall not include claims which arise from CLIENT's negligence or willful conduct or from failure of CLIENT to perform its obligations under this Agreement, coverage for which shall be provided by CLIENT.

The coverage of these policies shall be subject to reasonable inspection by CLIENT. Certificates of Insurance evidencing the required general liability coverage shall be furnished to CLIENT prior to the rendering of services hereunder and shall include that the following are named as additionally insured: CLIENT; Sponsors, Landowners, Barge Owners, if any; and Permitting Authorities, with respect to the operations of PYRO at the Production. Pyrotechnic subcontractors or providers, if any, not covered under policies of insurance required hereby, shall secure, maintain and provide their own insurance coverage with respect to their respective operations and services.

10. **Indemnification** - PYRO represents and warrants that it is capable of furnishing the necessary experience, personnel, equipment, materials, providers, and expertise to produce the Production in a safe and professional manner. Notwithstanding anything in this Agreement to the contrary, PYRO shall indemnify, hold harmless, and defend CLIENT and the additional insureds from and against any and all claims, actions, damages, liabilities and expenses, including but not limited to, attorney and other professional fees and court costs, in connection with the loss of life, personal injury, and/or damage to property, arising from or out of the Production and the presentation thereof to the extent such are occasioned by any act or omission of PYRO, their officers, agents, contractors, providers, or employees. CLIENT shall indemnify, hold harmless, and defend PYRO from and against any and all claims, actions, damages, liability and expenses, including but not limited to, attorney and other professional fees and court costs in connection with the loss of life, personal injury, and/or damage to property, arising from or out of the Production and the presentation thereof to the extent such are occasioned by any act or omission of CLIENT, its officers, agents, contractors, providers, or employees. In no event shall either party be liable for the consequential damages of the other party.

11. **Limitation of Damages for Ordinary Breach** - Except in the case of bodily injury and property damage as provided in the insurance and indemnification provisions of Paragraphs 9 and 10, above, in the event CLIENT claims that PYRO has breached this Agreement or was otherwise negligent in performing the Production provided for herein, CLIENT shall not be entitled to claim or recover monetary damages from PYRO beyond the amount CLIENT has paid to PYRO under this Agreement, and shall not be entitled to claim or recover any consequential damages from PYRO including, without limitation, damages for loss of income, business or profits.

12. **Force Majeure** - CLIENT agrees to assume the risks of weather, strike, civil unrest, terrorism, military action, governmental action, and any other causes beyond the control of PYRO which may prevent the Production from being safely discharged on the scheduled date, which may cause the cancellation of any event for which CLIENT has purchased the Production, or which may affect or damage such portion of the exhibits as must be placed and exposed a necessary time before the Production. If, for any such reason, PYRO is not reasonably able to safely discharge the Production on the scheduled date, or at the scheduled time, or should any event for which CLIENT has purchased the Production be canceled as a result of such causes, CLIENT may (i) reschedule the Production and pay PYRO such sums as provided in Paragraph 13, or (ii) cancel the Production and pay PYRO such sums as provided in Paragraph 14, based upon when the Production is canceled.

13. **Rescheduling Of Event** - If CLIENT elects to reschedule the Production, PYRO shall be paid the original Fee plus all additional expenses made necessary by rescheduling plus a 15% service fee on such additional expenses. Said expenses will be invoiced separately and payment will be due in full within 5 days of receipt. CLIENT and PYRO shall agree upon the rescheduled date taking into consideration availability of permits, materials, equipment, transportation and labor. The Production shall be rescheduled for a date not more than 90 Days subsequent to the date first set for the Production. The Production shall not be rescheduled to a date, or for an event, that historically has involved a fireworks production. The Production shall not be rescheduled between June 15th and July 15th unless the original date was July 4th of that same year, or between December 15th and January 15th unless the original date was December 31st of the earlier year unless PYRO agrees that such rescheduling will not adversely affect normal business operations during those periods.

14. **Right To Cancel** – CLIENT shall have the option to unilaterally cancel the Production prior to the scheduled date. If CLIENT exercises this option, CLIENT agrees to pay to PYRO, as liquidated damages, the following percentages of the Fee as set forth in Paragraph 3.1. 1) 50% if cancellation occurs 30 to 90 days prior to the scheduled date, 2) 75% if cancellation occurs 15 to 29 days prior to the scheduled date, 3) 100% thereafter. In the event CLIENT cancels the Production, it will be impractical or extremely difficult to fix actual amount of PYRO's damages. The foregoing represents a reasonable estimate of the damages PYRO will suffer if CLIENT cancels the Production.

15. **No Joint Venture** - It is agreed, nothing in this Agreement or in PYRO's performance of the Production shall be construed as forming a partnership or joint venture between CLIENT and PYRO. PYRO shall be and is an independent contractor with CLIENT and not an employee of CLIENT. The Parties hereto shall be severally responsible for their own separate debts and obligations and neither Party shall be held responsible for any agreements or obligations not expressly provided for herein.

16. **Applicable Law** - This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with the laws of California. It is further agreed that the Central Judicial District of San Bernardino County, California, shall be proper venue for any such action. In the event that the scope of the Production is reduced by authorities having jurisdiction or by either Party for safety concerns, the full dollar amounts outlined in this Agreement are enforceable.

17. **Notices** - Any Notice to the Parties permitted or required under this Agreement may be given by mailing such Notice in the United States Mail, postage prepaid, first class, addressed as follows: PYRO – Pyro Spectaculars North, Inc., P.O. Box 2329, Rialto, California, 92377, or for overnight delivery to 3196 N. Locust Avenue, Rialto, California 92377. CLIENT –City of Scotts Valley, 361 Kings Village Road, Scotts Valley, CA 95066.

18. **Modification of Terms** – All terms of the Agreement are in writing and may only be modified by written agreement of both Parties hereto. Both Parties acknowledge they have received a copy of said written Agreement and agree to be bound by said terms of written Agreement only.

19. **Severability** – If there is more than one CLIENT, they shall be jointly and severally responsible to perform CLIENT's obligations under this Agreement. This Agreement shall become effective after it is executed and accepted by CLIENT and after it is executed and accepted by PYRO at PYRO's offices in Rialto, California. This Agreement may be executed in several counterparts, including faxed and emailed copies, each one of which shall be deemed an original against the Party executing same. This Agreement shall be binding upon the Parties hereto and upon their heirs, successors, executors, administrators and assigns.

20. **Price Firm** – If any changes or alterations are made by CLIENT to this Agreement or if this Agreement is not executed by CLIENT and delivered to PYRO on or before the PRICE FIRM date shown below, then the price, date, and scope of the Production are subject to review and acceptance by PYRO for a period of 15 days following delivery to PYRO of the executed Agreement. In the event it is not accepted by PYRO, PYRO shall give CLIENT written notice, and this Agreement shall be void.

PRICE FIRM through May 19, 2017
EXECUTED AGREEMENT MUST BE DELIVERED TO PYRO BY THIS DATE.
See PRICE FIRM conditions, paragraph 20, above.

EXECUTED as of the date first written above:

PYRO SPECTACULARS NORTH, INC.

By: ______________________

Its: President

City of Scotts Valley

By: ______________________

Its: ______________________

____
Print Name

SHOW PRODUCER: **Pat Dyas**

SCOPE OF WORK
PYRO SPECTACULARS NORTH, INC. ("PYRO")
and
City of Scotts Valley ("CLIENT")

Pyro shall provide the following goods and services to CLIENT:

- One Pyro Spectaculars North, Inc., Production on **July 4, 2017**, at approximately **9:30 p.m.** at **City Park, 361 Kings Village Road, Scotts Valley, CA**.
- All pyrotechnic equipment, trained pyrotechnicians, shipping, and pyrotechnic product.
- Application for specific pyrotechnic permits relating to the Production.
- Insurance covering the Production as set forth in the Agreement with the following limits:

Insurance Requirements	***Limits***	
Commercial General Liability	$2,000,000.00	Combined Single Limit- Each Occurrence (Bodily Injury & Property Damage)
Business Auto Liability- Owned, Non-Owned and Hired Autos	$5,000,000.00	Combined Single Limit- Each Occurrence (Bodily Injury & Property Damage)
Workers' Compensation	Statutory	
Employer Liability	$1,000,000	Per Occurrence

CLIENT shall provide to PYRO the following goods and services:

- All on-site labor costs, if any, not provided or performed by PYRO personnel including, but not limited to, local union requirements, all Site security, Police and Fire Dept. standby personnel, stagehands, electricians, audio and fire control monitors, carpenters, plumbers, clean-up crew. All these additional personnel and services shall be fully insured and the sole responsibility of CLIENT.
- Coordination and any applicable non-pyrotechnic permitting with the local, state or federal government that may hold authority within the Production.
- Costs of all permits required for the presentation of the Production and the event as a whole.
- Provision of a Safety Zone in accordance with applicable standards and all requirements of the authorities having jurisdiction throughout the entire time that the pyrotechnics are at the Site or the load site (if different) on the date of the Production and all set-up and load-out dates, including water security to keep unauthorized people, boats, etc. from entering the Safety Zone.
- General Services including, but not limited to, Site and audience security, fencing, adequate work light, dumpster accessibility, a secure office for PYRO personnel within the venue, secure parking for PYRO vehicles, access to washrooms, tents, equipment storage, hazmat storage, electrical

AGENDA ITEM 2
DATE: 5-3-17

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 2017

TO: Honorable Mayor and City Council

FROM: Ken D. Anderson, Public Works Director

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **VACATE AND ABANDON THE OFFER OF DEDICATION OF THE AREA KNOWN AS GASTON CIRCLE**

SUMMARY OF ISSUE

Gaston Circle is a roadway which is part of the 1440 Multiversity campus. On January 12, 1948, Bethany Park, Tract No. 77 was recorded with the County of Santa Cruz. On this tract map, Gaston Circle (known then as Parkway and California Court) was offered for dedication but not accepted. The roadway was, therefore, privately owned and maintained.

On December 7, 1988, Resolution 1251.1 & on January 4, 1989, Resolution 1251.2 were adopted by the City Council of the City of Scotts Valley to vacate and terminate the offer of dedication of Gaston Circle. The exhibit attached to said resolution was prepared without a legal description and contained only an assessor's tax parcel map which may have inadequately defined the limits.

As all properties on Gaston Circle are owned by the 1440 Foundation, there is no need for a public street in this location. Previously, the 1440 Foundation granted the City a public access easement so that the public could access the 1440 Multiversity campus. Therefore, there is no need to maintain the offer of dedication. As a private road, 1440 will be responsible for all maintenance of the road. In order to formally abandon the offer of dedication, a public hearing must be held after which time the Council will consider the resolution abandoning the offer will be considered. The purpose of the resolution to:

1) Vacate and abandon the offer of dedication of Gaston circle formerly known as Parkway and California Court, in order to have certainty as to the location and limits of same; and

2) Vacate, abandon and remove any reservation for public utilities easement within said right of way, subject to a replacement water line easement.

FISCAL IMPACT

No fiscal impact to General Fund. The City will receive Easement Abandonment Application fees from the 1440 Foundation to cover staff time for review of plats, legal's and other documents.

STAFF RECOMMENDATION

It is recommended that City Council adopt the attached Resolution No. 1895.19.1 to abandon the Gaston Circle Offer of Dedication.

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RESOLUTION NO. 1895.19.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING VACATION AND ABANDONMENT OF GASTON CIRCLE OFFER OF DEDICATION

WHEREAS, these proceedings are pursuant to and in accordance with the California Streets and Highways Code, Division 9, Part 3, Chapter 3 (Sections 8300 et seq), which establishes a general vacation procedure which cities may use for vacating streets and right-of-way; and

WHEREAS, on January 4, 1989, Resolution 1251.2 was adopted by the City Council of the City of Scotts Valley to vacate and terminate the Gaston Circle right of way, and that this Resolution shall further vacate and terminate the Gaston Circle right of way as described and stated herein; and

WHEREAS, any necessary public utility facilities previously located within the proposed vacation of the Gaston Circle right-of-way have been, or will be, relocated within a new easement prior to the recording of this approved Resolution; and

WHEREAS, the Gaston Circle right-of-way as designated on and referenced in Exhibit "A", hereto attached and incorporated herein by this reference, is unnecessary for any traffic circulation plan; and

WHEREAS, the vacation of said Gaston Circle right-or-way will not cut off access to anyone's property or terminate any necessary public service easement, or affect any public utility facilities; and

WHEREAS, on April 5, 2017, Resolution of Intention No. 1895.19 was adopted with respect to the proposed vacation which, among other things, established a public hearing to be held at 6:30 p.m. on May 3, 2017, at the Council Chambers located at City Hall, One Civic Center Drive, Scotts Valley, California, for the purpose of hearing any public comments or objections with respect thereto; and

WHEREAS, at the appointed time, date and place a public hearing was held and the City Council has given due consideration to any and all comments made; and

WHEREAS, all notices were published and posted in accordance with the provisions of California Streets and Highways Code, Division 9, Part 3, Chapter 3 (Sections 8300 et seq).

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

1. The City Council does hereby order the vacation of said Gaston Circle right-of-way, more particularly described as Parcel 1 and Parcel 2 per the attached Exhibit “A”, including but not limited to, the termination of the existing offer of dedication as shown on that certain map titled “Bethany Park Assemblies of God Campground” Tract No. 77 recorded on January 12, 1948 in Volume 26 of Maps, Page 71, Santa Cruz County Records, and subject to the following:

    a. The following easements shall be reserved and excepted from the vacations:
        i. None

2. The facts under which this vacation and termination are made are:

    a. The right-of-way proposed for vacation is unnecessary for any traffic circulation plan.
    b. The right-of-way proposed for vacation will not cut off access to anyone’s property or terminate any necessary public service easement.
    c. No public utility facilities will be affected by this vacation.

3. From and after recordation of this resolution in the Office of the Recorder of Santa Cruz County, the offer of dedication of the above right-of-way to the City of Scotts Valley shall be considered to be terminated and of no further force and effect.

4. The City Clerk is hereby authorized and directed to cause a certified copy of this resolution of vacation, attested to by said City Clerk under seal to be recorded without acknowledgment, certificate of acknowledgment, or further proof in the office of the Recorder of Santa Cruz County, pursuant to the provisions of Section 8325 of the California Streets and Highways Code.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 3rd day of May, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: ______________________________
Randy Johnson, Mayor

Attest: ____________________________
Tracy A. Ferrara, City Clerk

EXHIBIT A

VACATION AND ABANDONMENT OFFER OF DEDICATION OF GASTON CIRCLE

LEGAL DESCRIPTION

SITUATE IN THE CITY OF SCOTTS VALLEY, RANCHO SAN AUGUSTINE, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

PARCEL 1

THOSE CERTAIN STREETS SHOWN AND DELINEATED AS "PARKWAY" AND AS "CALIFORNIA COURT", AS SHOWN ON THE MAP ENTITLED, “TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71.

PARCEL 2

BEING A PORTION OF LOT 165, AS SHOWN AND DELINEATED ON THAT CERTAIN MAP ENTITLED, “TRACT NO.77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERN BOUNDARY OF SAID LOT 165, FROM WHICH THE MOST SOUTHEASTERLY CORNER OF SAID LOT 165 BEARS SOUTH 10° 33' 00” EAST 166.07 FEET DISTANT; THENCE CROSSING SAID LOT 165 SOUTH 79° 27' 00”WEST, A DISTANCE OF 38.28 FEET, TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 20.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00' 00”, AN ARC LENGTH OF 31.42 FEET, TO A POINT OF TANGENCY ON THE WESTERN BOUNDARY OF SAID LOT 165; THENCE NORTHWESTERLY ALONG THE WESTERN BOUNDARY OF SAID LOT 165 NORTH 10° 33' 00” WEST, A DISTANCE OF 90.00 FEET, TO A POINT OF CUSP WITH A TANGENT CURVE TO THE LEFT; THENCE LEAVING SAID LAST NAMED BOUNDARY ALONG SAID CURVE TO THE LEFT, FROM A TANGENT BEARING SOUTH 10° 33' EAST, HAVING A RADIUS OF 20.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00' 00”, AN ARC LENGTH OF 31.42 FEET; THENCE NORTH 79° 27' EAST, A DISTANCE OF 18.28 FEET, TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 20.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00' 00”, AN ARC LENGTH OF 31.42 FEET, TO A POINT OF CUSP ON THE EASTERN BOUNDARY OF SAID LOT 165; THENCE SOUTHEASTERLY TANGENT TO SAID LAST NAMED CURVE AND BOUNDARY SOUTH 10° 33' 00” EAST, A DISTANCE OF 70.00 FEET TO THE POINT OF BEGINNING.

SEE EXHIBIT A, PAGE 2 OF 2, ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION

LICENSED LAND SURVEYOR
GARY R.
IFLAND
No. 7367
STATE OF CALIFORNIA

APN: 023-022-02, & -04
GASTON CIRCLE (PARKWAY & CALIFORNIA COURT)
PREPARED BY IFLAND SURVEY
JOB # G13033, MARCH 9, 2017

IFLAND SURVEY
Surveying - Mapping - GPS

303 Potrero Street, Suite 43-108, Santa Cruz, CA 95060
Tel 831.426.7941 Fax 831.426.6266

JOB NO. G13033

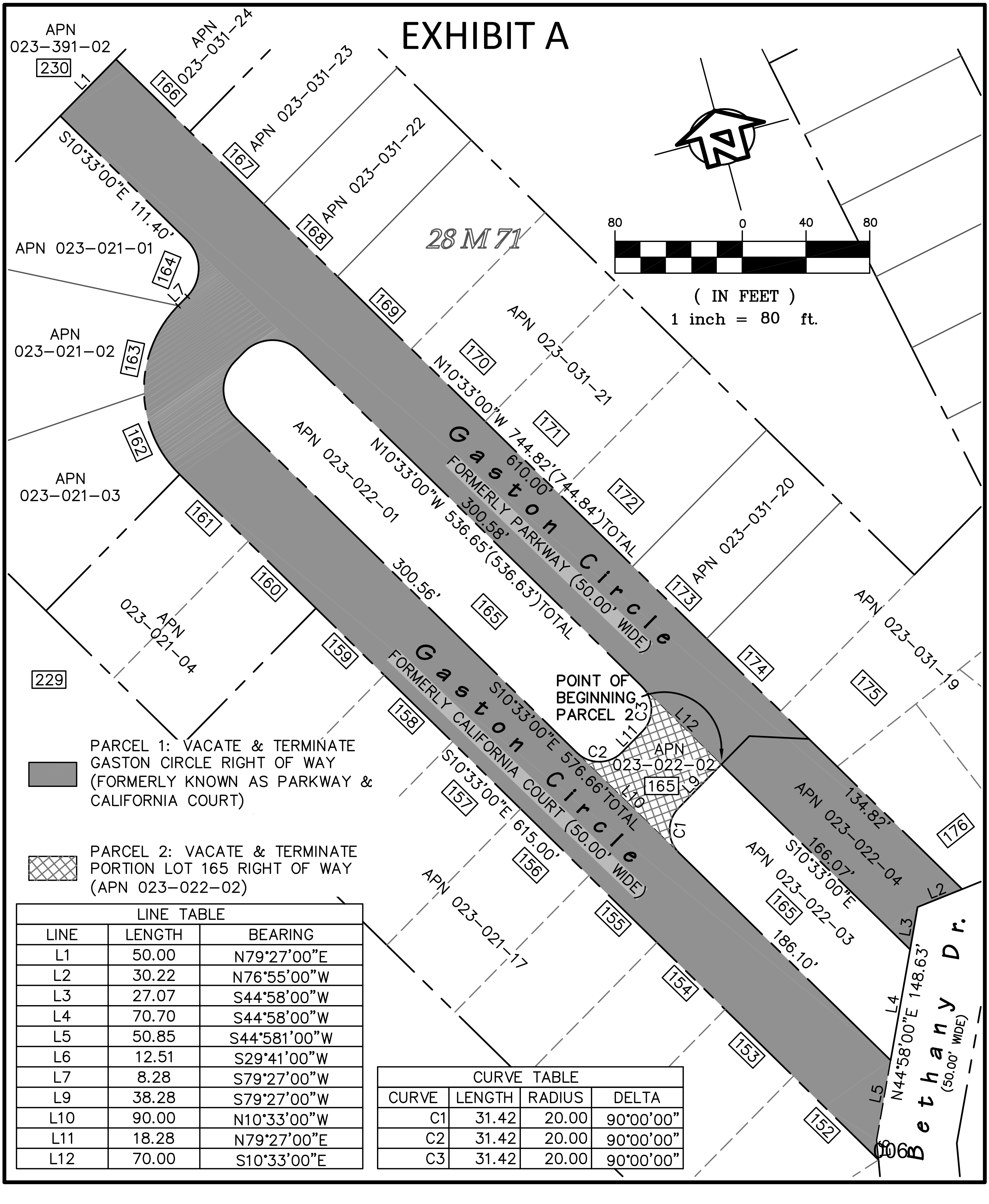
SHEET NO. 2 OF 2

CALCULATED BY JLB DATE 03/09/17

SCALE: 1" = 80'

VACATE & TERMINATE GASTON CIRCLE & PORTION LOT 165

EXHIBIT A



PARCEL 1: VACATE & TERMINATE GASTON CIRCLE RIGHT OF WAY (FORMERLY KNOWN AS PARKWAY & CALIFORNIA COURT)

PARCEL 2: VACATE & TERMINATE PORTION LOT 165 RIGHT OF WAY (APN 023-022-02)

LINE TABLE

LINE	LENGTH	BEARING
L1	50.00	N79°27'00"E
L2	30.22	N76°55'00"W
L3	27.07	S44°58'00"W
L4	70.70	S44°58'00"W
L5	50.85	S44°581'00"W
L6	12.51	S29°41'00"W
L7	8.28	S79°27'00"W
L9	38.28	S79°27'00"W
L10	90.00	N10°33'00"W
L11	18.28	N79°27'00"E
L12	70.00	S10°33'00"E

CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA
C1	31.42	20.00	90°00'00"
C2	31.42	20.00	90°00'00"
C3	31.42	20.00	90°00'00"

0068

PUBLIC HEARING

REGULAR MEETING OF THE SCOTTS VALLEY CITY COUNCIL

TIME/DATE: WEDNESDAY, MAY 3, 2017, 6:30 P.M.

PLACE: City Council Chambers, City Hall
1 Civic Center Drive
Scotts Valley, CA 95066

SUBJECT: **RESOLUTION TO VACATE AND ABANDON OFFER OF DEDICATION OF GASTON CIRCLE**

Consideration of a resolution to vacate and abandon the offer of dedication of Gaston Circle formerly known as Parkway and California Court (see map - Exhibit A) and to vacate, abandon and remove any reservation for public utilities easement within said right of way, subject to a replacement water line easement. This vacation proceeding is being conducted under California Streets and Highways Code Section 8320, Division 9, Part 3, Chapter 3.

WARNING NOTICE:
If you challenge the above in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this Notice or in written correspondence delivered to the City of Scotts Valley (1 Civic Center Drive, Scotts Valley) at, or prior to, the close of the public review period.

All interested persons are invited to attend the foregoing Public Hearing or send their written comments to the City Clerk, City Hall, 1 Civic Center Drive, Scotts Valley, CA 95066.

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 you will 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. The California State Relay Service (TDD to Voice 800-735-2929; Voice to TDD 800-735-2922) provides Telecommunications Devices for the Deaf and will provide a link between the TDD caller and users of regular telephone equipment.

Tracy A. Ferrara

Tracy A. Ferrara, City Clerk

Posted at City Hall,
Scotts Valley Senior Center,
and Scotts Valley Library: **April 14, 2017**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: May 3, 2017

TO: Honorable Mayor and City Council

FROM: Steve Toler, Budget and Financial Consultant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **REPORT ON UNFUNDED OBLIGATIONS – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

SUMMARY OF ISSUES

This memorandum summarizes an analysis related to Post-Employment Obligations Other than Pensions, OPEB Obligations. These OPEB costs relate to post-retiree medical coverage that is provided by the City to its employee groups based on the provisions in the applicable memoranda of understanding (MOU) or compensation and benefits plans.

The City Council is asked to review this report and provide policy direction regarding the future funding of the City's unfunded OPEB obligations.

Background

The City has provided benefits to its employees in the form of post-retirement medical costs. Those benefits are provided for the employee and their dependents for employees that work 10 years or more with the City and retire from the City as a CalPERS retiree. Table 1 represents the level of benefit provided to employees of the City's four bargaining groups.

Table 1 – Post-Retirement Medical Benefit Plan

	Management	Mid-Management	Police	SEIU
Benefit provided	Medical only	Medical only	Medical only	Medical only
Duration of benefits	Lifetime	Lifetime	Lifetime	Lifetime
Required service	10 years	10 years	10 years	10 years
Minimum age at retirement	55	55	50	55

	Management	Mid-Management	Police	SEIU
Depending coverage provided	Yes	Yes	Yes	Yes
City contribution %	100%	100%	100%	100%
City cap - % of PERS Care premium based on length of service	10-14 years: 66% 15-19 years: 70% 20-24 years: 80% 25-29 years: 90% 30+ years: 100%	10-19 years: 50% 20-29 years: 67% 30+ years: 75%	Pre-Medicare 10-14 years: 33% 15-19 years: 50% 20+ years: 67% Post-Medicare 10-14 years: 16.5% 15-20 years: 25% 20+ years: 33.5%	Pre-Medicare 10-14 years: 33% 15-19 years: 50% 20+ years: 67% Post-Medicare 10-14 years: 16.5% 15-20 years: 25% 20+ years: 33.5%

Funding Options

Typically, local government agencies will adopt one of three methods in funding these liabilities:

1. ***Pay as you go (or "pay-go")*** – this method, currently used by Scotts Valley, pays retiree benefits as they come due.
2. ***Annual required contributions*** – this method sets aside money, typically in the form of an irrevocable trust, to annually fund the amount that is required for retirees (pay as you go), as well as an additional amount to pre-fund the unfunded liability for benefits that have been earned by past and current employees that are not yet paid as determined by an actuarial analysis (see below)
3. ***Pre-funded liability*** – for agencies that have sufficient resources, they may elect to pre-fund all or a portion of the liability for benefits earned by past and current employees based on the latest actuarial analysis.

Options 2 and 3 are typically funded through the creation of an irrevocable trust. A trust allows the government agency to set aside funds in separate asset accounts, protecting the assets for current and future retirees, and allowing the agency to separately invest those funds in a range of investment securities that would otherwise be prohibited under the provision of surplus assets as defined by the California Government Code (§ 53601, et al). The ability to fund these assets in higher-yielding securities is typically the decision driver in establishing an irrevocable trust as higher investment earning assumptions ("discount rate") lower the unfunded actuarial liability calculation (i.e., assets set aside earning greater yields reduce the funding required by the employer to fully fund the benefit plan).

In December 2015, the City Council approved a resolution authorizing the City Manager to establish an irrevocable trust with CalPERS under their California Employers' Retiree Benefit Trust Fund (CERBT) program. The necessary documents were filed with

CalPERS and the trust was established. However, due to budget constraints and subsequent budget direction in the annual budgets thereafter, the trust was never funded. The trust is still active and open and is available to be used should the City Council determine to start setting aside funds in future years.

Actuarial Analysis to Determine OPEB Liabilities and Funded Status
Every two years, the City contracts with an actuary to perform an actuarial analysis of its benefit plan for inclusion in the City's Comprehensive Annual Financial Report (CAFR). The latest study was conducted by Total Compensation Systems, Inc. (TCS) in June 2016. There are several assumptions used in developing an OPEB actuarial analysis, including cost of retiree health benefits, medical premium growth rates, mortality, employment termination trends, service requirement, retirement trends, participation in the plan after retirement, and the investment earnings (discount) rate. TCS uses industry standard assumptions that are based largely on Scotts Valley and CalPERS experience in each of those areas.

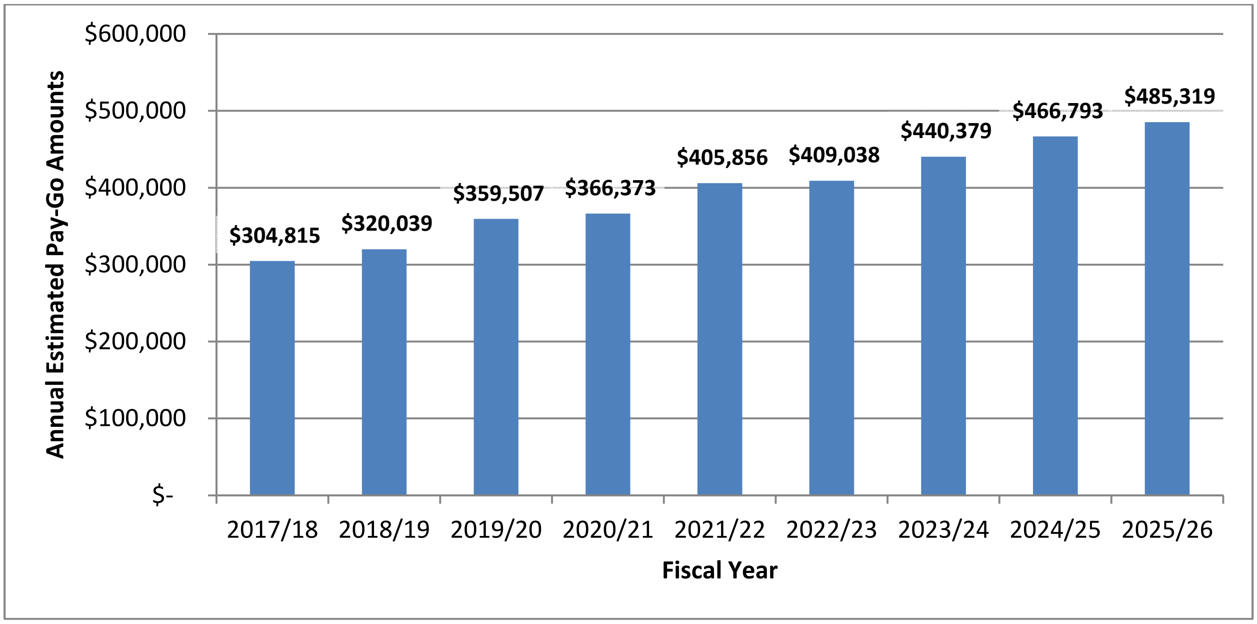
There are three key financial obligation figures included in the actuarial report, summarized in Table 2.

Table 2 – Key Financial Obligations of OPEB Plan

Financial Obligation	Description	Amount for FY 2017/18
Unfunded Actuarial Liability (UAL)	Present value of future benefits that will be paid to employees who are either already retired or are currently employed and have accrued years of service that will allow them to collect the benefit when they eventually retire	$8,445,817
Annual Required Contribution (ARC)	This figure considers the funded status of the plan (UAL) and determines the annual amount of funds that need to be set aside over a pre-defined period (typically 20- to 30-years) to fully fund the liability	$770,758
Pay-Go Amount	The contributions that the City is making towards funding existing retirees' medical premiums as required under the plan	$304,815

TCS has estimated that the Pay-Go Amount will increase to $405,856 by FY 2021/22, and to $485,319 by FY 2025/26, an annualized increase of approximately 7.5%, as shown in Figure 1 below.

Figure 1 – Projected Pay-Go Amounts – FY 2017/18 to FY 2025/26



If the City were continue on a Pay-Go basis, it is estimated that by FY 2025/26, the UAL could grow from $8.4 million to over $12.5 million. This "pay-as-you-go" philosophy will also affect the ARC amount, which could increase to $1 million per year by FY 2025/26.

The City currently includes the Pay-Go Amount in its annual budget projections. Including the ARC in the annual budget would increase annual personnel expenditures by approximately $466,000, but would provide long-term fiscal benefits in helping to prevent the liability from growing requiring even further increases in contributions.

FISCAL IMPACT

There is no fiscal impact as a result of the City Council's review of this report. Staff will incorporate any applicable policy direction received form the City Council in preparation of the FY 2017/18 Annual Budget.

STAFF RECOMMENDATION

Staff recommends that the City Council receive this report and provide policy direction to the City Manager in regards to funding the City's OPEB obligations in the preparation of the City's FY 2017/18 Annual Budget and Five-Year Financial Plan.

The policy questions to be addressed are as follows:

1. Does the City Council have any questions regarding the approach that was taken in preparing this analysis for the City's OPEB obligations?

    - **Staff recommendation:** N/A

2. Should staff incorporate in the Five-Year Annual Financial Plan (or in a scenario thereof) an amount to fund the current portion of the OPEB obligation?

    - **Staff recommendation**: Staff recommends that the ARC amount of $770,758 be included in an alternative scenario to the Five-Year Financial Plan that will accompany the FY 2017/18 Annual Budget in order to quantify the impacts of the City beginning to pay down its OPEB liabilities.

3. Should staff explore funding strategies to aside funds to paydown the City's OPEB obligations?

    - **Staff recommendation**: Staff recommends that any action to address the City's OPEB obligations be deferred until the City Council has an opportunity to review the Five-Year Financial Plan scenario recommended earlier. The City Council could then weigh these costs in light of fiscal resources and other budget priorities, determining whether to pursue the option of funding its ARC obligation through the CalPERS CERBT irrevocable trust previously established, which would likely reduce the ARC and the UAL due to the higher discount rate assumptions.