



A G E N D A

Meeting of the Scotts Valley City Council

Date: June 5, 2019

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 5-31-19 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

ELECTED OFFICIALS	CITY STAFF MEMBERS
Jack Dilles, Mayor Randy Johnson, Vice Mayor Donna Lind, Council Member Jim Reed, Council Member Derek Timm, Council Member	Tina Friend, City Manager Kirsten Powell, City Attorney Steve Walpole, Chief of Police Taylor Bateman, Community Development Director Tony McFarlane, Administrative Services Director Daryl Jordan, Public Works Director Tracy Ferrara, City Clerk

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

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

Flag ceremony to be performed by Boy Scout Troop 614.

ROLL CALL

SPECIAL SET MATTER

Mayor's proclamation proclaiming Friday, June 7, 2019 as "Gun Violence Awareness Day – Protect our Children"

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 minutes of 5-15-19, 5-29-19
- B. Approve check registers dated 5-10-19, 5-17-19
- C. Approve Resolution No. 1139.23 approving the Investment Policy for the City of Scotts Valley, City Council Policy No. 05-17

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. Public Meeting Regarding Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.33; Annual Engineer's Report Pinewood (Public Works Director Jordan)
2. Public Meeting Regarding Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-031; Annual Engineer's Report Skypark (Public Works Director Jordan)
3. Consider establishing process for Small Wireless Facilities in the public rights-of-way including an Ordinance amending Scotts Valley Municipal Code, Title 12 – Streets, Sidewalks and Public Places, and adopting Small Wireless Facilities Guidelines (Community Development Director Bateman)
4. Consideration of City of Scotts Valley Final FY 2019/20 Annual Budget and approval of the following documents:
 - (1) Resolution No. 630.39 approving the final FY 2019/20 Annual Budget and making appropriations for the amounts budgeted
 - (2) Resolution No. 1965 approving an unfunded accrued liability prepayment policy for the City's Classic Miscellaneous and Safety plans and PEPR Miscellaneous plans (Council Policy No. 06-19)
 - (3) Resolution No. 1501.25 approving the continued collections of the Utility Users' Tax for FY 2019/20
 - (4) Resolution No. 1966 supporting Assembly Bill 618 (Administrative Services Director McFarlane)
5. Future Council agenda items
(This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 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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City of Scotts Valley

Mayor's Proclamation

WHEREAS, the "Wear Orange" campaign was inspired by a call to action by youth on the South Side of Chicago in the wake of their friend Hadiya Pendleton, a 15-year old high school student who was shot in the back while standing in a park after taking her final exams; and

WHEREAS, every year approximately 2,900 children and teens in America are shot and killed and 15,600 more are shot and injured, exposing 3 million children to shootings; and

WHEREAS, gun violence was the second leading cause of death among children and teens in 2016, close behind motor vehicle deaths; and

WHEREAS, there have been 68 school shootings since 1999, the year of the Columbine High School massacre; and

WHEREAS, it is essential that we reduce gun violence against children by working with local police to ensure that precautions are taken to protect against guns falling into the wrong hands and to safely secure guns; and

WHEREAS, gun violence against children could happen in Scotts Valley; and

WHEREAS, children represent our future and should be protected at all costs; and

WHEREAS, thousands of people across the country plan to wear orange in June to make a strong statement about gun violence.

NOW, THEREFORE, I, Jack Dilles, as Mayor of the City of Scotts Valley, hereby proclaim Friday, June 7th, as:

Gun Violence Awareness Day — Protect our Children

and encourage everyone to wear orange clothing to send the message that there is more that we can do to end gun violence against children.



Jack Dilles, Mayor

Signed and sealed this 5th day of June 2019



MINUTES

Meeting of the Scotts Valley City Council

Date: May 15, 2019

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 5-10-19 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:07 pm.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:

Jack Dilles, Mayor
Randy Johnson, Vice Mayor
Donna Lind, Council Member
Jim Reed, Council Member
Derek Timm, Council Member

CITY STAFF MEMBERS PRESENT:

Jenny Haruyama, City Manager
Kirsten Powell, City Attorney
Steve Walpole, Chief of Police
Taylor Bateman, Community Development Director
Tony McFarlane, Administrative Services Director
Daryl Jordan, Public Works Director
Steve Toler, Financial Consultant
Tracy Ferrara, City Clerk

COMMITTEE REPORTS

CM Lind reported that the Santa Cruz Metropolitan Transit District Finance Committee met to discuss budget and infrastructure challenges.

VM Johnson reported that the Santa Cruz County Regional Transportation Commission (SCCRTC) met and received a report from the California Highway Patrol (CHP) regarding the large number of incidents that occur on Highway 17 and the amount of patrol and servicing that they are able to provide. The SCCRTC voted to increase their annual contribution to \$75,000 for CHP patrols on Highway 17.

Mayor Dilles reported that he attended the Monterey Bay Economic Partnership 2019 Economic Summit and heard speakers who discussed ideas and examples for economic vitality.

Mayor Dilles reported that the Budget Subcommittee met and the items they discussed will be presented later in the meeting during the budget discussion.

As Council Member Timm's alternate, Mayor Dilles reported that he attended the AMBAG Board meeting where they approved their annual budget and overall work plan.

Mayor Dilles reported that he attended the Interagency Committee meeting, which is a local group of representatives from the City, Fire District, School District, and Water District who topics of interest related to development and communication as it relates to joint projects. He reported that the current discussion was about creating an infographic for the public on workflow and how the development process works with all of the governmental entities.

Mayor Dilles reported that the Seniors Council met and they discussed state and federal funding.

CM Timm reported that the General Plan Advisory Committee (GPAC) met and discussed the draft mobility element and traffic analysis for the City.

CITY MANAGER REPORT

Police Junior Academy: Registration is now open for all three of our 2019 Junior Police Academy sessions! Dates are currently scheduled for June 10-14, July 15-19 and July 29-Aug 2. Visit ScottsValleyPD.com or the SVPD Facebook page for more information.

Lodato Park: If you will be headed out to Lodato Park anytime soon, we want you let you know that the Mountain Bikers of Santa Cruz are helping us remove exposed surface roots and small tree branches on the trails for the next 10 Wednesdays, between 8:30 am – 12:30 pm. But not to worry, the park will remain open while the work is being completed. Special thanks to the Scotts Valley Parks Advocates for funding this project!

Blue and Gold: Congratulations to Police Sgt. Wayne Bellville and Fire Engineer/ Paramedic Travis Crivell for being recognized as the SV Exchange Club Police and Fire Employee of the Year!

PUBLIC COMMENT TIME

Mayor Dilles presented outgoing CM Haruyama with a Mayor's Proclamation and flowers on behalf of the entire City Council and each Council Member thanked Jenny for all of her work at the City and wished her well.

ALTERATIONS TO CONSENT AGENDA

Mayor Dilles made the following public statement regarding Item F on the consent agenda as required by State law: The salary for the new City Manager will be \$198,924 annually.

M/S: Lind/Timm

To approve the Consent Agenda.

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

CONSENT AGENDA

- A. Approve City Council meeting minutes 5-1-19
- B. Approve check register – 5-3-19
- C. Approve the updated Class Specification for Chief Wastewater Plant Operator
- D. Approve Resolution No. 1851.7, approving the closure of Skypark Park on July 4, 2019, and a temporary road closure along the above specified route of Scotts Valley Drive in order to host a parade and fireworks in celebration of Independence Day on July 4, 2019
- E. Approve amendments to the MOUs between the City of Scotts Valley and SEIU Local 521, Mid-Management Association, Police Bargaining Unit, and Police Supervisors Association to include a \$50 monthly cell phone reimbursement, authorize City staff to update the MOU to include the new terms and conditions, and authorize the City Manager to sign the agreements
- F. Approve Agreement between the City of Scotts Valley and Christina J. Friend for employment as City Manager

ALTERATIONS TO REGULAR AGENDA

M/S: Lind/Johnson

To approve the Regular Agenda.

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

REGULAR AGENDA

- 1. Consider Preliminary Budget for Fiscal Year 2019/20 and Fiscal Sustainability Plan (FSP) Update

ASD McFarlane presented the written staff report and a PowerPoint presentation, and responded to questions from Council.

Steve Toler, Financial Consultant for the City, presented a PowerPoint presentation and responded to questions from Council.

Council directed staff to work with the new City Manager to obtain her input on the FSP and return with an updated FSP for Council consideration.

City Council provided policy direction on the proposed FY 2019/20 Annual Budget:

1. \$550,000 CDBG Loan payoff

- **Staff recommendation:** Transfer \$550,000 from General Fund Reserve to CDBG Revolving Loan Account in FY 2018/19

Council directed staff to check with the Department of Housing and Community Development (HCD) regarding funding structure, requirements, and timelines of CDBG grants, and return at a subsequent Council meeting with additional information for Council consideration.

2. UAL prepayment policy

- **Staff recommendation:** Establish a policy where the City will prepay the annual UAL payment to CalPERS with funds permitting. The City will pay the proportionate share of the Classic Safety and Miscellaneous plans and the full UAL for the PEPRSA Safety and Miscellaneous plans

Council unanimously agreed to prepay the annual UAL payment to CalPERS if funds permit.

3. COP Refunding Policy

- **Staff recommendation:** Establish a policy that outlines a budget strategy of transferring annual savings from a proposed COP refunding into a reserve fund to hold for a balloon payment scheduled for FY 2027/28

Council directed staff to continue their evaluation of this refunding and return to the June 5th Council meeting with a recommendation for consideration.

4. AB618 Resolution

- **Staff recommendation:** Draft a resolution in support of AB618 for consideration at the June 5, 2019 Council meeting.

Council directed staff to return to the June 5th Council meeting with a resolution in support of AB618 for consideration.

5. Five-Year CIP

- **Staff recommendation:**

- i. Public Works Modular Building Replacement - \$400,000 Fund from General Fund reserves

Council directed staff to return to the June 5 Council meeting with a more refined list of expenditures for consideration.

- ii. Scotts Valley High School Artificial Turf Contribution - \$5,000 Fund from Lennar funds

The City Council unanimously agreed to match up to \$2,500 from Lennar Funds if the Scotts Valley Unified School District is willing to contribute.

- iii. Temporary Bike Lane Installation – Amount TBD Fund from SB1 funds

Council agreed to not fund this project at this time from SB1 due to many factors, including the pavement maintenance study results and the current General Plan update. Council recommended looking for alternative funding sources and agreed that they need additional information and input before making a final decision.

- iv. Shugart Park Dog Park – Amount TBD Provide scope for project in order to determine resources needed.

Council directed staff to place this item in the CIP as a placeholder to allow time for the Public Works Director to evaluate the project, establish a more refined list of expenditures, and work with the Parks & Recreation Commission to obtain their input.

2. **Consider submittal of a letter commenting on the Harm Reduction Road Show (HRRS) Certified Mobile Syringe Program and proposed locations**

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

M/S: Reed/Timm

To direct staff to prepare letters from the City and the Chief of Police encouraging denial of the Harm Reduction Road Show (HRRS) Certified Mobile Syringe Program application to the California Department of Public Health (CDPH) for a certified mobile syringe access program in Felton, Santa Cruz, and Watsonville to be submitted to the California Department of Public Health by May 24, 2019.

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

3. **Future Council agenda items**

None.

ADJOURNMENT

The meeting adjourned at 8:43 p.m.

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

AGENDA ITEM B

DATE: 6-5-2019

SCOTTS VALLEY ACCOUNTS PAYABLE
05/10/2019 15:43:53 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.12 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 051019 COMMENT... A/P 05/10/2019

DATA-JE-ID DATA COMMENT

W-05102019-771 A/P 05/10/2019

Run Instructions:

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Check Register

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000097	AT&T	116198	05/10/19	230.12
001566	BUSINESS WITH PLEASURE	116199	05/10/19	26.16
000481	CASEY PRINTING	116200	05/10/19	3,535.01
000037	CRYSTAL SPRINGS WATER CO	116201	05/10/19	69.60
.15350	DIEBOLD NIXDORF, INC	116202	05/10/19	45.00
001597	ENVIRONMENTAL INNOVATION	116203	05/10/19	4,895.51
000098	ESCALON SERVICES	116204	05/10/19	2,601.98
000054	EWING IRRIGATION PRODUCT	116205	05/10/19	346.88
001828	GONZALES/GABE	116206	05/10/19	966.79
001898	GUARD PRODUCTS INC	116207	05/10/19	1,353.95
001239	HAYASHI DDS/ARTHUR K	116208	05/10/19	100.00
001856	HUB INTERNATIONAL	116209	05/10/19	129.46
001903	JONES/KIMARIE	116210	05/10/19	130.00
.15349	KARA BOWMAN	116211	05/10/19	55.00
000078	LLOYD'S TIRE SERVICE INC	116212	05/10/19	158.59
003011	LOPEZ/PAUL	116213	05/10/19	66.00
001234	MC GRAW DDS/BERNARD	116214	05/10/19	324.80
003735	MERCER/JEFF	116215	05/10/19	514.50
000218	MID VALLEY SUPPLY	116216	05/10/19	1,649.63
000083	MISSION UNIFORM SERVICE	116217	05/10/19	780.10
001779	MUSICAL ME, INC	116218	05/10/19	1,280.00
000939	NATIONAL COMTEL NETWORK	116219	05/10/19	8.05
001872	NORTH CENTRAL LABORATORI	116220	05/10/19	1,005.18
.15348	QUANTA TELECOMMUNICATION	116221	05/10/19	145.00
000820	SANTA CRUZ/COUNTY OF	116222	05/10/19	16.50
000405	SILVERSTEIN/THOMAS	116223	05/10/19	3,181.55
000153	THOMSON REUTERS-WEST	116224	05/10/19	305.00
001366	U.S. BANCORP OFFICE	116225	05/10/19	1,260.36
001831	USA BLUE BOOK	116226	05/10/19	125.40
000443	WALPOLE/STEVE	116227	05/10/19	312.80
000443	WALPOLE/STEVE	116228	05/10/19	236.00
000154	WINCHESTER AUTO STORES	116229	05/10/19	88.16
001625	YOSHIDA DDS/NOREEN	116230	05/10/19	256.00
GENERAL CHECKING ACCOUNT				27,016.18 ***

REPORT TOTALS:

27,016.18

RECORDS PRINTED - 000053

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
05/10/2019 15:43:53
GL060S-V08.12 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	5,544.43
002	RECYCLING/ENVIRONMENTAL	1,724.75
004	RECREATION	11,761.02
010	WASTEWATER OPERATIONS	6,321.13
028	SENIOR CENTER	305.25
112	DENTAL INS INTERNAL SERV	1,359.60
TOTAL ALL FUNDS		27,016.18

BANK RECAP:

BANK	NAME	DISBURSEMENTS
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BA	GENERAL CHECKING ACCOUNT	27,016.18
TOTAL ALL BANKS		27,016.18

SCOTTS VALLEY FINANCE DEPT.
05/20/2019 11:42:54

Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.12 COVERPAGE
GL540R

Report Selection:

Check Run Date 05/17/2019

Run Instructions:

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Check History

HISTORY FILES

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	AT &T	116234	05/17/19	3,667.02
	AT&T	116235	05/17/19	9.34
	BEN'S MOTORCYCLE WORKS	116236	05/17/19	660.08
	BIRT/DUSTIN	116237	05/17/19	113.06
	BRINK'S TROPHY SHOPPE	116238	05/17/19	194.80
	CAL-WEST LIGHTING & SIGN	116239	05/17/19	2,420.00
	COMCAST	116240	05/17/19	279.81
	COMCAST	116241	05/17/19	323.22
	COMCAST	116242	05/17/19	167.57
	CREATIVE SECURITY COMPAN	116243	05/17/19	3,661.22
	CRYSTAL SPRINGS WATER CO	116244	05/17/19	20.90
	D & G SANITATION	116245	05/17/19	103.55
	DASSEL'S PETROLEUM INC	116246	05/17/19	5,125.16
	DEES & ASSOCIATES INC	116247	05/17/19	1,531.50
	DILLES/JACK	116248	05/17/19	58.87
	DUNCAN AUTO TECH	116249	05/17/19	1,959.07
	DYNAMIC PRESS	116250	05/17/19	67.81
	EARTHWORKS	116251	05/17/19	2,040.00
	FIRST ALARM	116252	05/17/19	173.75
	GENTILE/LORI	116253	05/17/19	168.07
	GIBSON/GERI	116254	05/17/19	187.14
	HACH COMPANY	116255	05/17/19	53.45
	HEDRICK DDS MS APC/JOHN	116256	05/17/19	495.30
	HERRARA,ROSANNA	116257	05/17/19	150.10
	HODGIN/DAVID	116258	05/17/19	166.61
	HOHMANN/PATRICK J.	116259	05/17/19	129.00
	IFLAND ENGINEERS INC	116260	05/17/19	360.00
	INTERNATIONAL CONFERENCE	116261	05/17/19	125.00
	KING/KATI	116262	05/17/19	163.56
	LOGAN & POWELL, LLP	116263	05/17/19	13,920.00
	MAFFIA/CHUCK	116264	05/17/19	215.77
	MANAGEMENT PARTNERS	116265	05/17/19	2,452.37
	MAR-KEN INTERNATIONAL PO	116266	05/17/19	260.00
	MBASIA	116267	05/17/19	184.70
	MONTEREY BAY ANALYTICAL	116268	05/17/19	420.00
	MONTEREY BAY SYSTEMS	116269	05/17/19	896.53
	MONTEREY ONE WATER	116270	05/17/19	585.00
	NATIONAL COMTEL NETWORK	116271	05/17/19	8.49
	PACIFIC GAS & ELECTRIC C	116272	05/17/19	24,699.78
	PACIFIC GAS & ELECTRIC C	116273	05/17/19	36.99
	PIED PIPER INC./THE	116274	05/17/19	61.50
	S.V. WATER DISTRICT	116275	05/17/19	96.45
	S.V. WATER DISTRICT	116276	05/17/19	8,741.83
	S.V. WATER DISTRICT - BU	116277	05/17/19	1.81

Check History

HISTORY FILES

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	SANTA CRUZ COUNTY CLERK	116280	05/17/19	28.00
	SANTA CRUZ SENTINEL	116281	05/17/19	690.25
	SHRED-IT USA	116282	05/17/19	104.48
	STEPFORD	116283	05/17/19	2,060.40
	THOMAS/PHILIP	116284	05/17/19	183.10
	U.S. BANCORP OFFICE	116285	05/17/19	342.81
	VERIZON WIRELESS	116286	05/17/19	835.69
	VOLUNTEER CENTER	116287	05/17/19	2,707.00
	WINCHESTER AUTO STORES	116288	05/17/19	13.41
	YOUNG/TERRI	116289	05/17/19	153.13
	ZOOM	116290	05/17/19	853.22
	ZUMAR INDUSTRIES INC	116291	05/17/19	1,380.57
				91,212.61

REPORT TOTALS:

91,212.61

RECORDS PRINTED - 000108

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	53,653.30
004	RECREATION	2,187.08
010	WASTEWATER OPERATIONS	27,668.85
011	TERTIARY TREATMENT PLANT	473.45
028	SENIOR CENTER	1,213.94
050	PINEWOOD EST LNDSCP MAINT DT	10.51
077	SKYPARK MAINT ASSESS DIST	283.37
112	DENTAL INS INTERNAL SERV	624.30
123	COMMUNITY FACILITY CENTER	1,145.91
155	TRANSPORTATION FUNDS-MEAS D	1,891.50
315	POLICE DEVELOPMENT FEES	2,060.40
TOTAL ALL FUNDS		91,212.61

BANK RECAP:

BANK	NAME	DISBURSEMENTS
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BA	GENERAL CHECKING ACCOUNT	91,212.61
TOTAL ALL BANKS		91,212.61

SCOTTS VALLEY ACCOUNTS PAYABLE
05/30/2019 11:07:17 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.12 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 052419 COMMENT... 05/24/2019 A/P

DATA-JE-ID DATA COMMENT

W-05242019-801 05/24/2019 A/P

Run Instructions:

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Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
003566	ABA BUILDING SERVICES	116292	05/24/19	1,800.00
001219	ALHAMBRA	116293	05/24/19	276.32
001219	ALHAMBRA	116294	05/24/19	36.94
000881	ALVAREZ IND INC CLEAN BL	116295	05/24/19	1,161.00
000998	ASSOCIATED SERVICES CO.	116296	05/24/19	54.97
001670	AT & T	116297	05/24/19	301.34
000097	AT&T	116298	05/24/19	157.91
003746	AVENU HOLDINGS, LLC	116299	05/24/19	1,803.85
003416	BALBOA CAPITAL	116300	05/24/19	225.63
001319	BALL/DAVE	116301	05/24/19	189.57
000053	BSN SPORTS	116302	05/24/19	22.82
001938	BUCKLES-SMITH ELECTRIC C	116303	05/24/19	1,191.74
001057	CABRILLO COLLEGE	116304	05/24/19	6,138.00
003280	CAROLLO	116305	05/24/19	47,892.69
003476	CORIX WATER PRODUCTS	116306	05/24/19	232.05
000037	CRYSTAL SPRINGS WATER CO	116307	05/24/19	20.90
000778	DEPT OF JUSTICE	116308	05/24/19	286.00
003707	DILLES/JACK	116309	05/24/19	192.04
003752	DUPERON CORPORATION	116310	05/24/19	19,729.00
001537	DYNAMIC PRESS	116311	05/24/19	98.74
000054	EWING IRRIGATION PRODUCT	116312	05/24/19	791.64
003154	FLANNERY/MARLENE	116313	05/24/19	84.71
003701	JORDAN/DARYL	116314	05/24/19	43.36
003749	MALECKI/MARCIE	116315	05/24/19	91.03
001815	MC GRATH/TRISH	116316	05/24/19	4.98
001418	MONTEREY REGIONAL	116317	05/24/19	1,741.25
000101	PACIFIC GAS & ELECTRIC C	116318	05/24/19	23.20
001787	PETRINI'S GARDENING SERV	116319	05/24/19	75.00
001085	SYCAL ENGINEERING INC	116320	05/24/19	217.50
001560	TRITON CONSTRUCTION	116321	05/24/19	75.00
000178	UNITED WAY OF SC COUNTY	116322	05/24/19	2,425.00
001831	USA BLUE BOOK	116323	05/24/19	64.00
001106	VERIZON WIRELESS	116324	05/24/19	242.48
000376	WILSON, INC./GEO. H.	116325	05/24/19	440.00
002021	ZOOM	116326	05/24/19	10.99
GENERAL CHECKING ACCOUNT				88,141.65 ***

REPORT TOTALS: 88,141.65

RECORDS PRINTED - 000056

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
05/30/2019 11:07:17
GL060S-V08.12 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
----	-----	
001	GENERAL	12,744.91
004	RECREATION	244.82
010	WASTEWATER OPERATIONS	5,226.28
012	WASTEWATER CAPITAL RESERVE	67,621.69
028	SENIOR CENTER	305.71
077	SKYPARK MAINT ASSESS DIST	273.24
123	COMMUNITY FACILITY CENTER	1,725.00
TOTAL ALL FUNDS		88,141.65

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	88,141.65
TOTAL ALL BANKS		88,141.65

SCOTTS VALLEY ACCOUNTS PAYABLE
05/30/2019 11:26:54 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.12 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 053119 COMMENT... 05/31/2019

DATA-JE-ID DATA COMMENT

W-05312019-808 05/31/2019

Run Instructions:

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

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
	003566 ABA BUILDING SERVICES	116327	05/31/19	650.00
	000041 ACC BUSINESS	116328	05/31/19	1,219.38
	001405 AFLAC-FLEX ONE	116329	05/31/19	3,102.57
	003742 AVALOS/KEVIN	116330	05/31/19	78.00
	001066 BEHAVIORAL HEALTH CARE I	116331	05/31/19	118.00
	000107 BIRT/DUSTIN	116332	05/31/19	197.69
	000437 BRASS KEY LOCKSMITH	116333	05/31/19	39.59
	003521 CARD SERVICE CENTER	116334	05/31/19	6,281.34
	000756 CENTRAL HOME SUPPLY	116335	05/31/19	222.38
	002091 COMCAST	116336	05/31/19	146.20
	003384 COVER PRO	116337	05/31/19	154.16
	001546 CRAIG/ROBERT J	116338	05/31/19	500.00
	003134 CRIME SCENE CLEANERS, INC	116339	05/31/19	100.00
	001362 DUNCAN AUTO TECH	116340	05/31/19	983.01
	001537 DYNAMIC PRESS	116341	05/31/19	535.23
	001257 EBRAHIMIAN DDS/MARK	116342	05/31/19	17.50
	003035 FELTON DENTAL CENTER	116343	05/31/19	274.40
	003706 GRANADOS/JUSTIN	116344	05/31/19	175.00
	001660 KING/KATI	116345	05/31/19	121.72
	003403 MAR-KEN INTERNATIONAL PO	116346	05/31/19	585.00
	003171 MICHALAK/GENE	116347	05/31/19	125.00
	003685 MONTEREY BAY ANALYTICAL	116348	05/31/19	695.00
	000967 MONTEREY BAY SYSTEMS	116349	05/31/19	170.60
	001615 OLIN CORP-CHLOR ALKALI	116350	05/31/19	2,117.33
	003503 PURETEC INDUSTRIAL WATER	116351	05/31/19	213.35
	001533 SANTA CRUZ COUNTY BANK	116352	05/31/19	1,558.36
	000126 SANTA CRUZ FIRE EQUIPMEN	116353	05/31/19	566.54
	000122 SANTA CRUZ/CITY OF	116354	05/31/19	1,673.33
	003704 SCM PERFORMANCE	116355	05/31/19	1,338.52
	003745 SCOTTS VALLEY HOTEL LP	116356	05/31/19	16,973.67
	003757 SWEDBERG ELECTRIC INC.	116357	05/31/19	900.00
	.15359 SWRCB CLEANUP & ABATEMEN	116358	05/31/19	3,000.00
	001085 SYCAL ENGINEERING INC	116359	05/31/19	450.00
	001033 TIMES PUBLISHING GROUP	116360	05/31/19	550.00
	001831 USA BLUE BOOK	116361	05/31/19	65.75
	003590 VARGAS ACADEMY OF GYMNAS	116362	05/31/19	1,409.80
	000151 VISION SERVICE PLAN	116363	05/31/19	1,157.10
	003145 WAGE WORKS	116364	05/31/19	127.00
	GENERAL CHECKING ACCOUNT			48,592.52 ***

REPORT TOTALS:

48,592.52

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
05/30/2019 11:26:54
GL060S-V08.12 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	32,033.16
004	RECREATION	2,124.48
006	EQUIPT REPLACEMENT RESERVE	81.72
010	WASTEWATER OPERATIONS	11,283.92
011	TERTIARY TREATMENT PLANT	630.00
028	SENIOR CENTER	83.99
031	STP EXCHANGE PROJECTS	222.38
112	DENTAL INS INTERNAL SERV	291.90
123	COMMUNITY FACILITY CENTER	580.99
312	POLICE - BUDGET ACT OF 2016	1,259.98
TOTAL ALL FUNDS		48,592.52

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	48,592.52
TOTAL ALL BANKS		48,592.52

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 5, 2019

TO: Honorable Mayor and City Council

FROM: Tony McFarlane, Administrative Services Director

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

SUMMARY OF ISSUE

The State of California Government Code Section 53646 was amended in 2010, and states that a City Treasurer may submit the City Investment Policy to Council for review and approval. While not required, it is a best practice to have the local governing body review and approve its investment policy.

The current Investment Policy is attached for your information. The City Council last adopted this Investment Policy on June 20, 2018. Staff recommends that no changes be made in the existing Investment Policy at this time.

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

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

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

FISCAL IMPACT

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

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1139.23 approving the Investment Policy.

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RESOLUTION NO. 1139.23

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

WHEREAS, under government Code Section 53646, et seq, the City Treasurer may submit the City's Investment Policy for City Council approval; and

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

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

This resolution was passed and adopted on the 5th day of June, 2019, at a duly held regular meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: INVESTMENT POLICY

POLICY NUMBER: 05-17

EFFECTIVE DATE: 6/20/2018

PAGES: 11

REVISED DATES: 6/5/2019

APPROVED BY: Jack Dilles, Mayor

A. PURPOSE

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

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

B. OBJECTIVES

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

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

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

C. DELEGATION OF AUTHORITY

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

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

D. ETHICS AND CONFLICT OF INTEREST

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

E. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

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

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

F. SCOPE

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

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

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

G. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

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

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

1. Obligations of the U.S. Treasury, or securities guaranteed by the full faith and credit of the United States ("Treasury Obligations"), excluding securities which have been stripped of their coupons.
 - a. There is no limitation to the percent of the portfolio which may be held in these Treasury obligations.
2. Obligations which are guaranteed by the full faith and credit of agencies or instrumentalities of the U.S. government ("Agency obligations"), including but not limited to FNMA, FFCB, FHLB, and SLMA.
 - a. There is no limitation to the percent of the portfolio which may be held in these Agency obligations.
3. Negotiable certificates of deposit at banks, the short-term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Service, and the long term obligations (if any) of which are rated A or higher by Standard and Poor's or by Moody's Investors Service, or the equivalent by another recognized rating agency.
 - a. The maximum maturity of certificates of deposit may not exceed five years.
 - b. No more than 30% of the portfolio, excluding bond proceeds, may be invested in certificates of deposit.
 - c. The institution must be located in California.
 - d. The institution must have current financial information, a signed contract, and a waiver on file with the City.
 - e. The institution must maintain a net worth to asset ratio of at least 30% and have a positive earnings record.
 - f. The institution must be at least 3 years old.
 - g. For collateralized investments, the institution must have at least \$500 million in assets.

4. Banker's acceptances issued by banks, the short term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Services, or the equivalent by another nationally rating agency.
 - a. The maximum maturity of banker's acceptances may not exceed 180 days.
 - b. No more than 40% of the portfolio, excluding bond proceeds, may be invested in banker's acceptances.
5. Commercial paper issued by corporations, the short term obligations of which are rated A1 or higher by Standard and Poor's, or P1 by Moody's Investor Services, or the equivalent by another nationally recognized rating agency.
 - a. The maximum maturity of commercial paper may not exceed 270 days.
 - b. Eligible paper is limited to notes issued by corporations organized and operating within the United States and having total assets in excess of \$500 million, and having a long term debt rating of "A" or higher.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in commercial paper.
 - d. An additional 15% of the portfolio (for a total of 30%), excluding bond proceeds, may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.
6. Repurchase agreements collateralized by any securities permitted under paragraphs 1. and 2. of this section of this policy (Treasury obligations or Agency obligations).
 - a. The term of a repurchase agreement may not exceed 30 days.
 - b. The market value of securities shall not be less than 102% of the repurchase amount.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in repurchase agreements.
 - d. The repurchase agreements shall be subject to a master repurchase agreement between the City and the provider of the repurchase agreement. The repurchase agreement shall be substantially in the form developed by the Public Securities Association.
 - e. Collateral underlying repurchase agreements shall be delivered to the City's custodial bank. Clearly marked evidence of ownership (safekeeping receipts) must be supplied to the bank.
7. Corporate medium notes, rated A or higher by Moody's Investor Services and by Standard and Poor's.
 - a. No more than 30% of the portfolio, excluding bond proceeds, may be invested in corporate medium term notes.

8. Mortgage pass through securities issued by an agency of the U.S. government.
 - a. No more than 15% of the portfolio, excluding bond proceeds, may be invested in mortgage pass through securities.
9. Money market mutual funds with a minimum of \$250 million in assets which invest in securities described in a. through h. above, provided:
 - a. The fund has attained the highest rating provided by two of the three largest nationally recognized rating agencies, or
 - b. The fund has an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations in a. through h. above.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in money market mutual funds.
10. The State of California "Local Agency Investment Fund" ("LAIF") and the "Investment Fund of California" ("CalTRUST").
 - a. No more than the maximum deposit allowed per agency set by the State Treasurer may be invested in LAIF.
 - b. No more than 30% of the portfolio, excluding bond proceeds, may be invested in CalTRUST.
11. The City of Scotts Valley also utilizes deposits from commercial banks for regular depository services including operating and payroll accounts. Utilization of "sweep" account services provides short term interest on operating funds. Interest-bearing accounts may also be maintained for certain individual City funds.
 - a. Deposits in local banks or savings and loans must be consistent with the basic investment goals which stress safety and liquidity above yield.
 - b. All bank and savings and loan association deposits shall be insured by the FDIC or, to the extent not insured, be collateralized with securities in accordance with California law.
12. Bond proceeds, obligations under lease, installment sales, or proceeds from other agreements of the City may be invested with more flexibility, in accordance with Section 53601 of the California Government Code, in any security that meets the statutory provisions governing the issuance of bonds or other agreements made by the City.

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

1. Safety

Safety and the minimization of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest, or combination of the two. The first level of risk control is found in state law which restricts the particular types of investments permitted

for municipalities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most creditworthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with dates of disbursement, thereby eliminating risk of loss from a forced sale. The City only invests in those instruments that are considered very safe.

2. Liquidity

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

3. Yield

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

I. POLICY CONSTRAINTS

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

J. SELECTION OF INVESTMENT CONTACTS

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

K. SAFEKEEPING

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

L. INVESTMENT CONTROLS

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

M. INVESTMENT REPORTS

1. The City Treasurer may annually render a Statement of Investment Policy to the City Council for their approval at a public meeting per California Government Code section 53646(a).
2. The City Treasurer may generate and forward to the City Manager and City Council a monthly report within 30 days after the end of each month. Included in these types of reports are: type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

N. INVESTMENT AUDITS

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

O. INVESTMENT PERFORMANCE EVALUATION

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

P. RATING OF SECURITIES

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

Q. INVESTMENT GUIDELINES**1. Cash Availability Guidelines**

- a. Cash flow analysis is developed which serves as a basis for determining the cash available for investment and maturity dates needed to cover future disbursements.
- b. A close rapport is maintained with all departments having a significant impact on cash flow to ensure receipt of timely and accurate data.
- c. Where practical, revenue receipts are consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to fund cash and investment balances.
- d. Active bank balances are kept as low as possible without jeopardizing good banking relationships by maintaining investment of available cash as near to 100% as possible.
- c. Bank balances are obtained weekly to assure accurate and detailed information.
- d. Sufficient funds are maintained in very liquid investments to meet most unexpected contingencies.

2. Investing Guidelines

- a. A close working relationship is maintained with a list of well-established brokers, dealer/brokers, and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions.
- b. Economic data, forecasts, and conditions are continuously obtained from financial experts in the field and evaluated as to impact on investment decisions.
- c. Business journals are routinely reviewed and education programs are attended to enhance knowledge and professional skills required to manage an investment portfolio.
- d. Only investments authorized by the Investment Policy are transacted. Investments are made with qualifying institutions based only on competitiveness of interest rates offered.
- e. Purchases of investments are made with the intent of holding the investments to maturity. If, under favorable market conditions, investments of similar maturities can be swapped or traded and portfolio performance can be improved without compromising safety, the trades may be transacted.

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

3. **Guidelines for Broker/Dealer and Banker Relationships**

- a. A list of approved brokers, broker/dealers, banks, and savings and loans is reviewed monthly based upon the following:
 - (1) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.
 - (2) Receipt of positive audited financial statements.
 - (3) Being in business for a minimum of three years.
- b. The City Treasurer reviews and acts on requests to be on the approved list and accompanying financial statements.
- c. There is a formal filing system of the required information for those on the approved list, which provides for an annual report of updated financial information.
- e. There is a timely transaction monitoring system to ensure that all documents and confirmation are received and are correct.
- f. Transactions are monitored monthly to assure that there are no undue concentrations of investments with any single firm.

GLOSSARY OF INVESTMENT SECURITIES

- a. **Obligations of the U.S. Treasury** - Debt obligations backed by the full faith and credit of the U.S. Government. They are issued with initial maturities from three months to 30 years.
- b. **Agency Obligations** - Obligations guaranteed by the full faith and credit of agencies and instrumentalities of the U.S. Government, such as FNMA, FFCB, FHLB, and GNMA.
- c. **Negotiable Certificates of Deposits** - A bank deposit issued in negotiable form (i.e., one that can be bought or sold in the open market).
- d. **Banker's Acceptance** - A draft that is drawn and accepted by banks. Because the accepting institution is obligated to pay the draft without regard to whether it is paid or not, banker acceptances are considered to be high quality money market instruments.
- e. **Commercial Paper** - Unsecured promissory notes issued by corporations to fund short term cash requirements.
- f. **Repurchase Agreement** - An agreement in which an investor buys securities from a contra-party with the provision that the buyer must sell the securities back to the contra-party at a specific date at a pre-agreed upon price. The repurchase amount is expressed as principal plus interest at an agreed upon rate.
- g. **Corporate Medium Term Note** - An obligation of a corporation issued with an initial term of maturity of nine months to 15 years.
- h. **Mortgage Pass Through Certificates** - Bonds backed by an undivided interest in a pool of mortgages or trust deeds. Income and principal from the underlying mortgages is used to pay off the securities.
- i. **Money Market Mutual Funds** - Mutual funds which invest in short term securities and strive to maintain a share price of \$1.
- j. **Local Agency Investment Fund (LAIF)** - An investment pool managed by the California State Treasurer's Office to provide safe, low cost, and highly liquid investment alternative for California's local governmental agencies.

Investment Trust of California - More commonly known as CalTRUST, a trust created for public agencies to provide for the investment of pooled funds of its participants.
- k. **Demand Deposits** - A deposit of monies where the monies are payable by the bank upon demand of the depositor.

PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

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

APPROVED AS TO FORM:

 Kirsten Powell, City Attorney

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 5, 2019

TO: Honorable Mayor and City Council

FROM: Daryl Jordan, Public Works Director/City Engineer

APPROVED: Steve Walpole, Acting City Manager

SUBJECT: **PINEWOOD ESTATES LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT; RESOLUTION 1213.33; ANNUAL
ENGINEER'S REPORT**

SUMMARY OF ISSUE

On July 15, 1987, Resolution 1213 was adopted by City Council to form the referenced assessment district pursuant to the Landscape and Lighting Act of 1972. The District improvements, which generally consist of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds, were dedicated to the City by the developer of Pinewood Estates subdivision. These improvements were planted/constructed in the right-of-way of Lockwood Lane and in landscaping easements from the subdivision. The district participants are the twenty-five Pinewood Estates homeowners, who are being assessed for the cost of maintaining the improvements.

The District special fund is annually depleted and the owners reassessed each year. Attached is the Engineer's Report establishing the assessments this year at \$240 per unit, the same as last year's, for total revenue of \$6,000.

As required, all 25 owners were notified of the June 5, 2019 public meeting and the June 19, 2019 public hearing via mail. The assessor's role is used to obtain the current name and address of each property owner to be notified of the proceedings. The purpose of the public meeting is to receive public testimony from the affected property owners regarding the assessment. No other action is necessary.

On June 19, 2019, a public hearing will be held to receive additional testimony from property owners. At that time, Council will consider approving the annual Engineer's Report and adopting the attached Resolution No. 1213.33.

FISCAL IMPACT

Costs associated with the maintenance and repair of the assessed area are funded through an assessment district. The established assessment amount is \$240 per unit/parcel, generating approximately \$6,000 annually.

STAFF RECOMMENDATION

It is recommended that the City Council accept public testimony at the June 5, 2019 public meeting and hold a public hearing on June 19, 2019.

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RESOLUTION NO. 1213.33

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

PINEWOOD ESTATES LANDSCAPE MAINTENANCE DISTRICT

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

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

WHEREAS, June 5, 2019 at the hour of 6:00 o'clock p.m. and June 19, 2019 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1213.33.

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

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

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.
2. That said protests be, and each of them are, hereby overruled.
3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.
4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution Nos. 1192 and 1213 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.
5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.
6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution Nos. 1192 and 1213 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.
7. That the diagram showing the assessment district referred to and described in said Resolution No. 1192 and 1213, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

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

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

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

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

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 19th day of June 2019, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**ANNUAL ENGINEER'S REPORT
Fiscal Year 2019-2020**

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



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

**Jack Dilles
Mayor**

**Randy Johnson
Vice Mayor**

**Donna Lind
Council Member**

**Jim Reed
Council Member**

**Derek Timm
Council Member**

**Steve Walpole
Acting City Manager**

**Daryl Jordan, RCE 58036
Public Works Director/City Engineer
and
Assessment District Engineer of Work**

ASSESSMENT

Fiscal Year 2019-2020

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

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

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

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

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

NOW, THEREFORE, I, Daryl Jordan, RCE 58036, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2019-2020 is as follows:

Engineer's Estimate: \$6,000

And I do hereby assess and apportion said portion of said total amount of the costs and expenses of said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, upon the several lots, pieces, or parcels or portions of lots of land liable therefore and benefitted thereby, and hereinafter numbered

to correspond with the numbers upon the diagram, upon each, severally and respectively, in proportion to the benefits to be received by such lands respectively, from the maintenance hereto attached and by reference made a part hereof.

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

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

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2019-2020 to the right of the parcel numbers and includes all of such parcels.

Dated: _____

Daryl Jordan, RCE 58036
City Engineer

DESCRIPTION OF WORK

1. Maintaining and servicing of landscaping and ornamental vegetation, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.
2. Maintaining and servicing of decorative fencing, signage and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.
3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities within the landscape maintenance easement.
4. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

ESTIMATE OF COSTS

ANNUAL MAINTENANCE COSTS

Fiscal Year 2019-2020

Engineer's Estimate (City Engineer)

Maintenance Expenses

Maintenance and servicing	\$ 4,000
Irrigation and power	1,600

Subtotal	\$ 5,600
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Incidental Expenses

City administration	\$ 200
Landscape management	200

Subtotal	<u>\$ 400</u>
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Total Estimated Cost	\$ 6,000
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Net Amount to be Assessed	<u><u>\$ 6,000</u></u>
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RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within the boundaries of the district.
2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.
3. Because the landscaping enhances an area serving as a drainage detention system for all parcels within the boundaries of the district, the benefit derived has been determined to be equal for all parcels.

Certificates

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

Tracy A. Ferrara, City Clerk

I, Ken D. Anderson, City Engineer for the City of Scotts Valley, do hereby certify that the amounts set forth have been re-computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1213.33, duly adopted by said City Council on June 19, 2019.

Daryl Jordan, RCE 58036
Public Works Director/City Engineer

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

Tracy A. Ferrara, City Clerk

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

Tracy A. Ferrara, City Clerk

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

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By:_____
Daryl Jordan, Public Works Dir./City Engineer

City of Scotts Valley

PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT

ASSESSMENT ROLL

2019-2020

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

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 5, 2019

TO: Honorable Mayor and City Council

FROM: Daryl Jordan, Public Works Director/City Engineer

APPROVED: Steve Walpole, Acting City Manager

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

SUMMARY OF ISSUE

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

Each year, an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. The FY 2019/20 assessment is \$219.74 per unit, the same as last year's. The total assessment revenue is estimated to be \$41,750.60. At the time the assessment was established, an annual inflator was not included; therefore, the per unit assessment has remained the same since 1995.

Revenue generated by the assessment covers expenses related landscape services such as cultivation, trimming, spraying, fertilizing, or treating of disease, and removal of trimmings, debris, and other solid waste; repair, reconstruction, removal, and/or replacement of items related to the maintenance of vegetation and open space, including but not limited to: irrigation systems, lighting, infrastructure (curbs, gutters, sidewalks); and utilities (water and electricity). The assessment also requires that funds be set aside in the event of a slope failure within the assessment area. A slope evaluation was completed in October 2017. The study showed the drainage culvert outfall on the south side is showing signs of being compromised causing inadequately controlled erosion at the toe of slope. This will require continued annual inspection, and repair. The remainder and majority of the slope shows no active erosion.

The table below reflects the proposed FY 2019/20 budget, estimated year-end for FY 2018/19 and FY 2017/18 actuals:

	Proposed FY 19/20	Estimated FY 18/19	Actual FY17/18
Assessments	\$41,751		
Transfer from Insurance Fund	12,000		
Total Revenue	\$53,751	\$41,751	\$42,300
Expenses			
Utilities	\$11,400	\$11,045	\$10,917
Landscape Maintenance/Repairs*	42,351	20,000	\$26,554
<i>Expense Subtotal</i>	<i>\$53,751</i>	<i>\$31,045</i>	<i>\$37,471</i>
Self Insurance Fund – Slope Stability	\$0	\$9,000	\$9,000
Total Expenses	\$53,751	\$40,045	\$46,471

*also includes estimated city staff time

As required, all 190 owners were notified of the June 5, 2019 public meeting and the June 19, 2019 public hearing via mail. The purpose of the public meeting is to receive public testimony regarding the assessment. No other action is required.

On June 19, 2019, a public hearing will be held to receive additional testimony from property owners. At that time, Council will consider approving the annual Engineer's Report and adopting the attached Resolution 1555-SP-31.

FISCAL IMPACT

Costs associated with maintaining, repairing, and operating the assessment district are funded through an annual assessment levy, which generates an estimated \$41,751. Additionally, \$12,000 will be transferred in from the Skypark Landscape Maintenance District Insurance fund for improvements at the Linear Park.

STAFF RECOMMENDATION

It is recommended that Council accept testimony at the June 5, 2019 public meeting and hold a public hearing on June 19, 2019.

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RESOLUTION NO. 1555-SP-031

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

SKYPARK OPEN SPACE MAINTENANCE DISTRICT

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

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

WHEREAS, June 5, 2019 at the hour of 6:00 o'clock p.m. and June 19, 2019 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1555-SP-031; and

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

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

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.
2. That said protests be, and each of them are, hereby overruled.
3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.
4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution No. 1555-SP-07 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.
5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.
6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution No. 1555-SP-07 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.
7. That the diagram showing the assessment district referred to and described in said Resolution No. 1555-SP-07, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

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

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

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

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

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 19th day of June 2019, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:

Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**ENGINEER'S REPORT
Fiscal Year 2019-2020**

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



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

**Jack Dilles
Mayor**

**Randy Johnson
Vice-Mayor**

**Donna Lind
Council Member**

**Jim Reed
Council Member**

**Derek Timm
Council Member**

**Steve Walpole
Acting City Manager**

**Daryl Jordan, RCE 58036
Public Works Director
and
Assessment District Engineer of Work**

Skypark Open Space Maintenance Assessment District No. 1

ASSESSMENT

Fiscal Year 2019-2020

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

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

NOW, THEREFORE, I, Daryl Jordan, RCE 58036, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto; to be paid by the assessment district for the fiscal year 2019-2020 is as follows:

Engineer's Estimate: \$41,750.60

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

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

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

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2018-2019 to the right of the parcel numbers and includes all of such parcels.

Date

Daryl Jordan, RCE 58036
Public Works Director/City Engineer

DESCRIPTION OF WORK

Skypark Open Space Maintenance Assessment District No. 1

1. Maintaining and servicing of landscaping, vegetation and open space, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.
2. Maintaining and servicing of decorative fencing, exercise par course and signage thereon, electronically controlled gates, and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.
3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities appurtenant to any of the improvements referenced in paragraphs 1 and 2 above, or which are necessary or convenient for the maintenance or servicing of said improvements.
4. The improvements referenced above are all within the boundaries of parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No. 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15 (hereinafter referred to as Final Maps).
5. The cost of slope subsidence/stability insurance or a self-insurance fund for any and all slope failures within the boundaries of parcels 14, 15, 16, 17, A and B as shown on the aforesaid Final Maps.
6. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

SKYPARK OPEN SPACE

MAINTENANCE ASSESSMENT DISTRICT NO. 1

Engineer's Estimate

Fiscal Year 2019-2020

BENEFIT ASSESSMENT

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2019-2020 is as follows:

MAINTENANCE

- | | | |
|----|--|--|
| 1. | Initial maintenance contract | |
| | a. | Park Maintenance and Materials \$29,550.00 |
| | b. | Water Cost \$11,000.00 |
| | c. | Utilities (PG&E) \$ 400.00 |
| | Subtotal | \$40,950.00 |
| | Total maintenance cost (12-month period) | |

INSURANCE

- | | | |
|----|---|--------------------|
| 1. | Self-Insurance Fund for Park Slope/Bluff Area | \$ 0.00 (deferred) |
|----|---|--------------------|

INCIDENTALS

- | | | |
|----|------------------------------------|-----------|
| 1. | Printing and advertising (notices) | \$ 800.00 |
|----|------------------------------------|-----------|

BALANCE TO ASSESSMENT	<u>\$41,750.00</u>
------------------------------	---------------------------

RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No., 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15.
2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.
3. The benefit derived has been determined to be equal for all parcels.

Certificates

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

Tracy A. Ferrara, City Clerk

I, Daryl Jordan, City Engineer of the City of Scotts Valley, do hereby certify that the amounts set forth under the Engineer's Estimate on Page 1 of the Assessment, and the individual amounts on the foregoing pages of the Assessment have been computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1555-SP-031, duly adopted by said City Council on June 19, 2019.

Daryl Jordan, RCE 58036
Public Works Director/City Engineer

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

Tracy A. Ferrara, City Clerk

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

Tracy A. Ferrara, City Clerk

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

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By _____
Daryl Jordan, Public Works Dir./City Engineer

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

ASSESSMENT ROLL

Ass. No.	Assessor's Parcel No.	Property Owner	Assessment Amount
1001	22-691-01	Mario Guerrero Magno & Marife Arcinas	\$ 219.74
1002	22-691-02	Jyri J Virkki	\$ 219.74
1003	22-691-03	Christopher & Dianne Wong	\$ 219.74
1006	22-691-06	Robert D. & Sheri L. Larkin	\$ 219.74
1007	22-691-07	Nanette L Carrillo Trustee	\$ 219.74
1008	22-691-08	Brian D. & Teresa M. Hallin Trustees	\$ 219.74
1009	22-691-09	Soon K. & Young H. Yuh	\$ 219.74
1010	22-691-10	Michael Mark Goodwin Trustee et al	\$ 219.74
1011	22-691-11	Jaime & Emily Rakow	\$ 219.74
1012	22-691-12	Jeremy & Lori Gentile	\$ 219.74
1013	22-691-13	Clarence W. Jr. & Maureen A. Mezzell	\$ 219.74
1014	22-691-14	Robert L Hambelton et al	\$ 219.74
1015	22-691-15	Gillian McGlaze Trustee	\$ 219.74
1016	22-691-16	Matthew D & Spring V Babb	\$ 219.74
1017	22-691-17	Dan Joe Aspromonte Trustee	\$ 219.74
1018	22-691-18	Willie D. & Lisa J. Lu Trustees	\$ 219.74
1004	22-691-20	Jose F. & Heather T. Lomba	\$ 219.74
1005	22-691-21	Christian Life Center First Assembly of	\$ 219.74
1144	22-692-01	Deandre & Karen James	\$ 219.74
1145	22-692-02	Todd R Einck	\$ 219.74
1146	22-692-03	Jann L Smart	\$ 219.74
1147	22-692-04	Carl Gyllenhammer	\$ 219.74
1148	22-692-05	Andreas & Jennifer Becker	\$ 219.74
1149	22-692-06	Hin F. Boen et al	\$ 219.74
1150	22-692-07	Peter K. Thompson	\$ 219.74
1151	22-692-08	Edward J. & Karen E. McNamara	\$ 219.74
1152	22-692-09	Guadalupe & Sarah De Leon	\$ 219.74
1153	22-692-10	Jeffrey Allen Ott	\$ 219.74
1154	22-692-11	Jonah Kaj & Josephine Fleming	\$ 219.74
1177	22-692-12	Nathan Lee & Jodie Fillhardt	\$ 219.74
1178	22-692-13	Johnny Mon et al	\$ 219.74
1179	22-692-14	James Hurley et al	\$ 219.74
1180	22-692-15	David R & Melissa Zieper	\$ 219.74
1181	22-692-16	John C. & Kassi L. Van Lanen	\$ 219.74
1182	22-692-17	Jeffrey Allen & Marci Beth Maple	\$ 219.74
1183	22-692-18	Robert Kurt Molholm	\$ 219.74
1184	22-692-19	Henry J. Kondrat et al	\$ 219.74

1185	22-692-20	Tuo Chen	\$ 219.74
1186	22-692-21	David J. Albano	\$ 219.74
1187	22-692-22	Anjna & Kamaljit Mann	\$ 219.74
1188	22-692-23	Charles D Berg	\$ 219.74
1189	22-692-24	Peter Svensson	\$ 219.74
1190	22-692-25	Eric P. & Julie A. Miller	\$ 219.74
1107	22-693-01	Clay M. Teramo	\$ 219.74
1108	22-693-02	Catherine Hope & Gregory L. Horvath	\$ 219.74
1109	22-693-03	Mary Patricia & David Dorsey	\$ 219.74
1110	22-693-04	Stuart & Lora Glasgow	\$ 219.74
1137	22-693-05	Shelley Noh	\$ 219.74
1138	22-693-06	Scott & Lisa M. MacGowan	\$ 219.74
1139	22-693-07	Ping Fai Ben Li et al	\$ 219.74
1140	22-693-08	Hubert H. Burroughs	\$ 219.74
1141	22-693-09	Sylvia P. Morrison	\$ 219.74
1142	22-693-10	Prashanth Jade	\$ 219.74
1143	22-693-11	Jeffrey Kennedy & Jennifer Leigh Wade	\$ 219.74
1019	22-701-01	Sheryl Ann McEwan	\$ 219.74
1020	22-701-02	Clark P. & Sarah N. Winn	\$ 219.74
1021	22-701-03	Casey A. & Karen R. Milhiem	\$ 219.74
1022	22-701-04	Andrew Seppy Bloom et al	\$ 219.74
1023	22-701-05	Mary Simpson	\$ 219.74
1024	22-701-06	Christopher S. Thomas	\$ 219.74
1025	22-701-07	James V. & Lea K. Reed	\$ 219.74
1026	22-701-08	George C. Jones et al	\$ 219.74
1027	22-701-09	Kevin & Julie L. Burnett	\$ 219.74
1028	22-701-10	Linda Lloyd Fisher Trustee et al	\$ 219.74
1029	22-701-11	Carolyn Nicholson	\$ 219.74
1030	22-701-12	Fang Fang	\$ 219.74
1031	22-701-13	Roderick A. & Cheryle M. Brownfield	\$ 219.74
1032	22-701-14	Jessica I. Puccinelli	\$ 219.74
1033	22-701-15	Kendall Q. & Marisela Maria Sullivan	\$ 219.74
1176	22-702-01	Isaac & Michelle Sparrow	\$ 219.74
1175	22-702-02	Francis J. III & Bridget E. Gramkowski	\$ 219.74
1174	22-702-03	Karl R. & Marsha J. Landgraf	\$ 219.74
1173	22-702-04	James S. Szabo et al	\$ 219.74
1172	22-702-05	Roman Efimov	\$ 219.74
1171	22-702-06	Terrence A. & Megan A. O'Toole	\$ 219.74
1170	22-702-07	Nathan C. & Shera R. York	\$ 219.74
1169	22-702-08	Gregory W. & Marnie L. Giguere	\$ 219.74
1168	22-702-09	Justin J. & Sara R. Kiesby	\$ 219.74
1167	22-702-10	Debbie P. Dizon	\$ 219.74
1166	22-702-11	Charles E. Schmuck Trustee	\$ 219.74

1165	22-702-12	Steven & Kathleen F. Gullickson	\$ 219.74
1164	22-702-13	Dale R. Henry et al	\$ 219.74
1163	22-702-14	Brian & Michiyo Johnston	\$ 219.74
1162	22-702-15	Eric & Beth Seib	\$ 219.74
1161	22-702-16	Kimberly M. Clark	\$ 219.74
1160	22-702-17	Amanda Danner	\$ 219.74
1159	22-702-18	Brian P. & Stacey G. Costello Trustees	\$ 219.74
1158	22-702-19	James E. & Amber L. Kinslow	\$ 219.74
1157	22-702-20	Charles e. & Cynthia J. Frakes Trustees	\$ 219.74
1156	22-702-21	Brigham & Heidi Craun	\$ 219.74
1155	22-702-22	Richard D. & Elaine C. Bennett	\$ 219.74
1134	22-702-26	Robert D. & Jayne E. Scott	\$ 219.74
1133	22-702-27	Mark T. & Helen L. Youmans	\$ 219.74
1132	22-702-28	Maria C. Torchio-Gauthier et al	\$ 219.74
1131	22-702-29	Andrew & Jenny Wood	\$ 219.74
1115	22-702-30	Stephen R. Morairty	\$ 219.74
1114	22-702-31	The Salvation Army	\$ 219.74
1113	22-702-32	Stephen P. & Kristina N.Dinwiddie	\$ 219.74
1112	22-702-33	Jason P. & Amy M. Ivey	\$ 219.74
1111	22-702-34	Gavin J. & Jane F. Melford Trustees	\$ 219.74
1135	22-702-36	Cesar & Jacqueline DeSantos	\$ 219.74
1136	22-702-37	Douglas & Susan Diane Morey Trustees	\$ 219.74
1105	22-703-01	Araceli Henley	\$ 219.74
1106	22-703-02	Fazlul & Rokhsana B. Quader	\$ 219.74
1073	22-703-03	John Lau et al	\$ 219.74
1072	22-703-04	James E. & Deborah L. Nieters	\$ 219.74
1129	22-711-01	Craig W. & Kathleen M Adams Trustees	\$ 219.74
1128	22-711-02	Jessica & Jordan Boschen	\$ 219.74
1127	22-711-03	Lisa M Newton	\$ 219.74
1126	22-711-04	Gregory Allen Rexelle	\$ 219.74
1125	22-711-05	Peter C. Lombrozo et al	\$ 219.74
1124	22-711-06	William & Joanne Thompson	\$ 219.74
1123	22-711-07	Philip W. Crowley	\$ 219.74
1122	22-711-08	Tavin B & Kristina M. Lanpheir	\$ 219.74
1121	22-711-09	Thomas M. Carli & Margaret Walsh	\$ 219.74
1120	22-711-10	Jakko M. Kleijnen et al	\$ 219.74
1119	22-711-11	John B. & Susan A. Ledingham	\$ 219.74
1118	22-711-12	Brian J. & Valerie E. Kindell	\$ 219.74
1117	22-711-13	Kaylon M. & John A. Northington	\$ 219.74
1100	22-711-14	Kim & John M. Lariviere	\$ 219.74
1099	22-711-15	Henry R. & Stephanie A. Knight	\$ 219.74
1098	22-711-16	Donald G. II & Tamera L. Melrose	\$ 219.74
1097	22-711-17	Sandra Holland et al	\$ 219.74
1096	22-711-18	Ben & Katie Howell	\$ 219.74

1095	22-711-19	Craig Moorhead	\$ 219.74
1094	22-711-20	Omeed M. & Traci L. Ghaffarian	\$ 219.74
1093	22-711-21	Robert M Jr. & Denise M Rodd Trustees	\$ 219.74
1092	22-711-22	Steven & Kristie Trefethen	\$ 219.74
1091	22-711-23	Gareth & Karen S. Egerton	\$ 219.74
1090	22-711-24	Jill M. & Gary D. Cramer Trustees	\$ 219.74
1089	22-711-25	Clark & Debra Patteson Trustees	\$ 219.74
1088	22-711-26	Tom Evenson Survivors Trust	\$ 219.74
1087	22-711-27	Mark R. & Marna S. Scarr Trustees	\$ 219.74
1086	22-711-28	Christine Pryor	\$ 219.74
1085	22-711-29	John D. Gullory & Suzanne Herrera	\$ 219.74
1084	22-711-30	Kim & Michael Cushing	\$ 219.74
1083	22-711-31	James D. Neef et al	\$ 219.74
1082	22-711-32	Alan & Laurie Okamura	\$ 219.74
1081	22-711-33	Sudesh Shetty Kodialbail et al	\$ 219.74
1080	22-711-34	Gerald E. Beyke	\$ 219.74
1079	22-711-35	Matthew & Marina M. Ward	\$ 219.74
1078	22-711-36	Keith & Jennifer Chomentowski	\$ 219.74
1130	22-711-38	Kevin Tien	\$ 219.74
1116	22-711-39	Barry W. Prentiss	\$ 219.74
1101	22-711-40	Richard P. Des Jardin Trustee et al	\$ 219.74
1102	22-711-41	Daniel Markenke Peterson	\$ 219.74
1103	22-711-42	Kevin & Valerie Lenahan	\$ 219.74
1104	22-711-43	Susan Hanlock Chapman	\$ 219.74
1074	22-711-44	Larry D. & Rebecca C. Mosley	\$ 219.74
1075	22-711-45	Valerie Polito	\$ 219.74
1076	22-711-46	Todd & Michelle Rebecca Riddle	\$ 219.74
1077	22-711-47	Richard & Theresa Riemer	\$ 219.74
1034	22-712-01	Matthew A. & Gretchen Clark Trustees	\$ 219.74
1035	22-712-02	Claude H. & Cynthia M. Lopez	\$ 219.74
1036	22-712-03	Christopher W. Bensen & Tara Dalton	\$ 219.74
1037	22-712-04	Yuka Yoshida et al	\$ 219.74
1038	22-712-05	Emir & Denise Gurer	\$ 219.74
1039	22-712-06	Goran & Susan Domitrovic	\$ 219.74
1040	22-712-07	Milind Mohan Hirlekar	\$ 219.74
1041	22-712-08	Shaun Shahram & Habibeh Deyhim	\$ 219.74
1042	22-712-09	Robert J. Romero et al	\$ 219.74
1043	22-712-10	Kimberly A Brosseau	\$ 219.74
1044	22-712-11	Rodney W. & Christine E. Stanton	\$ 219.74
1045	22-712-12	Clifford & Lily Dong Trustees	\$ 219.74
1046	22-712-13	Wellington R & George Ann White Trust	\$ 219.74
1047	22-712-14	Donald L. & Paula K. Cardoza Trustees	\$ 219.74
1048	22-712-15	Lee & Diane D. Basilotta	\$ 219.74
1049	22-712-16	Alan Van Wambeck Trustee et al	\$ 219.74
1050	22-712-17	Joerg & Beate Weingarten	\$ 219.74

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

TOTAL ASSESSMENTS

\$41,750.00

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 5, 2019

TO: Honorable Mayor and City Council

FROM: Scott Harriman, Consulting Planner

APPROVED: Steve Walpole, Acting City Manager

SUBJECT: **CONSIDER ESTABLISHING PROCESS FOR SMALL WIRELESS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY INCLUDING AN ORDINANCE AMENDING MUNICIPAL CODE, TITLE 12 - STREETS, SIDEWALKS AND PUBLIC PLACES AND ADOPTING SMALL WIRELESS FACILITIES GUIDELINES**

SUMMARY OF ISSUE

On September 26, 2018 the Federal Communication Commission (FCC) adopted the Declaratory Ruling and Third Report and Order In the Matter of Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure investment (the “FCC Ruling”). On October 15, 2018 the FCC published the declaratory ruling.

The FCC ruling limits the City’s ability for aesthetic review and requirements to what is reasonable, comparable to requirements for other types of infrastructure deployments, and objective. The FCC rulings set new, shorter permit processing time limitations (known as the “shot clock”) for local jurisdictions to process applications for small wireless facilities, as well as, new regulations when the shot clock can be paused (also known as “tolling”). The FCC Ruling also includes limitations on the fees that the City can charge.

With these new FCC regulations, the City is limited in what can be regulated with regards to the deployment of small wireless facilities. The purpose of the City’s proposed small wireless facilities ordinance and aesthetic guidelines is to provide a uniform and comprehensive set of standards for the development, siting and installation of wireless telecommunications facilities in the public rights-of-way.

DISCUSSION

The Telecommunications Reform Act of 1996 establishes Federal regulations that directly bear on the placement of wireless telecommunication facilities. While the legislation recognizes local government authority over zoning for such facilities, it has been interpreted by the FCC and federal courts, in a manner that limits local government control over the siting of wireless facilities by imposing certain substantive, procedural and evidentiary standards. Significantly, Section 704 of the Telecommunications Act provides that:

No state or local government or instrumentality thereof may regulate the placement, construction or modification of personal wireless service facilities on the basis of the environmental effects of radio frequency emissions to the extent that such facilities comply with the Commission's regulations concerning such facilities. 47 U.S.C. Sec. 332(c)(7)(B)(iv).

Therefore, local government may require monitoring of telecommunication facilities radio frequency (RF) emissions. In addition, local governments may regulate the visual and aesthetics of wireless telecommunications facilities. However, local authorities may not regulate the siting or construction of personal wireless facilities based on RF standards that are more stringent than those promulgated by the Federal standards.

Permit Processing Time Limitations: The new shot clock requirements under the FCC Ruling require all City permits and authorizations for a small wireless facilities placed on an existing structure to be issued within 60 days from submittal of the application materials. Total processing time for small wireless facilities placed on a new or replacement structure is 90 days from submittal. To adjust to the new shot clock requirements, staff proposes to enact and publish aesthetic standards (Guidelines) for small cell development in the rights-of-way. The Public Works Director or designee would have review authority for small wireless applications within the public rights-of-way.

SUMMARY OF PROPOSED CHANGES

Small Wireless Ordinance: The ordinance amends Title 12 of the Municipal Code, which regulates construction, operations, maintenance, permitting, and encroachment of facilities and improvements within the public rights-of-way. The ordinance amendment establishes a small wireless permit and design guidelines governing the application review process and aesthetic guidelines for the placement of small wireless facilities in the public rights-of-way.

Small Wireless Definition: The FCC defines small wireless facilities in Appendix A of the FCC Ruling as any telecommunication facility that meets each of the following conditions:

A. The facilities:

1. are mounted on structures 50 feet or less in height including their antennas as defined below, or
2. are mounted on structures no more than 10 percent taller than other adjacent structures, or
3. do not extend the height of existing structures on which they are located more than 10 percent or 50 feet, whichever is greater;

- B. Each antenna associated with the deployment, excluding associated antenna equipment (as defined in the definition of antenna below), is no more than three cubic feet in volume;
- C. All other wireless equipment associated with the structure, including the wireless equipment associated with the antenna and any pre-existing associated equipment on the structure, is no more than 28 cubic feet in volume;
- D. The facilities do not require antenna structure registration under 47 CFR Part 17;
- E. The facilities are not located on Tribal lands, as defined under 36 CFR 800.16(x); and
- F. The facilities do not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in 47 CFR Section 1.1307(b).

Small Wireless Guidelines: The proposed Design Guidelines establish the preferred requirements when locating small cell facilities in the public rights-of-way. The Design Guidelines address: antenna preferences, equipment preferences, site location preferences, site location restrictions and height limitations. The guidelines also establish the design preferences and performance standards for these facilities. The guidelines will comply with the FCC Ruling which requires local jurisdictions to provide clear design standards so wireless providers are informed of what will be required to develop small cell facilities. Moreover, as required by the FCC Ruling, the guidelines are reasonable, no more burdensome than those applied to other types of infrastructure deployments, and objective. These guidelines may be adopted (and subsequently revised) by the City Council by resolution but will not be codified in the Municipal Code.

The Guidelines establish preferences for the type and installation method for small wireless equipment that would be best suited for the local Scotts Valley community, natural setting, and built environment. Small wireless facilities within the public rights-of-way typically consist of small antennas (approximately three feet by one foot in size) atop existing or replacement utility poles and accessory equipment (the larger components), consisting of remote radio units (RRU's), electric meter connection, and related processing equipment. Pole top antennas and accessory equipment are connected via cabling that runs up the pole in conduit. The accessory equipment, unless installed in an underground vault, is typically the most visible component of small wireless installations. Accessory equipment can be placed in underground vaults out of sight; in ground-mounted equipment cabinets (similar to traffic signal cabinet boxes found in the public rights-of-way) and attached to poles. Shrouds and conduits can be installed to conceal cabling and reduce the cluttered appearance of pole mounted equipment.

Small Wireless Equipment Preference: Scotts Valley has a variety of rural and urban street environments and public improvements that were considered when determining the preferred type of small wireless facilities installation to be used in a particular setting. The Guidelines state an order of preference for accessory equipment to be placed first in underground vaults, specifically within the Town Center Specific Plan Area and other

highly visible public streets. Utilizing ground-mounted equipment cabinets, where all associated wireless accessory equipment is consolidated and concealed within one cabinet, is the stated preference for most streets and roadways in Scotts Valley. However, on rural roadways with extensive tree and foliage cover, or in areas with steep terrain, riparian or drainage swales, pole mounted equipment may be the most reasonable option. The Guidelines encourage the most compact installation possible and to screen accessory equipment and cabling to the greatest extent possible.

Location Preferences: The Guidelines also state a preference for small wireless facilities to be located first in Light Industrial and Commercial General Plan designated land use areas. Small wireless facilities may also be located in Residential General Plan land use areas, however the guidelines set criteria calling for the use of smaller accessory equipment and limitation on the number of and separation criteria for small wireless facilities in Residential areas. The Guidelines do allow exceptions to these standards, however exceptions require the wireless applicant to demonstrate that denying a facility would result in a significant gap in coverage.

GENERAL PLAN

The following General Plan Objectives and Policies support the provision of public utilities and the appropriate placement of wireless facilities. General Plan Objective PSO-578 states: Provide for adequate and safe public utilities. Policy PSP-579 states that: The City shall designate areas for utility sites and access corridors. General Plan Objective PSO-584 states: Promote aesthetic placement of utility lines and installation. Policy PSP-584 states: The City shall encourage the placement of existing power transmission lines, power distribution lines, and communication lines underground. Policy PSP-587 states: The City shall require the extension of new power distribution lines and communication lines underground.

CEQA REVIEW

The code amendment has been determined to be exempt from the California Environmental Quality Act (CEQA) in that the activity is covered under the general rule that CEQA applies only to projects, which have the potential for causing significant effect on the environment. The proposed amendments would not result in increased densities or intensification of uses. They are consistent with and serve to implement the City's General Plan. The amendment will provide a uniform and comprehensive set of standards for the development, siting and installation of wireless telecommunications facilities. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is exempt from CEQA under the general rule per Section 15061 (b)(3). Applications for any new small wireless facilities or change to an existing small wireless facility would be subject to additional environmental review on a case-by-case basis. Accordingly, the proposed Small Wireless Facilities Ordinance and Design Guidelines are exempt from CEQA under the general rule.

FISCAL IMPACT

No significant fiscal impacts to the City as a result of the proposed development have been identified.

RECOMMENDATION

The City Attorney, Community Development Director, and Public Works Director recommend that the City Council adopt the Small Wireless Facilities process, as follows:

- 1. Hold first reading and introduction of Ordinance No. 193; Amending Title 12- Streets, Sidewalk and Public Places.
- 2. Adopt Resolution No. 1964, Establishing Small Wireless Facilities Guidelines.

ATTACHMENTS

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ORDINANCE NO. 193

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING CHAPTER 12.08 OF THE SCOTTS VALLEY MUNICIPAL CODE ESTABLISHING REGULATIONS FOR SMALL WIRELESS FACILITIES PURSUANT TO APPLICABLE FEDERAL LAWS

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution and sections 36931 et seq. of the California Government Code, the City Council may make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws;

WHEREAS, significant changes in federal and State law that affect local authority over wireless communications facilities ("WCFs") have occurred, including but not limited to the following:

- On November 18, 2009, the Federal Communications Commission ("FCC") adopted a declaratory ruling (the "2009 Shot Clock"), which established presumptively reasonable timeframes for State and local governments to act on applications for WCFs;
- On February 22, 2012, Congress adopted Section 6409(a) of the Middle Class Tax Relief and Job Creation Act ("Section 6409(a)"), which mandated that State and local governments approve certain modifications and collocations to existing WCFs;
- On October 17, 2014, the FCC adopted a report and order that, among other things, implemented new limitations on how State and local governments review applications covered by Section 6409(a), established an automatic approval for such applications when the local reviewing authority fails to act within 60 days, and also further restricted generally applicable procedural rules under the 2009 Shot Clock. This report and order effectively preempted local moratoria on WCFs by finding that the 2009 Shot Clock continues to run even when a valid moratorium is adopted;
- On October 9, 2015, California adopted Assembly Bill No. 57 (Quirk), which deemed approved any WCF applications when the local reviewing authority fails to act within the 2009 Shot Clock timeframes;
- On August 2, 2018, the FCC adopted a declaratory ruling that formally prohibited express and de facto moratoria for all telecommunications services and facilities under 47 U.S.C. § 253(a) and directed the Wireline Competition Bureau and the Wireless Telecommunications Bureau to hear and resolve all complaints on an expedited basis;
- On September 26, 2018, the FCC adopted a declaratory ruling and report and order that, among other things, creates a new regulatory classification for small wireless facilities, requires State and local governments to process applications for

small wireless facilities within 60 days or 90 days, establishes a national standard for an effective prohibition and provides that a failure to act within the applicable timeframe presumptively constitutes an effective prohibition;

WHEREAS, given the rapid and significant changes in federal and State law, the actual and effective prohibition on moratoria to amend local policies in response to such changes and the significant adverse consequences for noncompliance with federal and State law, the City Council desires to amend Scotts Valley Municipal Code Chapter 12.08, to establish a process to review applications for small wireless facilities in the public rights of way and to allow greater flexibility and responsiveness to new federal and State laws in order to preserve the City's traditional authority to the maximum extent practicable (collectively, the "Amendments").

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

SECTION 1. Findings. The City Council finds that:

- A. The facts set forth in the recitals in this Ordinance are true and correct and incorporated by reference. The recitals constitute findings in this matter and, together with the staff report, other written reports, public testimony and other information contained in the record, are an adequate and appropriate evidentiary basis for the actions taken in this Ordinance.
- B. The Amendments are consistent with the General Plan, Scotts Valley Municipal Code, and applicable federal and State law.

SECTION 2. CEQA. Pursuant to California Environmental Quality Act ("CEQA") Guidelines § 15378 and California Public Resources Code § 21065, the City Council finds that this Ordinance is not a "project" because its adoption is not an activity that has the potential for a direct physical change or reasonably foreseeable indirect physical change in the environment. Accordingly, this Ordinance is not subject to CEQA. Even if this Ordinance qualified as a "project" subject to CEQA, the City Council finds that, pursuant to CEQA Guidelines § 15061(b)(3), there is no possibility that this project will have a significant impact on the physical environment. This Ordinance merely amends the Scotts Valley Municipal Code to authorize the adoption of guidelines related to WCFs. This Ordinance does not directly or indirectly authorize or approve any actual changes in the physical environment. Applications for any new WCF or change to an existing WCF would be subject to additional environmental review on a case-by-case basis. Accordingly, the City Council finds that this Ordinance would be exempt from CEQA under the general rule.

SECTION 3. Chapter 12.08 of the Scotts Valley Municipal Code is hereby amended by adding Article III. Small Wireless Facilities and a new section 12.08.170, which reads as follows:

“Article III. Small Wireless Facilities

Section 12.08.170 Permits for Small Wireless Facilities. Notwithstanding any other provision of this chapter as provided herein, all small wireless facilities as defined by the FCC in 47 C.F.R. § 1.6002(1), as may be amended or superseded, are subject to a permit as specified in the City Guidelines, Small Wireless Facilities In the Public Rights-of-Way, which is adopted and may be amended by City Council resolution. All small wireless facilities shall comply with the Guidelines on Small Wireless Facilities.”

SECTION 4. Conflicts with Prior Ordinances. If the provisions in this Ordinance conflict in whole or in part with any other City regulation or ordinance adopted prior to the effective date of this section, the provisions in this Ordinance will control.

SECTION 5. Effective Date. This Ordinance shall take effect 30 days after the date of its adoption. Prior to the expiration of 15 days from the date of adoption, this Ordinance shall be published in three public places within the City.

SECTION 6. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

This ordinance was introduced on the 5th day of June, 2019, and was passed and adopted by the City Council of the City of Scotts Valley on the 19th day of June, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest:

Tracy A. Ferrara, City Clerk

Approved as to Form:

Kirsten Powell, City Attorney

RESOLUTION NO. 1964

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
ADOPTING A COUNCIL GUIDELINES REGULATING SMALL WIRELESS
FACILITIES PURSUANT TO SCOTTS VALLEY MUNICIPAL CODE CHAPTER 12.08**

WHEREAS, Scotts Valley Municipal Code section 12.08.170 authorizes the City to adopt guidelines by which the City reviews permit applications for small wireless facilities; and

WHEREAS, the City has developed such guidelines for small wireless facilities, which is attached to this resolution as Exhibit A, and incorporated herein by this reference (the "Policy"); and

WHEREAS, subject to certain limitations in federal and California law, the City Council finds that the guidelines are consistent with the provisions and intent in the General Plan, Scotts Valley Municipal Code Chapter 12.08, and other applicable provisions; and

WHEREAS, the City Council finds that the guidelines will, to the extent permitted by federal and California law, protect and promote public health, safety and welfare, and also balance the benefits that flow from robust, advanced wireless services with the City's local values, which include without limitation the aesthetic character of the City, its neighborhoods, and community.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Scotts Valley as follows:

1. The above recitals are true and correct and incorporated herein by reference.
2. City Council hereby adopts the guidelines regulating small wireless facilities, attached to this resolution as Exhibit A.
3. Such guidelines shall be effective immediately and may be amended from time to time, or repealed, by resolution of the City Council.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 5th day of June, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



CITY OF SCOTTS VALLEY	
CITY COUNCIL GUIDELINES	Adopted: June 5, 2019
SUBJECT: SMALL WIRELESS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY	

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SECTION 1. GENERAL PROVISIONS

SECTION 1.1. PURPOSE AND INTENT

- (a) On September 27, 2018, the Federal Communications Commission (“FCC”) adopted a *Declaratory Ruling and Third Report and Order*, FCC 18-133 (the “*Small Cell Order*”), in connection with two informal rulemaking proceedings entitled *Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment*, WT Docket No. 17-79, and *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, WC Docket No. 17-84. The regulations adopted in the *Small Cell Order* significantly curtail the local authority over wireless and wireline communication facilities reserved to State and local governments under sections 253 and 704 in the federal Telecommunications Act.
- (b) The City of Scotts Valley intends this Policy to establish reasonable, uniform and comprehensive standards and procedures for small wireless facilities deployment, construction, installation, collocation, modification, operation, relocation and removal within the City’s territorial boundaries, consistent with and to the extent permitted under federal and California state law. The standards and procedures contained in this Policy are intended to, and should be applied to, protect and promote public health, safety and welfare, and balance the benefits that flow from robust, advanced wireless services with the City’s local values, which include without limitation the aesthetic character of the City, its neighborhoods and community. This Policy is also intended to reflect and promote the community interest by (1) ensuring that the balance between public and private interests is maintained; (2) protecting the City’s visual character from potential adverse impacts and/or visual blight created or exacerbated by small wireless facilities and related communications infrastructure; (3) protecting and preserving the City’s environmental resources; (4) protecting and preserving the City’s public rights-of-way and municipal infrastructure located within the City’s public rights-of-way; and (5) promoting access to high-quality, advanced wireless services for the City’s residents, businesses and visitors.
- (c) This Policy is not intended to, nor shall it be interpreted or applied to: (1) prohibit or effectively prohibit any personal wireless service provider’s ability to provide personal wireless services; (2) prohibit or effectively prohibit any entity’s ability to provide any telecommunications service, subject to any competitively neutral and nondiscriminatory rules, regulations or other legal requirements for rights-of-way management; (3) unreasonably discriminate among providers of functionally equivalent personal wireless services; (4) deny any request for authorization to place, construct or modify personal wireless service facilities on the basis of environmental effects of radio frequency emissions to the extent that such wireless facilities comply with the FCC’s regulations concerning such emissions; (5) prohibit

any collocation or modification that the City may not deny under federal or California state law; (6) impose any unreasonable, discriminatory or anticompetitive fees that exceed the reasonable cost to provide the services for which the fee is charged; or (7) otherwise authorize the City to preempt any applicable federal or California law.

SECTION 1.2. GENERAL DEFINITIONS

- (a) **Undefined Terms.** Undefined phrases, terms or words in this section will have the meanings assigned to them in 1 U.S.C. § 1, as may be amended or superseded, and, if not defined therein, will have their ordinary meanings. If any definition assigned to any phrase, term or word in this section conflicts with any federal or state-mandated definition, the federal or state-mandated definition will control.
- (b) **Defined Terms.**
- (1) **“antenna”** means an apparatus designed for the purpose of emitting radiofrequency (RF) radiation, to be operated or operating from a fixed location pursuant to FCC authorization, for the provision of personal wireless service and any commingled information services. For purposes of this definition, the term antenna does not include an unintentional radiator, mobile station, or device authorized under part 15 of FCC 47 C.F.R., or the same as defined by the FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 - (2) **“Public Works Director”** means the Public Works Director or his/her designee, and shall be the City official responsible for reviewing applications for small cell permits and vested with the authority to approve, conditionally approve or deny such applications as provided in this Policy.
 - (3) **“concealed”** or **“concealment”** means concealing techniques that integrate the transmission equipment into the surrounding natural and/or built environment such that the average, untrained observer cannot directly view the equipment but would likely recognize the existence of the wireless facility or concealment technique. Camouflaging concealment techniques include but are not limited to: (1) antennas mounted within a radome above a streetlight; (2) equipment cabinets in the public rights-of-way painted or wrapped to match the background; and (3) cables and wiring concealed within a shroud and/or routed internally through the support structure. Where concealment measurements approved in this Policy become technically infeasible due to advances in technology, the Public Works Director shall have the authority to approve alternative concealment techniques that are consistent with the goals and objectives of this Policy.
 - (4) **“decorative pole”** means any pole that includes decorative or ornamental features, design elements and/or materials intended to enhance the appearance of the pole or the public rights-of-way in which the pole is located.
 - (5) **“FCC”** means the Federal Communications Commission or its duly appointed successor agency.

- (6) “**FCC Shot Clock**” means the presumptively reasonable time frame within which the City generally must act on a given wireless application, as defined by the FCC and as may be amended or superseded.
- (7) “**ministerial permit**” means any City-issued non-discretionary permit required to commence or complete any construction or other activity subject to the City’s jurisdiction. Ministerial permits may include, without limitation, any building permit, construction permit, electrical permit, encroachment permit, excavation permit, traffic control permit and/or any similar over-the-counter approval issued by the City’s departments.
- (8) “**personal wireless services**” means the same as defined in 47 U.S.C. § 332(c)(7)(C)(i), as may be amended or superseded.
- (9) “**personal wireless service facilities**” means the same as defined in 47 U.S.C. § 332(c)(7)(C)(i), as may be amended or superseded.
- (10) “**RF**” means radio frequency or electromagnetic waves.
- (11) “**Section 6409**” means Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 126 Stat. 156, codified as 47 U.S.C. § 1455(a), as may be amended or superseded.
- (12) “**small wireless facility**” or “**small wireless facilities**” means:
 - A. The facilities:
 - 1. are mounted on structures 50 feet or less in height including their antennas as defined below, or
 - 2. are mounted on structures no more than 10 percent taller than other adjacent structures, or
 - 3. do not extend the height of existing structures on which they are located more than 10 percent or 50 feet, whichever is greater;
 - B. Each antenna associated with the deployment, excluding associated antenna equipment (as defined in the definition of antenna below), is no more than three cubic feet in volume;
 - C. All other wireless equipment associated with the structure, including the wireless equipment associated with the antenna and any pre-existing associated equipment on the structure, is no more than 28 cubic feet in volume;
 - D. The facilities do not require antenna structure registration under 47 CFR Part 17;
 - E. The facilities are not located on Tribal lands, as defined under 36 CFR 800.16(x); and

F. The facilities do not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in FCC regulations pursuant to 47 CFR Section 1.1307(b); or the same as defined by the FCC in 47 C.F.R. § 1.6002(l), as may be amended or superseded.

- (13) “**tower**” means any structure built for the sole or primary purpose of supporting any Commission-licensed or authorized antennas and their associated facilities, including structures that are constructed for wireless communications services including, but not limited to, private, broadcast, and public safety services, as well as unlicensed wireless services and fixed wireless services such as microwave backhaul, and the associated site; or the same as defined by the FCC in 47 C.F.R. § 1.6100(b)(9), as may be amended or superseded.

SECTION 2. SMALL WIRELESS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY

SECTION 2.1. APPLICABILITY; REQUIRED PERMITS AND APPROVALS

- (a) **Applicable Facilities.** Except as expressly provided otherwise in this Policy, the provisions in this Policy shall be applicable to all existing small wireless facilities in the public rights-of-way and all applications and requests for authorization to construct, install, attach, operate, collocate, modify, reconstruct, relocate, remove or otherwise deploy small wireless facilities within the public rights-of-way within the City’s jurisdiction.
- (b) **Small Cell Permit.** A “small cell permit,” subject to the Public Works Director’s prior review and approval, is required for any small wireless facility proposed on an existing, new or replacement structure.
- (c) **Request for Approval Pursuant to Section 6409.** Notwithstanding anything in the Policy to the contrary, requests for approval to collocate, replace or remove transmission equipment at an existing wireless tower or base station submitted pursuant to Section 6409 will be subject to the current FCC rules and regulations “eligible facilities requests” as defined by FCC and as may be amended or superseded.
- (d) **Other Permits and Approvals.** In addition to a small cell permit, the applicant must obtain all other permits and regulatory approvals as may be required by any other federal, state or local government agencies, which includes without limitation any ministerial permits and/or other approvals issued by other City departments or divisions. All applications for ministerial permits submitted in connection with a proposed small wireless facility must contain a valid small cell permit issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such small cell permit may be denied without prejudice. Furthermore, any small cell permit granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

SECTION 2.2. SMALL CELL PERMIT APPLICATION REQUIREMENTS

- (a) **Small Cell Permit Application Contents.** All applications for a small cell permit must include all the information and materials required in this Section 2.2(a).
- (1) **Application Form.** The applicant shall submit a complete, duly executed small cell permit application on the then-current form prepared by the Public Works Director.
 - (2) **Application Fee.** The applicant shall submit the applicable small cell permit application fee established by City Council resolution. Batched applications must include the applicable small cell permit application fee for each small wireless facility in the batch. If no small cell permit application fee has been established, then the applicant must submit a signed written statement that acknowledges that the applicant will be required to reimburse the City for its reasonable costs incurred in connection with the application within 10 days after the City issues a written demand for reimbursement
 - (3) **Construction Drawings.** The applicant shall submit true and correct construction drawings, prepared, signed and stamped by a California licensed or registered engineer, that depict all the existing and proposed improvements, equipment and conditions related to the proposed project, which includes without limitation any and all poles, posts, pedestals, traffic signals, towers, streets, sidewalks, pedestrian ramps, driveways, curbs, gutters, drains, handholes, manholes, fire hydrants, equipment cabinets, antennas, cables, public rights-of-way, utility easements, trees and other landscape features. The construction drawings must: (i) contain cut sheets that contain the technical specifications for all existing and proposed antennas and accessory equipment, which includes without limitation the manufacturer, model number and physical dimensions; (ii) identify all structures within 500 feet from the proposed project site and call out such structures' overall height above ground level; (iii) depict the applicant's plan for electric and data backhaul utilities, which shall include the locations for all conduits, cables, wires, handholes, junctions, transformers, meters, disconnect switches, and points of connection; and (iv) demonstrate that proposed project will be in full compliance with all applicable health and safety laws, regulations or other rules, which includes without limitation all building codes, electric codes, local street standards and specifications, structural evaluations, and public utility regulations and orders.
 - (4) **Site Survey.** For any small wireless facility, the applicant shall submit a survey prepared, signed and stamped by a California licensed or registered engineer. The survey must identify and depict all existing boundaries, public rights-of-way, utility easements, encroachments and other structures within 300 feet from the proposed project site, which includes without limitation all: (i) traffic lanes; (ii) all private properties and property lines; (iii) above and below-grade utilities and related structures and encroachments; (iv) fire hydrants, roadside call boxes and

other public safety infrastructure; (v) streetlights, decorative poles, traffic signals and permanent signage; (vi) sidewalks, driveways, parkways, curbs, gutters and storm drains; (vii) benches, trash cans, mailboxes, kiosks and other street furniture; (viii) location of all wireless facilities within a 2,000-foot radius of the site; and (ix) existing trees, planters and other landscaping features.

- (5) **Photo Simulations.** The applicant shall submit site photographs and photo simulations that show the existing location and proposed small wireless facility in context from at least three vantage points within the public streets or other publicly accessible spaces, together with a vicinity map that shows the proposed site location and the photo location for each vantage point. At least one simulation must depict the small wireless facility from a vantage point approximately 50 feet from the proposed support structure or location
- (6) **Project Narrative and Justification.** The applicant shall submit a written statement that explains in plain factual detail whether and why the proposed wireless facility qualifies as a “small wireless facility” as defined by the FCC in 47 C.F.R. § 1.6002(l). A complete written narrative analysis will state the applicable standard and all the facts that allow the City to conclude the standard has been met—bare conclusions not factually supported do not constitute a complete written analysis. As part of the written statement the applicant must also include (i) whether and why the proposed support is a “structure” as defined by the FCC in 47 C.F.R. § 1.6002(m); and (ii) whether and why the proposed wireless facility meets each required finding for a small cell permit as provided in Section 2.4(c).
- (7) **RF Compliance Report.** The applicant shall submit an RF exposure compliance report upon application, and annually thereafter, that certifies that the proposed small wireless facility, as well as any collocated wireless facilities, will comply with applicable federal RF exposure standards and exposure limits. The RF report must be prepared and certified by an RF engineer acceptable to the City. The RF report must include the actual frequency and power levels (in watts effective radiated power) for all existing and proposed antennas at the site and exhibits that show the location and orientation of all transmitting antennas and the boundaries of areas with RF exposures in excess of the uncontrolled/general population limit (as that term is defined by the FCC) and also the boundaries of areas with RF exposures in excess of the controlled/occupational limit (as that term is defined by the FCC). Each such boundary shall be clearly marked and identified for every transmitting antenna at the project site.
- (8) **Public Notices.** The applicant shall provide mailing labels of property owners within 300-feet of the subject small wireless facility, prepared by a Title company or other similar professional entity, to whom the notices in Section 2.4(a) were mailed. Public notice shall also be provided to the Director of Public Works and an “Interested Parties” mailing list established by the City. The applicant shall provide postage and mail public notice of the pending small wireless application, in a form approved by the City.

- (9) **Regulatory Authorization.** The applicant shall submit evidence of the applicant's regulatory status under federal and California law to provide the services and construct the small wireless facility proposed in the application.
 - (10) **Pole License Agreement.** For any small wireless facility proposed to be installed on any structure owned or controlled by the City and located within the public rights-of-way, the applicant shall submit an executed Pole License Agreement on a form prepared by the City that states the terms and conditions for such non-exclusive use by the applicant. No changes shall be permitted to the City's Pole License Agreement except as may be indicated on the form itself. Any unpermitted changes to the City's Agreement shall be deemed a basis to deem the application incomplete. Refusal to accept the terms and conditions in the City's Agreement shall be an independently sufficient basis to deny the application.
 - (11) **Title Report and Property Owner's Authorization.** For any small wireless facility proposed to be installed on a support structure in the public right-of-way, the applicant must submit a written authorization from the support structure owner(s).
 - (12) **Acoustic Analysis.** The applicant shall submit an acoustic analysis prepared and certified by an engineer licensed by the State of California for the proposed small wireless facility and all associated equipment including all environmental control units, sump pumps, temporary backup power generators and permanent backup power generators demonstrating compliance with the City's noise regulations. The acoustic analysis must also include an analysis of the manufacturers' specifications for all noise-emitting equipment and a depiction of the proposed equipment relative to all adjacent property lines. In lieu of an acoustic analysis, the applicant may submit evidence from the equipment manufacturer(s) that the ambient noise emitted from all the proposed equipment will not, both individually and cumulatively, exceed the applicable noise limits.
- (b) **Additional Requirements.** The City Council authorizes the Public Works Director to develop, publish and from time to time update or amend permit application requirements, forms, checklists, guidelines, informational handouts and other related materials that the Public Works Director finds necessary, appropriate or useful for processing any application governed under this Policy. All such requirements and materials must be in written form and publicly available to all interested parties.

SECTION 2.3. SMALL CELL PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REVIEW

- (a) **Requirements for a Duly Filed Application.** Any application for a small cell permit will not be considered duly filed unless submitted in accordance with the requirements in this Section 2.3(a).

- (1) **Submittal Appointment.** All applications must be submitted to the City at a pre-scheduled appointment with the Public Works Director. Potential applicants may generally submit one application per appointment, or up to five individual applications per appointment for batched applications as provided in Section 2.3(d). Potential applicants may schedule successive appointments for multiple applications whenever feasible and not prejudicial to other applicants for any other development project. The Public Works Director shall use reasonable efforts to offer an appointment within five working days after the Public Works Director receives a written request from a potential applicant. Any purported application received without an appointment, whether delivered in-person, by mail or through any other means, will not be considered duly filed, whether the City retains, returns or destroys the materials received.
- (2) **Pre-Submittal Conferences.** The City strongly encourages, but does not require, potential applicants to schedule and attend a pre-submittal conference with the Public Works Director for all proposed projects that involve small wireless facilities. A voluntary pre-submittal conference is intended to streamline the review process through informal discussion between the potential applicant and staff that includes, without limitation, the appropriate project classification and review process; any latent issues in connection with the proposed project, including compliance with generally applicable rules for public health and safety; potential concealment issues or concerns (if applicable); coordination with other City departments responsible for application review; and application completeness issues. To mitigate unnecessary delays due to application incompleteness, potential applicants are encouraged (but not required) to bring any draft applications or other materials so that City staff may provide informal feedback and guidance about whether such draft applications or other materials may be incomplete or unacceptable. The Public Works Director shall use reasonable efforts to provide the potential applicant with an appointment within five working days after receiving a written request and any applicable fee or deposit to reimburse the City for its reasonable costs to provide the services rendered in the pre- submittal conference.
- (b) **Applications Deemed Withdrawn.** To promote efficient review and timely decisions, and to mitigate unreasonable delays or barriers to entry caused by chronically incomplete applications, any application governed under this Policy will be automatically deemed withdrawn by the applicant when the applicant fails to tender a substantive response to the Public Works Director within 60 days after the Public Works Director deems the application incomplete in a written notice to the applicant. As used in this Section 2.3(c), a “substantive response” must include the materials identified as incomplete in the Public Works Director’s notice.
- (c) **Batched Applications.** Applicants may submit up to five individual applications for a small cell permit in a “batch” to be reviewed together at the same time; provided, however, that (i) all small wireless facilities in a batch must be proposed with substantially the same equipment in the same configuration on the same support structure type; (ii) each application in a batch must meet all the requirements for a complete application, which includes without limitation the application fee for

each application in the batch; (iii) if any individual application within a batch is deemed incomplete, the entire batch shall be automatically deemed incomplete; (iv) if any application is withdrawn or deemed withdrawn from a batch, all other applications in the entire batch shall be automatically deemed withdrawn; and (v) if any application in a batch fails to meet the required findings for approval, the entire batch shall be denied in the manner described in Section 2.4(e)

- (d) **Additional Procedures.** The City Council authorizes the Public Works Director to establish other reasonable rules and regulations for duly filed applications, which may include without limitation regular hours for appointments with applicants, as the Public Works Director deems necessary or appropriate to organize, document and manage the application intake process. All such rules and regulations must be in written form and publicly stated to provide all interested parties with prior notice.

SECTION 2.4. APPROVALS AND DENIALS; NOTICES

- (a) **Public Notice.** Within approximately 10 days after an application is received and prior to any approval, conditional approval or denial, the applicant shall mail public notice, in a form approved by the City, to all properties and record owners of properties within 300 feet from the project site. The notice must contain: (1) a general project description; (2) the applicant's identification and contact information as provided on the application submitted to the City; (3) contact information for the Public Works Director for interested parties to submit comments; (4) a statement that the Public Works Director will act on the application without a public hearing but that any interested person or entity may appeal the Public Works Director's decision directly to the City Manager or his/her designee; and (5) a general statement that the FCC requires the City to take final action on small cell applications within 60 days or 90 days, depending on the nature of the proposed facility. The applicant shall subsequently submit a signed affidavit verifying mailing.
- (b) **Administrative Review.** Not less than 10 days after the public notice required in Section 2.4(a) is sent, and not more than 29 days after the application has been deemed complete, the Public Works Director shall approve, conditionally approve or deny a complete and duly filed small cell permit application without a public hearing.
- (c) **Required Findings.** The Public Works Director may approve or conditionally approve a complete and duly filed application for a small cell permit when the Public Works Director finds:
 - (1) the proposed project meets the definition for a "small wireless facility" as defined by the FCC;
 - (2) the proposed project would be in the most preferred location within 350 feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred location(s) within 350 feet would be technically infeasible;

- (3) the proposed project would not be located on a prohibited support structure identified in this Policy;
 - (4) the proposed project would be on the most preferred support structure within 350 feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred support structure(s) within 350 feet would be technically infeasible;
 - (5) the proposed project complies with all applicable design standards in this Policy;
 - (6) the applicant has demonstrated that the proposed project will be in planned compliance with all applicable FCC regulations and guidelines for human exposure to RF emissions; and
 - (7) all public notices required for the application have been given.
- (d) **Conditional Approvals; Denials without Prejudice.** Subject to any applicable federal or California laws, nothing in this Policy is intended to limit the Public Works Director's ability to conditionally approve or deny without prejudice any small cell permit application as may be necessary or appropriate to ensure compliance with this Policy.
 - (e) **Decision Notices.** Within five days after the Public Works Director acts on a small cell permit application, the Public Works Director shall notify the applicant. If the Public Works Director denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
 - (f) **Appeals.** Any interested person or entity may appeal the decision by the Public Works Director to the City Manager. Appeals must be filed within seven days after the date of the Public Works Director's decision; provided, however, that appeals from an approval shall not be permitted when based solely on the environmental effects from radio frequency emissions that are compliant with applicable FCC regulations and guidelines. The notice of appeal must contain a short and plain statement of the basis for the appeal. The City Manager or his/her designee shall consider the appeal *de novo* and issue the applicant and the appellant a written decision within 15 days of receipt of the appeal.

SECTION 2.5. STANDARD CONDITIONS OF APPROVAL

- (a) **General Conditions.** In addition to all other conditions adopted by the Public Works Director for a small cell permit, all small cell permits issued under this Policy shall be automatically subject to the conditions in this Section 2.5(a).
- (1) **Permit Term.** This permit will automatically expire 10 years and one day from its issuance unless California Government Code § 65964(b) authorizes the City to establish a shorter term for public safety reasons. Any other permits or approvals issued in connection with any collocation, modification or other change to this wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed-approved under federal or state law, will not extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law.
- (2) **Permit Renewal.** Within one (1) year before the expiration date of this permit, the permittee may submit an application for permit renewal. To be eligible for administrative review and renewal, the permittee must demonstrate that (a) the subject wireless facility is in compliance with all the conditions of approval associated with this permit and all applicable provisions in the Scotts Valley Municipal Code and this Policy that exist at the time the decision to renew the permit would be rendered. The Public Works Director shall have discretion to modify or amend the conditions of approval for permit renewal on a case-by-case basis as may be necessary or appropriate to protect and promote the public health, safety and welfare, allow for the proper operation of the approved wireless facility, maintain compliance with applicable laws and/or to advance the goals or policies in the General Plan and any specific plan, the Scotts Valley Municipal Code and/or this Policy. Upon renewal, this permit will automatically expire 10 years and one day from its issuance, except when California Government Code § 65964(b), as may be amended or superseded in the future, authorizes the City to establish a shorter term for public safety reasons.
- (3) **Post-Installation Certification.** Within 60 days after the permittee commences full, unattended operations of a small wireless facility approved or deemed-approved, the permittee shall provide the Public Works Director with documentation reasonably acceptable to the Public Works Director that the small wireless facility has been installed and/or constructed in strict compliance with the approved construction drawings and photo simulations. Such documentation shall include without limitation as-built drawings, GIS data and site photographs.
- (4) **Build-Out Period.** This small cell permit will automatically expire six (6) months from the approval date (the “build-out period”) unless the permittee obtains all other permits and approvals required to install, construct and/or operate the approved small wireless facility, which includes without limitation any permits

or approvals required by the any federal, state or local public agencies with jurisdiction over the subject property, the small wireless facility or its use. If this build-out period expires, the City will not extend the build-out period but the permittee may resubmit a complete application, including all application fees, for the same or substantially similar project.

- (5) **Site Maintenance.** The permittee shall keep the site, which includes without limitation any and all improvements, equipment, structures, access routes, fences and landscape features, in a neat, clean and safe condition in accordance with the approved construction drawings and all conditions in this small cell permit. The permittee shall keep the site area free from all litter and debris at all times. The permittee, at no cost to the City, shall remove and remediate any graffiti or other vandalism at the site within 48 hours after the permittee receives notice or otherwise becomes aware that such graffiti or other vandalism occurred.
- (6) **Compliance with Laws.** The permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law ("laws") applicable to the permittee, the subject property, the small wireless facility or any use or activities in connection with the use authorized in this small cell permit, which includes without limitation any laws applicable to human exposure to RF emissions. The permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen the permittee's obligations to maintain compliance with all laws. No failure or omission by the City to timely notice, prompt or enforce compliance with any applicable provision in the Scotts Valley Municipal Code, this Policy any permit, any permit condition or any applicable law or regulation, shall be deemed to relieve, waive or lessen the permittee's obligation to comply in all respects with all applicable provisions in the Scotts Valley Municipal Code, this Policy, any permit including, but not limited to, encroachment and building permits, any permit condition or any applicable law or regulation.
- (7) **Annual RF Compliance Report.** The small wireless operator shall provide an annual RF compliance report to the City Public Works Department. Any RF compliance issues shall be immediately corrected or taken off-line until such repairs are made.
- (8) **Adverse Impacts on Other Properties.** The permittee shall use all reasonable efforts to avoid any and all unreasonable, undue or unnecessary adverse impacts on nearby properties that may arise from the permittee's or its authorized personnel's construction, installation, operation, modification, maintenance, repair, removal and/or other activities on or about the site. The permittee shall not perform or cause others to perform any construction, installation, operation, modification, maintenance, repair, removal or other work that involves heavy equipment or machines except during normal construction

work hours authorized by the Scotts Valley Municipal Code. The restricted work hours in this condition will not prohibit any work required to prevent an actual, immediate harm to property or persons, or any work during an emergency declared by the City or other state or federal government agency or official with authority to declare a state of emergency within the City. The Public Works Director may issue a stop work order for any activities that violates this condition in whole or in part

- (9) **Inspections; Emergencies.** The permittee expressly acknowledges and agrees that the City's officers, officials, staff, agents, contractors or other designees may enter onto the site and inspect the improvements and equipment upon reasonable prior notice to the permittee. Notwithstanding the prior sentence, the City's officers, officials, staff, agents, contractors or other designees may, but will not be obligated to, enter onto the site area without prior notice to support, repair, disable or remove any improvements or equipment in emergencies or when such improvements or equipment threatens actual, imminent harm to property or persons. The permittee, if present, may observe the City's officers, officials, staff or other designees while any such inspection or emergency access occurs.
- (10) **Permittee's Contact Information.** Within 10 days from the final approval, the permittee shall furnish the City with accurate and up-to-date contact information for a person responsible for the small wireless facility, which includes without limitation such person's full name, title, direct telephone number, mailing address and email address. The permittee shall keep such contact information up-to-date at all times and promptly provide the City with updated contact information if either the responsible person or such person's contact information changes.
- (11) **Indemnification.** The permittee and, if applicable, the property owner upon which the small wireless facility is installed shall defend, indemnify and hold harmless the City, City Council and the City's boards, commissions, agents, officers, officials, employees and volunteers (collectively, the "indemnitees") from any and all (i) damages, liabilities, injuries, losses, costs and expenses and from any and all claims, demands, law suits, writs and other actions or proceedings ("claims") brought against the indemnitees to challenge, attack, seek to modify, set aside, void or annul the City's approval of this small cell permit, and (ii) other claims of any kind or form, whether for personal injury, death or property damage, that arise from or in connection with the permittee's or its agents', directors', officers', employees', contractors', subcontractors', licensees' or customers' acts or omissions in connection with this small cell permit or the small wireless facility. In the event the City becomes aware of any claims, the City will use best efforts to promptly notify the permittee and the private property owner (if applicable) and shall reasonably cooperate in the defense. The permittee expressly acknowledges and agrees that the City shall have the right to approve, which approval shall not be unreasonably withheld, the legal counsel providing the City's defense, and the property owner and/or

permittee (as applicable) shall promptly reimburse City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. The permittee expressly acknowledges and agrees that the permittee's indemnification obligations under this condition are a material consideration that motivates the City to approve this small cell permit, and that such indemnification obligations will survive the expiration, revocation or other termination of this small cell permit.

(12) Permit Revocation. Any permit granted under this Policy may be revoked in accordance with the provisions and procedures in this condition. The Public Works Director may initiate revocation proceedings when the Public Works Director has information that the facility may not be in compliance with all applicable laws, which includes without limitation, any permit in connection with the facility and any associated conditions with such permit(s). Before the Public Works Director may conduct a public hearing to revoke any permit granted under this Policy, the Public Works Director must issue a written notice to the permittee that specifies (i) the facility; (ii) the violation(s) to be corrected; (iii) the timeframe in which the permittee must correct such violation(s); and (iv) that, in addition to all other rights and remedies the City may pursue, the City may initiate revocation proceedings for failure to correct such violation(s). A permit granted under this Policy may be revoked only by the City Council after a duly noticed public hearing. The City Council may revoke a permit when it finds substantial evidence in the written record to show that the facility is not in compliance with any applicable laws, which includes without limitation, any permit in connection with the facility and any associated conditions with such permit(s). Any decision by the City Council to revoke or not revoke a permit shall be final and not subject to any further appeals. Within five business days after the City Council adopts a resolution to revoke a permit, the Public Works Director shall provide the permittee with a written notice that specifies the revocation and the reasons for such revocation.

(13) Record Retention. Throughout the permit term, the permittee must maintain a complete and accurate copy of the written administrative record, which includes without limitation the small cell permit application, small cell permit, the approved plans and photo simulations incorporated into this approval, all conditions associated with this approval, any ministerial permits or approvals issued in connection with this approval and any records, memoranda, documents, papers and other correspondence entered into the public record in connection with the small cell permit (collectively, "records"). If the permittee does not maintain such records as required in this condition, any ambiguities or uncertainties that would be resolved by inspecting the missing records will be construed against the permittee. The permittee shall protect all records from damage from fires, floods and other hazards that may cause deterioration. The permittee may keep records in an electronic format; provided, however, that hard copies or electronic records kept in the City's regular files will control over any conflicts between such City-controlled copies or records and the permittee's electronic copies, and complete originals will control over all other

copies in any form. The requirements in this condition shall not be construed to create any obligation to create or prepare any records not otherwise required to be created or prepared by other applicable laws. Compliance with the requirements in this condition shall not excuse the permittee from any other similar record-retention obligations under applicable law.

- (14) **Abandoned Wireless Facilities.** The small wireless facility authorized under this small cell permit shall be deemed abandoned if not operated for any continuous six-month period. Within 90 days after a small wireless facility is abandoned or deemed abandoned, the permittee and/or property owner shall completely remove the small wireless facility and all related improvements and shall restore all affected areas to a condition compliant with all applicable laws, which includes without limitation the Scotts Valley Municipal Code. In the event that neither the permittee nor the property owner complies with the removal and restoration obligations under this condition within said 90-day period, the City shall have the right (but not the obligation) to perform such removal and restoration with or without notice, and the permittee and property owner (where private property) shall be jointly and severally liable for all costs and expenses incurred by the City in connection with such removal and/or restoration activities.
- (15) **Landscaping.** At the discretion of the Public Works Director, the permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by the permittee or at the permittee's direction on or about the site, or pay a fee to the City's Urban Forestry Fund if replacement landscaping is not feasible or desired at the location. If any trees are damaged or displaced, the permittee shall replace landscaping as determined by the City's arborist. Only International Society of Arboriculture certified workers under the supervision of a licensed arborist shall be used to install the replacement tree(s). Any replacement tree must be substantially the same size as the damaged tree unless approved by the City's arborist. The permittee shall, at all times, be responsible to maintain any replacement landscape features.
- (16) **Cost Reimbursement.** The permittee acknowledges and agrees that (i) the permittee's request for authorization to construct, install and/or operate the wireless facility will cause the City to incur costs and expenses; (ii) the permittee shall be responsible to reimburse the City for all costs incurred in connection with the permit, which includes without limitation costs related to application review, permit issuance, site inspection and any other costs reasonably related to or caused by the request for authorization to construct, install and/or operate the wireless facility; (iii) any application fees required for the application may not cover all such reimbursable costs and that the permittee shall have the obligation to reimburse City for all such costs 10 days after a written demand for reimbursement and reasonable documentation to support such costs; and (iv) the City shall have the right to withhold any permits or other approvals in

connection with the wireless facility until and unless any outstanding costs have been reimbursed to the City by the permittee.

- (17) **Future Undergrounding Programs.** Notwithstanding any term remaining on any small cell permit, if other utilities or communications providers in the public rights-of-way underground their facilities in the segment of the public rights-of-way where the permittee's small wireless facility is located, the permittee must also underground its equipment, except the antennas and any approved electric meter, at approximately the same time. Accessory equipment such as radios and computers that require an environmentally controlled underground vault to function shall not be exempt from this condition. Small wireless facilities installed on utility poles that will be removed pursuant to the undergrounding program may be reinstalled on a streetlight that complies with the City's standards and specifications. Such undergrounding shall occur at the permittee's sole cost and expense except as may be reimbursed through tariffs approved by the state public utilities commission for undergrounding costs.
- (18) **Electric Meter Upgrades.** If the commercial electric utility provider adopts or changes its rules obviating the need for a separate or ground-mounted electric meter and enclosure, the permittee on its own initiative and at its sole cost and expense shall remove the separate or ground-mounted electric meter and enclosure. Prior to removing the electric meter, the permittee shall apply for any encroachment and/or other ministerial permit(s) required to perform the removal. Upon removal, the permittee shall restore the affected area to its original condition that existed prior to installation of the equipment.
- (19) **Rearrangement and Relocation.** The permittee acknowledges that the City, in its sole discretion and at any time, may: (i) change any street grade, width or location; (ii) add, remove or otherwise change any improvements in, on, under or along any street owned by the City or any other public agency, which includes without limitation any sewers, storm drains, conduits, pipes, vaults, boxes, cabinets, poles and utility systems for gas, water, electric or telecommunications; and/or (iii) perform any other work deemed necessary, useful or desirable by the City (collectively, "City work"). The City reserves the rights to do any and all City work without any admission on its part that the City would not have such rights without the express reservation in this small cell permit. If the Public Works Director determines that any City work will require the permittee's small wireless facility located in the public rights-of-way to be rearranged and/or relocated, the permittee shall, at its sole cost and expense, do or cause to be done all things necessary to accomplish such rearrangement and/or relocation. If the permittee fails or refuses to either permanently or temporarily rearrange and/or relocate the permittee's small wireless facility within a reasonable time after the Public Works Director's notice, the City may (but will not be obligated to) cause the rearrangement or relocation to be performed at the permittee's sole cost and expense. The City may exercise its

rights to rearrange or relocate the permittee's small wireless facility without prior notice to permittee when the Public Works Director determines that the City work is immediately necessary to protect public health or safety. The permittee shall reimburse the City for all costs and expenses in connection with such work within 10 days after a written demand for reimbursement and reasonable documentation to support such costs.

- (20) The small wireless facility operator shall contact the City Public Works Department prior to any substantial change to small wire facilities within the public rights-of-way.

SECTION 2.6. LOCATION REQUIREMENTS

- (a) **Preface to Location Requirements.** This subsection (a) provides guidance as to how to interpret and apply the location requirements in this Section 2.6. To better assist applicants and decision makers understand and respond to the community's aesthetic preferences and values, subsections (b) and (c) set out listed preferences for locations and support structures to be used in connection with small wireless facilities in ordered hierarchies. Applications that involve lesser-preferred locations or structures may be approved so long as the applicant demonstrates that either (1) no more preferred locations or structures exist within 350 feet from the proposed site; or (2) any more preferred locations or structures within 350 feet from the proposed site would be technically infeasible as supported by clear and convincing evidence in the written record. Subsection (d) identifies "prohibited" support structures on which the City shall not approve any small cell permit application for any competitor or potential competitor.
- (b) **Locations in the Public Rights-of-Way.** The City prefers small wireless facilities in the public rights-of-way to be installed in locations, ordered from most preferred to least preferred, as follows:
- (1) Locations which front on or are located in areas designated as any of the land use categories listed in the General Plan under the all "Industrial", and "Commercial" categories;
 - (2) Locations which front on or are located in areas designated as any of the land use categories listed in the General Plan within or adjacent to "Open Space" or Public/Quasi-Public" categories;
 - (3) Within the Town Center Specific Plan Area, provided all small wireless accessory equipment is installed in underground vaults;
 - (4) Locations which front on or are located in areas designated as any of the land use categories listed in the General Plan under the "Residential" categories;

- (c) **Site Selection Criteria.** The following criteria shall be considered in selecting the location for deployment of small wireless facilities within the public right-of-way, ordered from most preferred to least preferred, with a priority for sites that:
- (1) Do not require the removal of existing infrastructure, parking spaces, parkway trees or reductions of the parkway landscape planters;
 - (2) Only require minor alterations to the existing roadway landscaping (including planter size) and/or infrastructure;
 - (3) Require significant alteration to the existing public improvements and/or infrastructure.
- (d) **Site location restrictions.** In addition to the orders of preference specified in the preceding subsections, the following location prohibitions shall be applicable to all applications for installations of small cell facilities in the public rights-of-way.
- (1) All small cell facility locations shall be outside driveway and intersection sight lines. Where feasible, locations shall be located near property corners or side property lines and not directly in front of residences and businesses.
 - (2) In areas which front on or are located in any Residential, Open Space, or Public/Quasi-Public General Plan Land Use Category, only one (1) small cell facility and associated equipment shall be permitted within the public right-of-way within a 1,500-foot radius; provided, however, that this restriction may be waived by the Director of Public Works upon a demonstration that the refusal to allow an additional facility within a 1,500-foot radius will result in the creation of a significant coverage gap for the applicant and/or that such refusal will otherwise violate an applicable state or federal law;
- (e) **Support Structures in the Public Rights-of-Way.** Small wireless antennas may be installed in the public right-of-way on the following structures (See Section 2.7(b)(3) for placement criteria for accessory equipment):
- (1) Existing or replacement utility poles or streetlight poles;
 - (2) New, non-replacement streetlight poles, if streetlight is warranted;
- (f) **Prohibited Support Structures.** The City prohibits small wireless facilities to be installed on the following support structures, whether located in the public rights-of-way or not:
- (1) decorative poles and decorative streetlights;
 - (2) traffic signals, signs, poles, cabinets and related devices;
 - (3) new, non-replacement wood poles in the public right-of-way.

SECTION 2.7. DESIGN STANDARDS

(a) General Standards.

- (1) **Noise.** Small wireless facilities and all accessory equipment and transmission equipment must comply with all applicable noise control standards and regulations in Scotts Valley Municipal Code, as either may be amended or superseded, and shall not exceed, either on an individual or cumulative basis.
- (2) **Lights.** Small wireless facilities shall not include any lights that would be visible from publicly accessible areas, except as may be required under Federal Aviation Administration, FCC, other applicable regulations for health and safety. All equipment with lights (such as indicator or status lights) must be installed in locations and within enclosures that mitigate illumination impacts visible from publicly accessible areas. The provisions in this subsection shall not be interpreted or applied to prohibit installations on streetlights or luminaires installed on new or replacement poles as may be required under this Policy.
- (3) **Landscape Features.** At the discretion of the Public Works Director, the permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by the permittee or at the permittee's direction on or about the site, or pay a fee to the City's Urban Forestry Fund if replacement landscaping is not feasible or desired at the location. If any trees are damaged or displaced, the permittee shall replace landscaping as determined by the City's arborist. Only International Society of Arboriculture certified workers under the supervision of a licensed arborist shall be used to install the replacement tree(s). Any replacement tree must be substantially the same size as the damaged tree unless approved by the City's arborist. The permittee shall, at all times, be responsible to maintain any replacement landscape features.
- (4) **Site Security Measures.** Small wireless facilities may incorporate reasonable and appropriate site security measures, such as locks and anti-climbing devices, to prevent unauthorized access, theft or vandalism. The Public Works Director shall not approve any barbed wire, razor ribbon, electrified fences or any similarly dangerous security measures. All exterior surfaces on small wireless facilities shall be constructed from or coated with graffiti-resistant materials.
- (5) **Signage; Advertisements.** All small wireless facilities must include signage that accurately identifies the site owner/operator, the owner/operator's site name or identification number and a toll-free number to the owner/operator's network operations center. Small wireless facilities may not bear any other signage or advertisements unless expressly approved by the City, required by law or recommended under FCC, Occupational Safety and Health Administration or other United States government agency for compliance with RF emissions regulations.

- (6) **Compliance with Health and Safety Regulations.** All small wireless facilities shall be designed, constructed, operated and maintained in compliance with all generally applicable health and safety regulations, which includes without limitation all applicable regulations for human exposure to RF emissions and compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 *et seq.*).

(b) Small Wireless Facilities in the Public Right-of-Way.

- (1) **Overall Height.** Small wireless facilities may not exceed either (A) the minimum separation from electrical lines required by applicable safety regulations, plus five feet or (B) five feet above the existing support structure.

(2) Antennas.

- (A) **Concealment.** All antennas and associated mounting equipment, hardware, cables or other connectors must be completely concealed within an opaque antenna shroud or radome. The antenna shroud or radome must be painted a flat, non-reflective color to match the underlying support structure.
- (B) **Antenna Volume.** Each individual antenna may not exceed three cubic feet in volume.

(3) Accessory Equipment.

- (A) **Installation Preferences.** All non-antenna accessory equipment shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground; (ii) within a ground-mounted equipment cabinet; (iii) integrated into the base of the pole or support structure or (iv) on a pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that no more preferred installation location would be technically feasible as supported by clear and convincing evidence in the written record.
- (B) **Undergrounded Accessory Equipment.** All undergrounded accessory equipment must be installed in an environmentally controlled vault that is load-rated to meet the City's standards and specifications. Underground vaults located beneath a sidewalk must be constructed with a slip-resistant cover. Vents for airflow shall be flush-to-grade when placed within the sidewalk and may not exceed two feet above grade when placed off the sidewalk. Applicants shall not be permitted to install an underground vault in a location that would cause any existing tree to be materially damaged or displaced, unless approved by the Public Works Director.

- (C) **Base-Mounted Accessory Equipment.** All base-mounted accessory equipment must be installed within a shroud, enclosure or pedestal integrated into the base of the support structure. All cables, wires and other connectors routed between the antenna and base-mounted equipment must be concealed from public view.
- (D) **Pole-Mounted Accessory Equipment.** All pole-mounted accessory equipment must be installed in a single integrated flush-mounted equipment shroud or cage unless the applicant demonstrates that a single shroud would be technically infeasible as supported by clear and convincing evidence in the written record. All equipment shrouds and cages shall be designed with sufficient air circulation to eliminate the need for mechanical cooling fans. All pole-mounted accessory equipment must be installed flush to the pole to minimize the overall visual profile. If any applicable health and safety regulations prohibit flush-mounted equipment, the maximum separation permitted between the accessory equipment and the pole shall be the minimum separation required by such regulations. All pole-mounted equipment and required or permitted signage must be placed and oriented away from public view. All cables, wires and other connectors must be routed through conduits within the pole, and all conduit attachments, cables, wires and other connectors must be concealed from public view. To the extent that cables, wires and other connectors cannot be routed through the pole, applicants shall route them through a single external conduit or shroud that has been finished to match the underlying support structure.
- (E) **Accessory Equipment Volume. Accessory equipment associated with small wireless facilities is limited as follows:**
 - (i) All ground-mounted accessory equipment associated with a small wireless facility shall be as compact as possible and shall in no case cumulatively exceed 28 cubic feet in volume. The volume calculation shall include any shroud, cabinet or other concealment device used in connection with the non-antenna accessory equipment;
 - (ii) Pole-mounted accessory equipment associated with small wireless facilities in areas that front on or are located in any Residential, Open Space, Public/Quasi-Public General Plan Land Use Category shall be as compact as possible, not to exceed 17 cubic feet unless determined to be warranted by the Public Works Director, although in no case cumulatively exceed 20 cubic feet;
 - (iii) Pole-mounted accessory equipment associated with small wireless facilities in areas that front any Industrial, Commercial or Commercial Shopping Center General Plan Land Use Category

shall not exceed 20 cubic feet, unless determined to be warranted by the Public Works Director, although in no case cumulatively exceed 28 cubic feet;

- (iv) The volume calculation shall not include any equipment or other improvements placed underground.
- (4) **Streetlights.** Applicants that propose to install small wireless facilities on an existing streetlight must remove and replace the existing streetlight with one substantially similar to and which meets the City's standards and specifications but designed to accommodate wireless antennas and accessory equipment. To mitigate any material changes in the streetlighting patterns, the replacement pole must: (A) be located as close to the removed pole as possible; (B) be aligned with the other existing streetlights; and (C) include a luminaire at substantially the same height and distance from the pole as the luminaire on the removed pole. All antennas must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
- (5) **Wood Utility Poles.** Applicants that propose to install small wireless facilities on an existing wood utility pole must install all antennas above the pole unless the applicant demonstrates that mounting the antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record. Side-mounted antennas and stand-off bracket must be concealed within a shroud projecting no more than one (1) foot from the pole. All cables, wires and other connectors must be concealed within the shroud or conduit. The maximum horizontal separation between the antenna and the pole shall be the minimum separation required by applicable health and safety regulations. Applicants that propose to install small wireless facilities on a replacement wood utility pole must remove and replace the existing wood utility pole with one that is substantially similar in height and diameter unless the applicant demonstrates that a substantially similar replacement pole would be technically infeasible as supported by clear and convincing evidence in the written record.
- (6) **New, Non-Replacement Poles.** Applicants that propose to install small wireless facilities on a new, non-replacement pole must install a new streetlight in accordance with the City's standards, specifications and spacing requirements but designed to accommodate wireless antennas and accessory equipment located immediately adjacent to the proposed location. All antennas, whether on a new streetlight or other new pole, must be installed above the pole within a single, canister style shroud or radome.
- (7) **Strand-Mounted Wireless Facilities.** The Public Works Director shall not approve any strand-mounted wireless facilities.

- (8) **Encroachments over Private Property.** Small wireless facilities may not encroach onto or over any private or other property outside the public rights-of-way without the property owners express written consent.
- (9) **Backup Power Sources.** Fossil-fuel based backup power sources shall not be permitted within the public rights-of-way; provided, however, that connectors or receptacles may be installed for temporary backup power generators used in an emergency declared by federal, state or local officials.
- (10) **Obstructions; Public Safety.** Small wireless facilities and any associated equipment or improvements shall not physically interfere with or impede: (A) worker access to any above-ground or underground infrastructure for traffic control, streetlight or public transportation, including without limitation any curb control sign, parking meter, vehicular traffic sign or signal, pedestrian traffic sign or signal, or barricade reflectors; (B) access to any public transportation vehicles, shelters, street furniture or other improvements at any public transportation stop; (C) worker access to above-ground or underground infrastructure owned or operated by any public or private utility agency; (D) access to any fire hydrant or water valve; (E) access to any doors, gates, sidewalk doors, passage doors, stoops or other ingress and egress points to any building appurtenant to the rights-of-way; or (F) access to any fire escape.
- (11) **Utility Connections.** All cables and connectors for telephone, data backhaul, primary electric and other similar utilities must be routed underground in conduits large enough to accommodate future collocated wireless facilities. Undergrounded cables and wires must transition directly into the pole base without any external junction box. All cables, wires and connectors between the underground conduits and the antennas and other accessory equipment shall be routed through and concealed from view within: (A) internal risers or conduits if on a concrete, composite or similar pole; or (B) a cable shroud or conduit mounted as flush to the pole as possible if on a wood pole or other pole without internal cable space. The Public Works Director shall not approve new overhead utility lines or service drops merely because compliance with the undergrounding requirements would increase the project cost.
- (12) **Spools and Coils.** To reduce clutter and deter vandalism, excess fiber optic or coaxial cables shall not be spooled, coiled or otherwise stored on the pole outside equipment cabinets or shrouds.
- (13) **Electric Meters.** Small wireless facilities shall use flat-rate electric service or other method that obviates the need for a separate above-grade electric meter. If flat-rate service is not available, applicants may install a shrouded smart meter. The Public Works Director shall not approve a separate ground-mounted electric meter pedestal unless all other options are technically infeasible and the proposed pedestal will be off any sidewalk areas.

- (14) **Trees.** To preserve existing landscaping in the public rights-of-way, all work performed in connection with small wireless facilities shall not cause any street trees to be trimmed, damaged or displaced. If any street trees are damaged or displaced, the applicant shall be responsible, at its sole cost and expense, to plant and maintain replacement trees at the site for the duration of the permit term.

SECTION 2.8. PREAPPROVED DESIGNS

- (a) **Purpose.** To expedite the review process and encourage collaborative designs among applicants and the City, the City Council authorizes the Public Works Director to designate one or more preapproved designs for small wireless facilities and other infrastructure deployments. This Section 2.8 sets out the process to establish or repeal a preapproved design and the expedited review procedures and findings applicable to these applications.
- (b) **Adoption.** The Public Works Director may, in the Public Works Director's discretion, establish a preapproved design when the Public Works Director finds that a proposed preapproved design exceeds the design standards in this Policy. The Public Works Director shall cause to be posted a public notice at Scotts Valley City Hall and in a newspaper of general circulation within the City. The notice must generally describe the preapproved design, include a photograph or photo simulation, specify whether the preapproved design would be limited or restricted in any districts and contain a reference to the appeal procedure. Unless appealed pursuant to this Policy, the preapproved design shall become effective 15 days from the notice required in this subsection. A decision by the Public Works Director not to adopt a proposed preapproved design or the Public Works Director's failure to act on a request for a proposed preapproved design is not appealable.
- (c) **Repeal.** The Public Works Director may repeal any preapproved design by written notice posted at Scotts Valley City Hall. The repeal shall be immediately effective. The Public Works Director's repeal, refusal to repeal or failure to act on a request to repeal a preapproved design is not appealable.
- (d) **Modified Review Process.** In nonresidential districts, applications for a preapproved design shall not be subject to the notice requirements in Section 2.4(a) or any potential appeals under Section 2.4(f). In residential districts, applications for a preapproved design shall remain subject to the notice requirements in Section 2.4(a) and any potential appeals under Section 2.4(f).
- (e) **Modified Findings.** When an applicant submits a complete application for a preapproved design, the Public Works Director shall presume that the findings for approval in Sections 2.4(c)(1) and 2.4(c)(5) are satisfied and shall evaluate the application for compliance with the findings for approval in Sections 2.4(c)(2), 2.4(c)(3), 2.4(c)(4), 2.4(c)(6) and 2.4(c)(7).

- (f) **Nondiscrimination.** Any applicant may propose to use any preapproved design whether the applicant initially requested that the Public Works Director adopt such preapproved design or not. The Public Works Director's decision to adopt a preapproved design expresses no preference or requirement that applicants use the specific vendor or manufacturer that fabricated the design depicted in the preapproved plans. Any other vendor or manufacturer that fabricates a facility to the standards and specifications in the preapproved design with like materials, finishes and overall quality shall be acceptable as a preapproved design.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 5, 2019

TO: Honorable Mayor and City Council

FROM: Tony McFarlane, Administrative Services Director

APPROVED: Stephen Walpole, Acting City Manager

SUBJECT: **APPROVAL OF FY 2019/2020 ANNUAL OPERATING AND CAPITAL BUDGET**

SUMMARY OF ISSUE

Over the past 4 months, the City Council and the Budget Subcommittee has provided policy and budget direction at three City Council meetings:

- **February 6, 2019** – as part of its annual budget development process, the Council held a Goal-Setting Workshop to review the status of its FY 2018/19 goals and priorities and identify new goals for FY 2018/19. The Council also received the Mid-Year Financial Report and provided policy direction on City goals and priorities relative to the preparation of the Preliminary FY 2019/20 Annual Budget and Five-Year Financial Plan.
- **March 20, 2019** – the Council provided direction regarding the Five-Year Capital Improvement and Capital Purchase Plan (“Five-Year CIP Plan”).
- **May 15, 2019** – the Council reviewed the Preliminary FY 2019/20 Annual Budget and Five-Year Financial Plan and provided direction. The Council also received an updated ten-year financial forecast for the fiscal sustainability plan that included several budget scenarios identified in the February 6 meeting and provided direction.

The final budget will incorporate the Council’s direction received at these meetings. The fund balances (reserves) in all City funds begin and end the fiscal year meeting or exceeding minimum fund balance requirements provided by Council direction during those meetings.

Final FY 2019/20 Annual Budget

The FY 2019/20 General Fund indicates an annual deficit of \$1,054,153 that will draw down reserves from \$4.43 million to \$3.82 million. Ending reserves equate to 25.3% of annual operating expenditures plus net transfers out to other funds, exceeding the City Council’s targeted minimum reserve of 17%. The Five-Year Financial Plan included in the final budget indicates that, without any corrective action, the General Fund would have a

long-term annual structural deficit of \$1.8 million and draw down reserves below the targeted 17% minimum reserve balance starting in FY 2020/21. The City Council is committed to preserving the City's fiscal health and has developed a fiscal sustainability plan that incorporates various revenue enhancements, expenditure controls and service delivery changes that, if fully enacted through City Council action and/or voter approval, will solve the City's structural deficit and replenish reserves at or above the minimum reserve target.

The Five-Year Financial Plan also included a review of the Five-Year Capital Improvement and Purchase Plan, which included 55 capital improvement projects and purchases totaling \$22.6 million, of which \$13.3 million of projects were funded and scheduled over the five years.

It is important to note that the budget has made no assumptions on the following items that are still pending council direction;

- CDBG Loan Payoff
- Public Works Modular Building replacement
- COP Refunding

These items will be reviewed by the Budget Subcommittee at its next scheduled meeting on June 12, 2019 and will be brought back to Council for discussion on June 19, 2019.

Attached are the financial and personnel summary pages for the final FY 2019/20 Annual Budget. Once the City Council adopts the resolutions approving the final budget, the entire budget document will be produced and distributed by June 29.

Fund Balances and Minimum Reserve Policy

Council approved a fund balance minimum reserve policy in FY 2017/18 to implement a minimum reserve targets for the City's various operating and capital funds. The targeted minimum reserves are as follows:

- General Fund – 17% of annual operating expenditures plus net transfers out to other funds, equivalent to approximately two months of operating expenditures.
- General CIP Fund - \$500,000 for emergency capital infrastructure replacement needs not funded by other sources
- Recreation Enterprise Fund – a minimum reserve equal to zero, with the General Fund subsidizing any deficits through a transfer of available reserves
- Wastewater Enterprise Funds – 67% of annual operating expenses (equivalent to eight months of operating expenses), plus \$1,000,000 in capital reserves for emergency capital infrastructure replacement

These minimum reserves policies have been incorporated into the FY 2019/20 annual budget.

Unfunded Accrued Liability Prepayment Policy

According to the most recent CalPERS Valuation Reports dated August 2018, the City's total Unfunded Accrued Liability is \$17.3 million across the City's four pension plans as illustrated in the following table.

6/30/2019	UAL	Interest	Total	Amortization
Miscellaneous				
Classic	\$ 9,477,257	\$ 9,105,323	\$ 18,582,580	28 years
PEPRA	10,315	1,138	11,453	3 Years
Safety				
Classic	7,788,462	7,798,516	15,586,978	28 Years
PEPRA	28,789	7,305	36,094	13 Years
Total	\$ 17,304,823	\$ 16,912,282	\$ 34,217,105	

Including interest, the total amount payable to PERS through Fiscal Year 2045/46 is projected to total \$34.22 million. It is important to note that this number can fluctuate from year to year based on the annual performance of PERS investments or any change to the assumptions PERS uses to calculate the liability. For example, a reduction to the PERS discount rate from the current 7.25% rate. The following table provides a sensitivity analysis to the UAL based on changes to the discount rate.

6/30/2017	6.00%	7.00%	7.25%	8.00%
Miscellaneous				
Classic	\$ 14,285,088	\$ 9,970,269	\$ 9,091,314	\$ 6,383,684
PEPRA	34,748	10,336	6,323	(8,809)
Safety				
Classic	12,344,729	8,235,578	7,397,152	4,887,693
PEPRA	88,850	29,682	20,339	(15,330)
Total	\$ 26,753,415	\$ 18,245,865	\$ 16,515,128	\$ 11,247,238
Annual UAL	\$ 1,862,401	\$ 1,270,160	\$ 1,149,677	\$ 782,960
Variance +/-	\$ 712,724	\$ 120,483	-	\$ (366,717)

A 1.25 percent reduction in the discount rate to six percent would increase the UAL by \$10.2 million and increase the annual UAL payment by an estimated \$712,724. Conversely, a 0.75 percent increase to eight percent would decrease the UAL by \$5.3 million and reduce the annual UAL payment by an estimated \$366,717.

Based on PERS projections, UAL payments through Fiscal Year 2024/25 will total \$9.0 million. PERS does allow a prepayment lump sum option that reduces the UAL payment by 3.4%. Electing this prepayment option will generate approximately \$310 thousand in savings over the next six fiscal years.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.25% Return for Fiscal Year 2017-18)				
	2019/20	2020/21	2021/22	2022/23	2023/2024	2024/25
Miscellaneous						
Classic	\$ 638,571	\$ 715,000	\$ 807,000	\$ 884,000	\$ 929,000	\$ 976,000
PEPRA	3,710	3,900	4,200	1,900	1,600	1,300
Safety						
Classic	500,973	570,000	652,000	719,000	759,000	800,000
PEPRA	6,423	7,000	7,700	8,400	2,200	2,600
UAL Payment	\$ 1,149,677	\$ 1,295,900	\$ 1,470,900	\$ 1,613,300	\$ 1,691,800	\$ 1,779,900
Prepayment	\$ 1,110,138	\$ 1,251,332	\$ 1,420,314	\$ 1,557,816	\$ 1,633,617	\$ 1,718,687
Savings	\$ 39,539	\$ 44,568	\$ 50,586	\$ 55,484	\$ 58,183	\$ 61,213
Percentage	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%

The most effective method for Cities to reduce their PERS obligations is to pay more than the required annual contribution. Although the City does not have the means to address the UAL balances for the classic plans, action can be taken to address the UAL balances in the City's two PEPRA plans. The UAL for the two PEPRA plans total \$39,104 which is less than the amount of anticipated savings of \$39,539. Paying off the PEPRA UALs in full this fiscal year will eliminate the amortization bases for these two plans and generate an additional \$8,443 in savings from reduced interest payments.

Staff is recommending adoption of Resolution No. 1965 approving an Unfunded Accrued Liability Prepayment policy for the City's Classic Miscellaneous and Safety plans and PEPRA Miscellaneous and Safety plans.

Fiscal Sustainability Plan Update

Measure U, a temporary ½ of one percent sales tax measure was approved by the voters of Scotts Valley in November 2013 and is set to expire in March 2022. In 2018, the Council approved the Fiscal Sustainability Plan. Included in the plan was the revenue enhancement strategy of increasing Measure U to ¾ of one percent and extend it prior to its expiration in March 2022. However, since the adoption of the plan, other strategies have not materialized resulting in an adjustment to the fiscal forecast and the strategy involving Measure U.

In February 2019, Council gave direction for the City to engage the assistance of Assemblymember Mark Stone to develop legislation that would allow the City to pursue a local sales tax rate of up to 1%. Having this option available will provide an additional strategy option for consideration as the Fiscal Sustainability Plan is refined. To that end, Assemblymember Mark Stone introduced Assembly Bill 618 that is currently being considered by the Legislature. Council is being asked to adopt Resolution No. 1966 in support of Assembly Bill 618.

Utility Users Tax Continuation

Ordinance No. 109.3 (SVMC §3.35.180) requires, concurrent with budget adoption, that the Council also approve the continued collection of the utility users' tax placed upon gas and electric service providers serving Scotts Valley properties. The final Annual Budget assumes the continued collection of the Utility Users' Tax, which is estimated to total \$762,200 in FY 2019/20.

FISCAL IMPACT

The City's final FY 2019/20 Annual Budget, including all funds, indicates total expenditures of \$20,742,702, and transfers between funds totaling \$795,579.

STAFF RECOMMENDATION

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

1. Resolution No. 630.39 approving the final FY 2019/20 Annual Budget and making appropriations for the amounts budgeted.
2. Resolution No. 1965 approving an unfunded accrued liability prepayment policy for the City's Classic Miscellaneous and Safety plans and PEPRA Miscellaneous plans (Council Policy No. 06-19).
3. Resolution No. 1501.26 approving the continued collections of the Utility Users' Tax for FY 2019/20.
4. Resolution No. 1966 supporting Assembly Bill 618

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RESOLUTION NO. 630.39

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
APPROVING THE CITY'S ANNUAL BUDGET FOR FISCAL YEAR 2019/20
AND MAKING APPROPRIATIONS FOR THE AMOUNTS BUDGETED**

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

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

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

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

1. The City of Scotts Valley's FY 2019/20 Annual Budget for the fiscal year ending June 30, 2020 is hereby approved as set forth in the attached Exhibit and incorporated herein.
2. The City Manager is hereby delegated responsibility for the administration of the budget and is authorized to transfer appropriations as necessary between departments, except that any transfers between funds must be approved by the City Council.
3. The City Manager is authorized to establish encumbrances from unexpended budget appropriations for operating and/or capital expenditures from the prior and current fiscal year, and shall not certify any encumbrance nor execute any payment in excess of approved department budget appropriations.
4. The City Manager or designee is hereby authorized to establish an operating reserve to accumulate receipts in excess of the estimated revenues as set forth in the budget document. Said reserve is established for the purpose of funding the budget of subsequent years and the receipts in this reserve are hereby appropriated for said purpose.

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 5th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2019/20

Fund		Beginning Fund Balance 7/1/2019	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2020
General Funds								
1	General Fund	3,681,968	12,007,167	235,000	15,924,135	12,903,127	470,693	2,550,315
6	Equipment Replacement Reserve	754,206	78,000		832,206	500		831,706
Subtotal General Funds		4,436,174	12,085,167	235,000	16,756,341	12,903,627	470,693	3,382,021
General Capital Improvement Fund								
150	General Capital Improvements	1,380,609	7,500	-	1,388,109	594,650	-	793,459
Special Revenue Funds - Development Impact Fees								
7	Drainage Construction Impact Fees	16,445	11,650	-	28,095	25	-	28,070
8	Traffic Impact Mitigation Fees	621,170	36,000	-	657,170	36,000	-	621,170
9	Park & Recreation Facilities Impact Fees	1,009,883	50,000	-	1,059,883	92,000	-	967,883
21	General Facility Impact Fees	42,311	26,000	-	68,311	200	-	68,111
27	Police Facility Building Impact Fees	164,934	54,500	-	219,434	214,500	-	4,934
51	Mt. Hermon Traffic Mitigation	148,366	2,500	-	150,866	250	-	150,616
86	Library Impact Fees	300,282	30,000	-	330,282	500	-	329,782
315	Police Development Fees	167,975	3,000	-	170,975	250	-	170,725
Subtotal Special Revenue Funds - Development Impact Fees		2,471,366	213,650	-	2,685,016	343,725	-	2,341,291
Special Revenue Funds - Other								
2	Recycling/Environment	38,386	75,750	-	114,136	60,680	-	53,456
3	Gas Tax	658	525,507	-	526,165	250,200	235,000	40,965
5	SMIP Fees	6,688	5,100	-	11,788	8,070	-	3,718
19	Affordable Housing	451,356	45,760	-	497,116	195,139	-	301,977
24	Lennar Funds	622,350	-	-	622,350	54,250	-	568,100
28	Senior Center Operations	29,511	77,560	-	107,071	102,283	3,695	1,093
31	STP Exchange Projects	-	538,431	-	538,431	483,279	-	55,152
33	Tree Replacement	15,943	800	-	16,743	10,050	-	6,693
35	Green Building Funding	268,956	32,000	-	300,956	4,450	-	296,506
36	Disability Compliance	7,501	900	-	8,401	5,020	-	3,381
50	Pinewood Estates Maintenance District	3,697	6,390	-	10,087	5,520	-	4,567
77	Skypark Landscape Maintenance District	17,989	41,765	12,000	71,754	53,751	-	18,003
78	Skypark Landscape Maintenance District Insurance	507,521	18,000	-	525,521	800	12,000	512,721
88	Library Facilities Improvements (Measure S)	213,728	7,500	-	221,228	800	-	220,428
89	Library - Cty MOE Excess Distribution	341,280	2,000	-	343,280	250	-	343,030
123	Community Facility Center Operations	47,181	111,500	-	158,681	72,659	1,443	84,579
155	Measure D Sales Tax for Transportation	254,083	268,300	-	522,383	265,020	-	257,363
306	Supplemental Law Enforcement Services	39,115	101,500	-	140,615	139,400	-	1,215
312	Police Budget Act 2016	30,509	500	-	31,009	15,000	-	16,009
316	Homeland Security Grant	-	-	-	-	-	-	-
317	EDG Revolving Loan	510	10	-	520	-	-	520
Subtotal Special Revenue Funds - Other		2,896,962	1,859,273	12,000	4,768,235	1,726,621	252,138	2,789,476

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2019/20

Fund		Beginning Fund Balance 7/1/2019	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2020
Debt Service Funds								
26	Pension Obligation Bond	3,697	-	448,759	452,456	447,258	-	5,198
66	COP Debt Service Reserve	964,933	10,000	-	974,933	1,500	-	973,433
Subtotal Debt Service Funds		968,630	10,000	448,759	1,427,389	448,758	-	978,631
Recreation Enterprise Fund								
4	Recreation	36,050	1,147,500	100,000	1,283,550	1,193,598	25,352	64,600
Wastewater Enterprise Funds								
10	Wastewater Operations	2,820,743	2,505,500	-	5,326,243	2,364,154	47,576	2,914,513
11	Tertiary Operating	(105,410)	110,000	-	4,590	229,405	-	(224,815)
12	Wastewater Capital Reserve	810,121	215,000	-	1,025,121	868,854	-	156,267
14	Wastewater Equipment Replacement	1,719,556	15,000	-	1,734,556	1,200	-	1,733,356
15	TTP District Reserve	22,074	8,000	-	30,074	40	-	30,034
Subtotal Wastewater Enterprise Funds		5,267,084	2,853,500	-	8,120,584	3,463,653	47,576	4,609,355
Internal Service Fund								
112	Dental Insurance	33,444	70,750	-	104,194	68,070	-	36,124
Total All Funds		17,490,319	18,247,340	795,759	36,533,418	20,742,702	795,759	14,994,957

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
GENERAL FUNDS					
	<u>1-GENERAL</u>				
	TAXES:				
3010	PROPERTY TAXES/CURR/SEC	902,274	958,700	1,076,541	974,000
3011	PROPERTY TAXES/CURR/UNSEC	17,700	20,000	38,105	16,800
3012	SUPPLEMENTAL ROLL/CURR/SEC	23,474	16,000	23,443	18,000
3013	SUPPLEMENTAL ROLL/CURR/UNSEC	434	500	1,493	500
3014	PROPERTY TAXES - TEA	422,357	351,100	280,729	351,100
3015	PROPERTY TAXES - SVSA (TEA)	187,798	120,000	169,600	120,000
3017	PROPERTY TAXES - SVSA PASSTHROUGH (ABX1)	-	-	1,116	-
3018	PROPERTY TAXES - SVSA RESIDUAL (ABX1)	-	-	105,120	-
3021	PROPERTY TAXES/PRIOR/UNSECURED	1,024	1,000	1,655	1,000
3022	SUPPLEMENTAL ROLL/PRIOR/SEC	1,147	900	469	900
3023	SUPPLEMENTAL ROLL/PRIOR/UNSEC	260	500	363	500
3040	PENALTIES ON DELINQUENT TAX	5,020	1,000	1,663	1,000
3080	SALES AND USE TAXES	1,801,044	2,070,000	2,208,239	2,180,023
3081	SALES TAXES - PROP 172	63,631	45,000	63,897	64,125
3083	SALES TAX - MEASURE U	1,239,352	1,340,000	1,435,000	1,380,000
3120	BUSINESS LICENSE TAX	263,070	350,000	286,725	360,500
3121	DELINQUENT BUSINESS LIC TAX	4,992	1,700	2,797	1,800
3150	UTILITY USER'S TAX	740,358	740,000	743,972	762,200
3160	TRANSIENT OCCUPANCY TAX	1,588,106	1,814,400	1,804,340	2,253,399
3582	HOMEOWNER'S PROPERTY TAX RELIEF	11,183	5,800	5,625	5,800
3140	REAL PROPERTY TRANSFER TAX	110,783	80,000	82,809	83,200
3521	STATE IN LIEU TAXES/MOTOR VEHICLE	1,082,327	1,086,700	1,152,360	1,097,600
	TOTAL TAXES	8,466,334	9,003,300	9,486,061	9,672,447
	FRANCHISE FEES:				
3101	FRANCHISE - GAS	40,995	41,000	41,000	42,200
3102	FRANCHISE - ELECTRIC	168,655	169,000	169,000	174,100
3104	FRANCHISE - SOLID WASTE	586,532	625,000	632,543	631,300
3105	FRANCHISE - VIDEO SERVICES	190,601	201,900	183,826	208,000
	TOTAL FRANCHISE FEES	986,783	1,036,900	1,026,369	1,055,600

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	FINES & FORFEITURES:				
3310	VEHICLE CODE FINES	2,749	2,000	3,204	2,000
3311	LOCAL CRIME PREVENTION	81	100	1	100
3312	GENERAL FINES	29,806	20,000	20,212	20,000
3313	NARCO FINES	98	100	74	100
3320	PARKING FINES	2,032	2,000	1,533	2,200
3330	OTHER FINES	21	-	-	-
3350	OTHER FORFEITURES/PENALTIES	227	-	-	-
	TOTAL FINES & FORFEITURES	35,014	24,200	25,024	24,400
	CHARGES FOR SERVICES:				
3250	CONSTRUCTION PERMITS - Recurring	415,347	240,000	324,126	247,200
3250	CONSTRUCTION PERMITS - Significant	-	150,000	202,579	-
3280	ENCROACHMENT PERMITS - Recurring	30,290	30,000	15,635	30,900
3280	ENCROACHMENT PERMITS - Significant	-	3,000	-	-
3290	OTHER LICENSES & PERMITS	228	500	273	500
3430	RENTS & CONCESSIONS	63,713	62,000	65,860	63,900
3442	LOAN/NOTE INTEREST	1,761	-	-	-
3608	GENERAL PLAN MAINTENANCE FEE - Recurring	-	90,000	72,094	92,700
3608	GENERAL PLAN MAINTENANCE FEE - Significant	-	70,000	56,073	-
3609	TREE REMOVAL	1,050	1,500	1,020	1,500
3611	FEES & PERMITS - ZONING	22,886	15,000	9,949	15,500
3612	FEES & PERMITS - USE PERMITS	3,872	7,000	7,195	7,200
3615	FEES & PERMITS - GEN PLAN AMEND	11,193	8,000	4,975	8,200
3616	FEES & PERMITS - OTHER PLANNING	(139)	500	-	500
3617	FEES & PERMITS - DESIGN REVIEW	11,856	15,000	13,950	15,500
3618	FEES & PERMITS - SITE PLAN	40,654	20,000	50,789	20,600
3620	SUBDIVISION FEES	21,906	20,000	9,949	20,600
3623	CONCEPTUAL REVIEW FEES	-	1,000	-	1,000
3624	LOT LINE ADJUSTMENT	-	1,000	1,228	1,000
3630	SALE OF MAPS, PUBLICATIONS & COPIES	32	200	285	200
3640	OTHER FILING & CERTIFICATION FEES	430	-	134	-
3650	SPECIAL POLICE DEPT SERVICES	157	-	367	-
3651	ALARM SERV FEE & FALSE ALARM	13,203	10,000	9,859	10,300

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
3652	ABANDONED VEHICLE ABATEMENT	6,185	5,000	4,437	5,200
3653	DUI COST RECOVERY PROGRAM	11	-	16	20
3654	VEHICLE RELEASE/IMPOUND FEE	8,892	8,000	15,044	13,800
3660	ENGINEERING PLAN CHECK FEES - Recurring	22,826	13,000	14,492	13,400
3660	ENGINEERING PLAN CHECK FEES - Significant	-	10,000	-	-
3662	ON-SITE CIVIL IMPROVEMENT PERMIT	28,986	2,500	42,049	2,500
3711	ENVIRONMENTAL ASSESSMENT	2,071	2,000	1,752	2,000
3712	NEGATIVE DECLARATION	2,960	3,000	8,955	3,000
3713	PUBLIC HEARING NOTICE	2,632	2,000	2,517	2,000
3718	PLANNING SERVICES	3,253	2,000	1,453	2,000
3750	OTHER BLDG DEPT SERVICES	203	-	126	-
3760	COLLECTION FEE - FIRE DISTRICT	1,994	2,000	445	2,000
3762	COLLECTION FEE - TOURISM MKTG DIST	2,064	2,000	2,544	2,000
3891	RETURNED CHECK FEES	48	100	50	100
	TOTAL CHARGES FOR SERVICES	720,564	796,300	940,220	585,320
3410	INVESTMENT EARNINGS	28,087	10,000	21,254	25,000
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	1,500	-	-	-
3551	POST	5,472	25,000	15,209	10,000
3555	STATE MANDATED COSTS REIMB	-	2,500	-	1,000
3560	OTHER FEDERAL GRANTS	67,652	-	-	-
3815	IMPACT FEES/ADMINISTRATION - Recurring	27,339	12,000	50,650	12,400
3815	IMPACT FEES/ADMINISTRATION - Significant	-	53,000	-	-
3818	LEGAL FEE REIMBURSEMENTS	76,408	-	683	-
3819	COST REIMBURSEMENT	95,570	50,000	-	10,000
3890	OTHER REVENUE	14,000	100,000	-	107,200
3996	COST ALLOCATION	259,377	255,200	226,830	268,800
	TOTAL OTHER REVENUE	547,318	497,700	293,372	409,400
4999	TRANSFER IN	242,848	235,000	233,000	235,000
	TOTAL GENERAL FUND (1)	11,026,948	11,603,400	12,025,300	12,007,167

6-GENERAL EQUIPMENT RESERVE

3410	INVESTMENT EARNINGS	6,924	2,100	13,168	10,000
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**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	OTHER REVENUE:				
3110	PEG VIDEO FEE	37,864	28,000	28,844	38,000
3716	MODERNIZATION FEE	35,359	30,000	27,759	30,000
	TOTAL GENERAL EQUIPMENT RESERVE FUND (6)	80,147	60,100	69,771	78,000
	TOTAL GENERAL FUNDS	11,107,095	11,663,500	12,095,071	12,085,167

GENERAL CAPITAL IMPROVEMENT FUND

150-GENERAL CAPITAL PROJECTS

3410	INVESTMENT EARNINGS	2,527	500	7,878	7,500
	OTHER REVENUE:				
3554	STATE RECREATION BOND ACTS	-	12,000	-	-
3560	OTHER FEDERAL GRANTS	462,247	-	-	-
3608	GENERAL PLAN MAINTENANCE FEE	184,949	-	-	-
3890	OTHER REVENUE	155,817	101,000	-	-
	TOTAL OTHER REVENUE	803,013	113,000	-	-
4999	TRANSFER IN	31,983	569,000	569,000	-
	TOTAL GENERAL CAPITAL PROJECTS FUND (150)	837,523	682,500	576,878	7,500

SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES

7-DRAINAGE CONSTRUCTION

3410	INVESTMENT EARNINGS	261	105	-	250
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	17,309	7,500	19,327	7,500
3815	IMPACT FEES - Significant	-	3,900	-	3,900
	TOTAL OTHER REVENUE	17,309	11,400	19,327	11,400
4999	TRANSFER IN	31,983	51,000	51,000	-
	TOTAL DRAINAGE CONSTRUCTION FUND (7)	49,553	62,505	70,327	11,650

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
<u>8-TRAFFIC IMPACT MITIGATION</u>					
3410	INVESTMENT EARNINGS	8,570	4,600	10,513	6,000
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	55,896	30,000	363,423	30,000
3815	IMPACT FEES - Significant	-	812,400	-	-
3890	OTHER REVENUE	492	-	-	-
	TOTAL TRAFFIC IMPACT MITIGATION FUND (8)	64,958	847,000	373,936	36,000
<u>9-PARK & RECREATION FACILITIES</u>					
3410	INVESTMENT EARNINGS	5,840	1,900	14,798	10,000
	OTHER REVENUE:				
3690	PARK DEDICATION IN-LIEU FEE	8,347	-	65,513	-
3815	IMPACT FEES - Recurring	90,376	40,000	-	40,000
3815	IMPACT FEES - Significant	-	1,055,300	382,981	-
3890	OTHER REVENUE	-	1,000	-	-
	TOTAL OTHER REVENUE	98,723	1,096,300	448,494	40,000
	TOTAL PARK & RECREATION FACILITIES FUND (9)	104,563	1,098,200	463,292	50,000
<u>21-GENERAL FACILITY</u>					
3410	INVESTMENT EARNINGS	816	250	1,800	1,000
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	27,265	3,000	28,511	25,000
3815	IMPACT FEES - Significant		65,700	-	-
	TOTAL GENERAL FACILITY FUND (21)	28,081	68,950	30,311	26,000
<u>27-POLICE FACILITY BUILDING</u>					
3410	INVESTMENT EARNINGS	580	800	5,188	4,500

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	60,000			
3815	IMPACT FEES - Recurring	5,000	5,000	65,920	50,000
3815	IMPACT FEES - Significant		152,000	-	-
	TOTAL OTHER REVENUE	65,000	157,000	65,920	50,000
	TOTAL POLICE FACILITY BUILDING FUND (27)	65,580	157,800	71,108	54,500
	<u>51-MT HERMON TRAFFIC MITIGATION</u>				
3410	INVESTMENT EARNINGS	170	300	2,745	2,500
	OTHER REVENUE:				
3815	IMPACT FEES			94,326	
	TOTAL OTHER REVENUE	-	-	94,326	-
	TOTAL MT HERMON TRAFFIC MITIGATION FUND (51)	170	300	97,071	2,500
	<u>86-LIBRARY</u>				
3410	INVESTMENT EARNINGS	730	1,150	5,823	5,000
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	5,000	5,000	50,304	25,000
3815	IMPACT FEES - Significant		111,800	-	-
	TOTAL OTHER REVENUE	5,000	116,800	50,304	25,000
	TOTAL FUND 86	5,730	117,950	56,127	30,000
	<u>315 - POLICE DEVELOPMENT FEES</u>				
3410	INVESTMENT EARNINGS	550	900	3,121	3,000
	TOTAL POLICE DEVELOPMENT FEES FUND (315)	550	900	3,121	3,000
	TOTAL SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES	319,185	2,353,605	1,165,293	213,650

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
SPECIAL REVENUE FUNDS - OTHER					
	<u>2-RECYCLING</u>				
3410	INVESTMENT EARNINGS	297	60	595	750
	OTHER REVENUE:				
3090	CSA 9CA RECYCLING	-	61,000	73,803	70,000
3550	OTHER STATE GRANTS	5,000	5,000	5,000	5,000
	TOTAL OTHER REVENUE	5,000	66,000	78,803	75,000
	TOTAL RECYCLING FUND (2)	5,297	66,060	79,398	75,750
	<u>3-GAS TAX</u>				
3410	INVESTMENT EARNINGS	1,979	2,500	1,110	2,500
	TAXES:				
3536	STATE GAS TAX/2103	47,366	93,200	43,259	104,008
3530	STATE GAS TAX/2105	66,005	70,000	68,251	67,843
3531	STATE GAS TAX/2106 SELECT	43,257	44,300	43,706	43,469
3532	STATE GAS TAX/2107 NON-SELECT	85,901	86,800	89,639	89,088
3533	STATE GAS TAX/2107.5 ENGINEERING	3,000	3,000	3,000	3,000
3534	STATE GAS TAX/2030 RMRA ACT 2017	71,270	215,700	207,128	215,599
	TOTAL TAXES	316,798	513,000	454,983	523,007
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	13,827	-	-	-
	TOTAL GAS TAX FUND (3)	332,604	515,500	456,093	525,507
	<u>5-SMIP</u>				
3410	INVESTMENT EARNINGS	186	60	112	100
	OTHER REVENUE:				
3240	SMIP FEES	7,389	5,000	5,018	5,000

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	TOTAL FUND 5	7,575	5,060	5,130	5,100
	<u>18-SENIOR CENTER DESIGNATED DONATIONS</u>				
3410	INVESTMENT EARNINGS	-	-	-	-
	TOTAL SENIOR CENTER DESIGNATED DONATIONS FUND (18)	-	-	-	-
	<u>19-AFFORDABLE HOUSING</u>				
3410	INVESTMENT EARNINGS	5,303	6,100	15,292	13,000
	OTHER REVENUE:				
3025	AFFORDABLE HOUSING IN-LIEU FEE	36,985		111,955	
3430	RENTAL INCOME	32,760	32,760	32,760	32,760
3440	LOAN REPAYMENT	20,660		210,000	-
3442	LOAN/NOTE INTEREST	26,650		40,459	-
3810	SALE OF REAL OR PERSONAL PRO	-			-
3890	OTHER REVENUE	2,247			-
	TOTAL OTHER REVENUE	119,302	32,760	395,174	32,760
	TOTAL AFFORDABLE HOUSING FUND (19)	124,605	38,860	410,466	45,760
	<u>25-LENNAR FUNDS</u>				
3410	INVESTMENT EARNINGS	-	-	-	-
	<u>28-SENIOR CENTER OPERATIONS</u>				
	CHARGES FOR SERVICES:				
3632	BOUTIQUE SALES	8,593	10,000	9,769	10,000
3770	MEMBERSHIP FEES	11,163	10,000	10,331	10,000
3897	SR CENTER VAN INCOME	9	300	-	300
3898	SR CENTER ACTIVITIES	30,231	40,300	29,817	40,300
3940	FACILITY/BUILDING RENTAL	6,131	14,500	11,741	14,500
	TOTAL CHARGES FOR SERVICES:	56,127	75,100	61,658	75,100

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
3410	INVESTMENT EARNINGS	-	50	51	60
	OTHER REVENUE:				
3840	CONTRIBUTIONS FROM NON-GVMT	1,143	2,000	12,412	2,000
3890	OTHER REVENUE	1,697	500	50	400
4999	TRANSFER IN	10,879	-	-	-
	TOTAL OTHER REVENUE	13,719	2,500	12,462	2,400
	TOTAL SENIOR CENTER OPERATIONS FUND (28)	69,846	77,650	74,171	77,560
	<u>31-SURFACE TRANSPORTATION GRANTS</u>				
3410	INVESTMENT EARNINGS	68	-	-	-
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	497,250	-	497,250
3563	STP GRANT	106,000	976,000	934,819	41,181
4999	TRANSFER IN	37,247	-	-	-
	TOTAL STP EXCHANGE FOR STORM DAMAGE FUND (31)	143,315	1,473,250	934,819	538,431
	<u>33-TREE REPLACEMENT FUND</u>				
3410	INVESTMENT EARNINGS	271	110	484	500
	OTHER REVENUE:				
3622	TREE REPLANTING FEES	850	500	213	300
	TOTAL OTHER REVENUE	850	500	213	300
	TOTAL TREE REPLACEMENT FUND (33)	1,121	610	697	800
	<u>35-GREEN BUILDING FUNDING</u>				
3410	INVESTMENT EARNINGS	3,575	900	6,900	6,000
	CHARGES FOR SERVICES:				
3242	GREEN BLDG STANDARD FEES - Recurring	2,080	1,000	1,750	1,000

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
3242	GREEN BLDG STANDARD FEES - Significant		5,000	-	
3707	GREEN BUILDING FEES - Recurring	67,220	25,000	51,812	25,000
3707	GREEN BUILDING FEES - Significant		77,000	-	
	TOTAL OTHER REVENUE	69,300	108,000	53,562	26,000
	TOTAL GREEN BUILDING FUND (35)	72,875	108,900	60,462	32,000
<u>36-DISABILITY COMPLIANCE FUND</u>					
3410	INVESTMENT EARNINGS	-	-	146	150
	OTHER REVENUE:				
3244	DISABILITY COMPLIANCE FEE	1,000	750	4,715	750
	TOTAL DISABILITY COMPLIANCE FUND (36)	1,000	750	4,861	900
<u>50-PINEWOOD EST LNDSCP MAINT DIST</u>					
3410	INVESTMENT EARNINGS	102	50	167	150
	OTHER REVENUE:				
3890	OTHER REVENUE	5,880	6,240	5,016	6,240
	TOTAL PINEWOOD EST LNDSCP MAINT DIST FUND (50)	5,982	6,290	5,184	6,390
<u>77-SKYPARK MAINTENANCE ASSESSMENT DISTRICT</u>					
3410	INVESTMENT EARNINGS	4	-	14	15
	OTHER REVENUE:				
3890	OTHER REVENUE	42,300	41,750	41,750	41,750
	TOTAL SKYPARK MAINT ASSESSMENT DIST FUND (77)	42,304	41,750	41,764	41,765
<u>78-SKYPARK MAINTENANCE ASSESSMENT DISTRICT INSURANCE</u>					
3410	INVESTMENT EARNINGS	5,199	2,230	8,456	9,000
	OTHER REVENUE:				

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
3895	PREMIUMS	9,000	9,000	9,000	9,000
	TOTAL SKYPARK MAINT ASSESSMENT DIST INSURANCE FUND (78)	14,199	11,230	17,456	18,000
	<u>88-LIBRARY FACILITIES AUTHORITY</u>				
3410	INVESTMENT EARNINGS	-	300	9,248	7,500
	OTHER REVENUE:				
3030	TAXES-SPECIAL ASSESSMENTS	-	-	71,186	-
	TOTAL LIBRARY FACILITIES AUTHORITY (88)	-	300	80,434	7,500
	<u>89-LIBRARY - CTY MOE EXCESS DISTRIBUTION</u>				
3410	INVESTMENT EARNINGS	-	-	2,182	2,000
	OTHER REVENUE:				
3030	TAXES-SPECIAL ASSESSMENTS	-	339,321	338,321	-
	TOTAL LIBRARY FACILITIES AUTHORITY (88)	-	339,321	340,503	2,000
	<u>123-COMMUNITY FACILITY CENTER</u>				
	CHARGES FOR SERVICES:				
3940	FACILITY/BUILDING RENTAL	88,372	110,000	105,223	110,000
	TOTAL CHARGES FOR SERVICES	88,372	110,000	105,223	110,000
3410	INVESTMENT EARNINGS:	386	350	1,143	1,000
	OTHER REVENUE:				
3890	OTHER REVENUE	-	500	-	500
	TOTAL OTHER REVENUE	-	500	-	500
	TOTAL COMMUNITY CENTER FUND (123)	88,758	110,850	106,366	111,500
	<u>155-MEASURE D SALES TAX FOR TRANSPORTATION</u>				

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
3410	INVESTMENT EARNINGS	1,371	100	7,003	2,500
	OTHER REVENUE:				
3084	SALES TAX-MEASURE D FUNDS	306,599	265,800	231,623	265,800
	TOTAL MEASURE D SALES TAX FOR TRANSPORTATION (155)	307,970	265,900	238,626	268,300
	<u>306-SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLESF)</u>				
3410	INVESTMENT EARNINGS	1,059	300	2,224	1,500
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	94,533	100,000	100,000	100,000
	TOTAL OTHER REVENUES	94,533	100,000	100,000	100,000
	TOTAL SLESF FUND (306)	95,592	100,300	102,224	101,500
	<u>312 -POLICE BUDGET ACT OF 2016</u>				
3410	INVESTMENT EARNINGS	6	-	685	500
	TOTAL POLICE BUDGET ACT OF 2016 (312)	6	-	685	500
	<u>316 -HOMELAND SECURITY GRANT</u>				
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	-	-	64,398	-
	TOTAL HOMELAND SECURITY GRANT FUND (316)	-	-	64,398	-
	<u>317 - EDG REVOLVING LOAN FUND</u>				
3410	INVESTMENT EARNINGS	6	-	10	10
	TOTAL EDG REVOLVING LOAN FUND (317)	6	-	10	10

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
TOTAL SPECIAL REVENUE FUNDS - OTHER		1,313,055	2,823,260	2,683,244	1,857,273
DEBT SERVICE FUNDS					
<u>26-PENSION OBLIGATION BONDS</u>					
3410	INVESTMENT EARNINGS	-	-	-	-
<u>66-COP DEBT SERVICE RESERVE</u>					
3410	INVESTMENT EARNINGS	3,060	4,100	17,923	10,000
	TOTAL COP DEBT SERVICE RESERVE FUND (66)	3,060	4,100	17,923	10,000
TOTAL DEBT SERVICE FUNDS		3,060	4,100	17,923	10,000
RECREATION ENTERPRISE FUND					
<u>4-RECREATION</u>					
CHARGES FOR SERVICES:					
3871	AQUATICS	63,657	65,400	53,990	70,000
3872	CLASSES	104,391	74,600	112,468	115,000
3873	FACILITIES RENTALS	135,415	132,500	94,969	110,000
3874	SCHOOL AGE RECREATION	828,754	700,000	784,938	800,000
3875	SPECIAL EVENTS	2,601	-	-	-
3876	SPORTS	31,399	75,100	34,579	50,000
	TOTAL CHARGES FOR SERVICES	1,166,216	1,047,600	1,080,945	1,145,000
3410	INVESTMENT EARNINGS	129	-	-	-
OTHER REVENUE:					
3861	SCHOLARSHIP FUNDS	13,425	-	-	-
3874	SPECIAL EVENTS	-	500	516	500
3890	OTHER REVENUE	240	2,000	3,098	2,000

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	TOTAL OTHER REVENUE	13,665	2,500	3,613	2,500
	TOTAL RECREATION ENTERPRISE FUND	1,180,011	1,050,100	1,084,558	1,147,500

WASTEWATER ENTERPRISE FUNDS

10-WASTEWATER OPERATIONS

CHARGES FOR SERVICES:

3670	SEWER SERVICE FEES	2,128,732	2,469,283	1,933,361	2,500,000
3277	WASTEWATER DISCHARGE PERMITS		-	-	-
3775	PENALTIES FOR DELINQUENCIES	1,643	7,100	1,152	3,500
	TOTAL CHARGES FOR SERVICES	2,130,375	2,476,383	1,934,513	2,503,500

OTHER REVENUE

3890	OTHER REVENUE	2,700	2,000	2,000	2,000
	TOTAL OTHER REVENUE	2,700	2,000	2,000	2,000

3410	INVESTMENT EARNINGS	-	-	-	-
4999	TRANSFER IN	118,948	-	2,321,786	-
	TOTAL WASTEWATER OPERATIONS FUND (10)	2,252,023	2,478,383	4,258,299	2,505,500

11-TERTIARY TREATMENT PLANT

CHARGES FOR SERVICES:

3571	SCOTTS VALLEY WATER DEPT REIMB.	125,007	121,200	95,829	110,000
	TOTAL CHARGES FOR SERVICES	125,007	121,200	95,829	110,000

4999	TRANSFER IN	102,279	-	65,077	-
	TOTAL TERTIARY TREATMENT PLANT FUND (11)	227,286	121,200	160,905	110,000

12-WASTEWATER CAPITAL RESERVE

3410	INVESTMENT EARNINGS	10,186	5,600	18,772	15,000
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**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	318,981	51,500	270,416	50,000
3815	IMPACT FEES - Significant		796,700	-	150,000
	TOTAL OTHER REVENUE	318,981	848,200	270,416	200,000
	TRANSFER IN	-	627,910	627,910	-
	TOTAL WASTEWATER CAPITAL RESERVE FUND (12)	329,167	1,481,710	917,098	215,000
	<u>14-WASTEWATER EQMT REPLACEMENT RESERVE</u>				
3410	INVESTMENT EARNINGS	7,644	3,700	13,740	15,000
	TOTAL WASTEWATER EQUIPMENT REPLACEMENT RESERVE FUND (14)	7,644	3,700	13,740	15,000
	<u>15-TTP - DISTRICT RESERVE FUND</u>				
3410	INVESTMENT EARNINGS	158	100	364	500
	OTHER REVENUE:				
3890	OTHER REVENUE	5,123	11,000	1,666	7,500
	TOTAL TTP DISTRICT RESERVE FUND (15)	5,281	11,100	2,030	8,000
	TOTAL WASTEWATER ENTERPRISE FUNDS	2,821,401	4,096,093	5,352,073	2,853,500
INTERNAL SERVICE FUND					
	<u>112 - DENTAL INSURANCE</u>				
3410	INVESTMENT EARNINGS:	427	190	658	750
	OTHER REVENUE:				
3895	PREMIUMS	64,748	70,000	60,109	70,000
	TOTAL DENTAL INSURANCE FUND (112)	65,175	70,190	60,767	70,750

**City of Scotts Valley
Summary of Revenues
FY 2019/20**

ACCT#	ACCOUNT TITLE	2017 / 2018 ACTUAL	2018 / 2019 BUDGET	2018 / 2019 PROJECTED REVENUE	2019 / 2020 ESTIMATED REVENUE
TOTAL ALL FUNDS		17,646,505	23,082,669	23,376,309	18,247,340

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2019/20

Fund/ Dept	Fund/Department Title	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Proposed
General Funds				
General Fund (#001)				
41	Legislative	232,458	265,817	261,371
42	City Attorney	179,413	184,000	184,000
43	General Government	1,030,087	1,245,190	1,468,166
44	City Manager/Administration	407,155	476,037	471,136
45	Admin Services - Finance	548,652	704,504	696,731
46	Admin Services - Human Resources	44,993	16,800	40,800
47	Admin Services - Information Technology	94,128	156,500	142,200
48	Admin Services - Risk Management	123,173	234,773	343,244
51	Police	4,992,793	5,137,083	5,528,396
52	Animal Control	116,880	120,000	120,000
53	Emergency Services	95,337	104,962	108,931
61	Community Development - Planning	541,915	560,094	685,053
62	Community Development - Building	478,010	858,761	855,521
71	Public Works - Engineering	659,038	692,199	805,110
72	Public Works - Streets	483,884	432,463	438,116
73	Public Works - Vehicle/Equipment Maintenance	142,860	149,593	144,925
75	Public Works - Parks	340,144	335,832	341,586
76	Public Works - Building Maintenance	262,406	248,598	267,841
	Total General Fund (#001)	10,773,329	11,923,206	12,903,127
6	Equipment Replacement Fund	15,903	450	500
	Total General Funds	10,789,232	11,923,656	12,903,627
General Capital Improvement Fund				
150	General Capital Improvement	1,298,132	579,370	594,650
Special Revenue Funds - Development Impact Fees				
7	Drainage Construction Fund	73,858	51,025	25

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2019/20

Fund/ Dept	Fund/Department Title	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Proposed
8	Traffic Impact Mitigation	627,473	23,400	36,000
9	P&R Facilities	4,524	90,380	92,000
21	General Facility Fees	116	40,055	200
27	Police Facility Impact Fees	25,899	244,170	214,500
51	Mt. Hermon Traffic Mitigation	97	55	250
86	Library Impact Fees	408	210	500
315	Police Development Fees	252	150	250
	Total Special Revenue Funds - Development Impact Fees	732,625	449,445	343,725
Special Revenue Funds - Other				
2	Recycling/Env	46,847	60,680	60,680
3	Gas Tax	490,516	515,269	250,200
5	SMIP	28,106	8,070	8,070
18	Sr Ctr Designated Donations			-
19	Affordable Housing	29,078	324,489	195,139
24	Lennar Funds	166,697	58,800	54,250
28	Senior Center	72,860	105,664	102,283
31	STP Exchange Projects	37,256	1,579,270	483,279
33	Tree Replacement Fund	38	10,025	10,050
35	Green Building Fund	11,800	4,240	4,450
36	Disability Compliance	870	5,005	5,020
50	Pinewood Estates Maintenance District	5,216	5,515	5,520
77	Skypark Landscape Maintenance District	46,471	46,000	53,751
78	Skypark Landscape Maintenance District Insurance	737	400	800
88	Library Facilities Improvements Measure S	3,395	170	800
89	Library - CTY MOE Excess Distribution	-	-	250
123	Community Facility Center	61,358	76,560	72,659
155	Measure D Transportation	191	419,639	265,020
306	SLESF	86,138	146,900	139,400
312	Police Budget Act 2016	10,669	15,000	15,000
316	Homeland Security Grants	1	30	-

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2019/20

Fund/ Dept	Fund/Department Title	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Proposed
317	EDG Revolving Loan Fund	1	-	-
	Total Special Revenue Funds - Other	1,098,247	3,381,726	1,726,621
Debt Service Funds				
26	Pension Obligation Bonds	448,368	443,825	447,258
66	COP Debt Service Reserve	1,444	700	1,500
	Total Debt Service Funds	449,813	444,525	448,758
Recreation Enterprise Fund				
4	Recreation	1,709,239	1,092,249	1,193,598
Wastewater Enterprise Funds				
10	Wastewater Operations	4,688,529	2,300,969	2,364,154
11	Tertiary Treatment Plant	228,624	230,039	229,405
12	Wastewater Capital Reserve	339,189	3,257,486	868,854
14	Wastewater ERF	1,086	628,400	1,200
15	TTP District Reserve	22	12	40
	Total Wastewater Enterprise Funds	5,257,450	6,416,906	3,463,653
Internal Service Fund				
112	Dental Insurance	63,173	70,040	68,070
	Total All Funds	21,397,911	24,357,917	20,742,702

City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2019/20

		FY 2019/20 Proposed				
Fund/ Dept	Fund/Department Title	Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
General Funds						
	General Fund (#001)				-	
41	Legislative	227,611	33,760	-	-	261,371
42	City Attorney	180,000	4,000	-	-	184,000
43	General Government	375,600	186,220	-	906,346	1,468,166
44	City Manager/Administration	412,836	58,300	-	-	471,136
45	Admin Services - Finance	603,761	92,970	-	-	696,731
46	Admin Services - Human Resources	5,600	35,200	-	-	40,800
47	Admin Services - Information Technology	-	142,200	-	-	142,200
48	Admin Services - Risk Management	-	343,244	-	-	343,244
51	Police	5,142,316	340,655	5,250	40,175	5,528,396
52	Animal Control	-	120,000	-	-	120,000
53	Emergency Services	-	2,660	-	106,271	108,931
61	Community Development - Planning	558,978	125,075	1,000	-	685,053
62	Community Development - Building	273,071	582,450	-	-	855,521
71	Public Works - Engineering	568,860	230,750	5,500	-	805,110
72	Public Works - Streets	306,016	132,100	-	-	438,116
73	Public Works - Vehicle/Equipment Maintenance	143,925	1,000	-	-	144,925
75	Public Works - Parks	214,686	96,900	30,000	-	341,586
76	Public Works - Building Maintenance	174,141	93,700	-	-	267,841
	Total General Fund (#001)	9,187,401	2,621,184	41,750	1,052,792	12,903,127
6	Equipment Replacement Fund	-	-	500	-	500
	Total General Funds	9,187,401	2,621,184	42,250	1,052,792	12,903,627
General Capital Improvement Fund						
150	General Capital Improvement	-	20,500	574,150	-	594,650
Special Revenue Funds - Development Impact Fees						
7	Drainage Construction Fund	-	25	-	-	25

City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2019/20

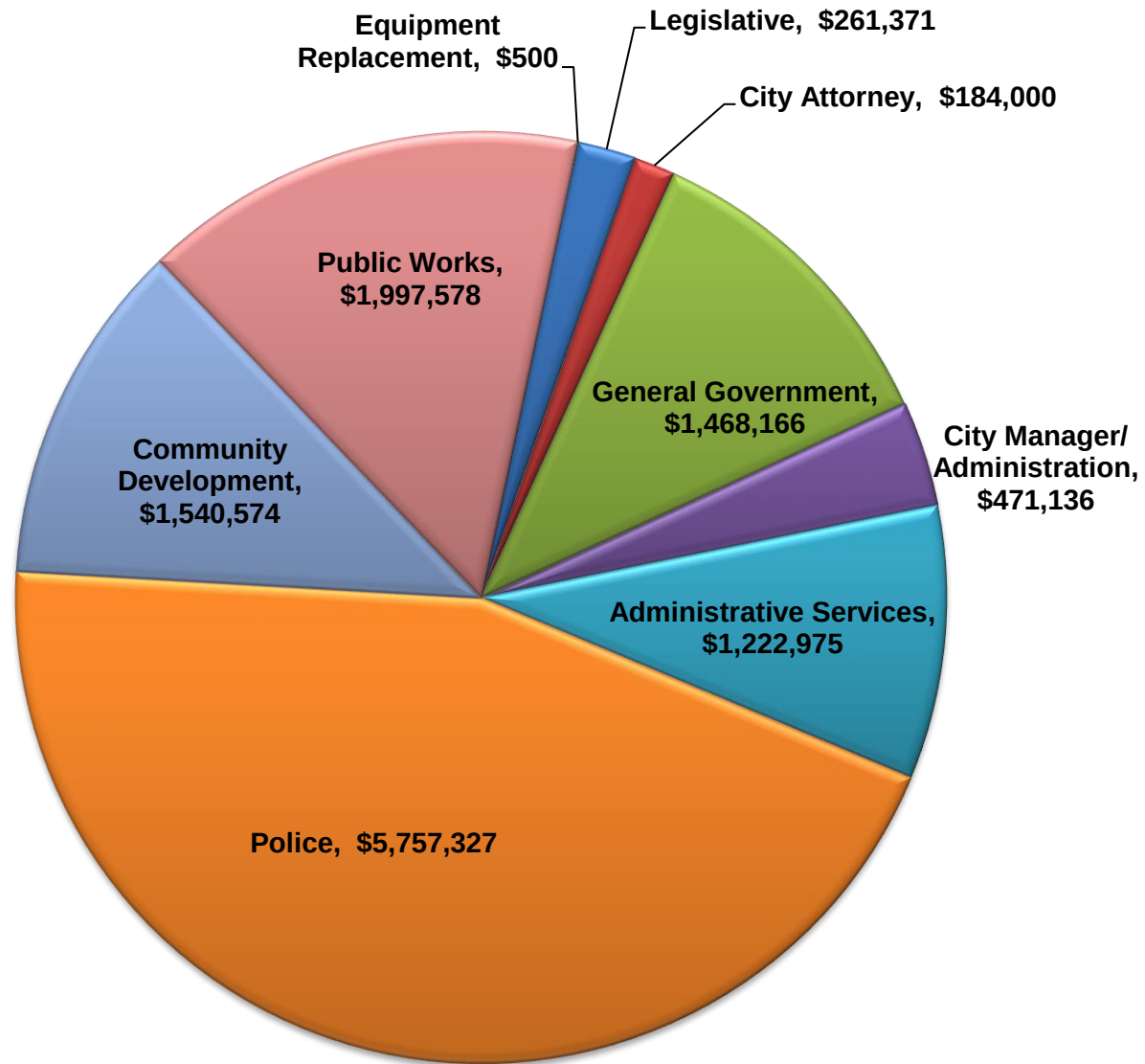
FY 2019/20 Proposed

Fund/ Dept	Fund/Department Title	Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
8	Traffic Impact Mitigation	-	36,000	-	-	36,000
9	P&R Facilities	-	2,000	90,000	-	92,000
21	General Facility Fees	-	200	-	-	200
27	Police Facility Impact Fees	-	500	214,000	-	214,500
51	Mt. Hermon Traffic Mitigation	-	250	-	-	250
86	Library Impact Fees	-	500	-	-	500
315	Police Development Fees	-	250	-	-	250
Total Special Revenue Funds - Development Impact Fees		-	39,725	304,000	-	343,725
Special Revenue Funds - Other						
2	Recycling/Env	-	60,680	-	-	60,680
3	Gas Tax	-	250,200	-	-	250,200
5	SMIP	-	8,070	-	-	8,070
18	Sr Ctr Designated Donations	-	-	-	-	-
19	Affordable Housing	-	26,000	-	169,139	195,139
24	Lennar Funds	-	-	54,250	-	54,250
28	Senior Center	68,023	34,260	-	-	102,283
31	STP Exchange Projects	-	-	483,279	-	483,279
33	Tree Replacement Fund	-	50	10,000	-	10,050
35	Green Building Fund	-	4,450	-	-	4,450
36	Disability Compliance	-	5,020	-	-	5,020
50	Pinewood Estates Maintenance District	-	5,520	-	-	5,520
77	Skypark Landscape Maintenance District	-	53,751	-	-	53,751
78	Skypark Landscape Maintenance District Insurance	-	800	-	-	800
88	Library Facilities Improvements Measure S	-	800	-	-	800
89	Library - CTY MOE Excess Distribution	-	250	-	-	250
123	Community Facility Center	30,859	41,800	-	-	72,659
155	Measure D Transportation	-	-	265,020	-	265,020
306	SLESF	-	9,400	130,000	-	139,400
312	Police Budget Act 2016	-	15,000	-	-	15,000
316	Homeland Security Grants	-	-	-	-	-

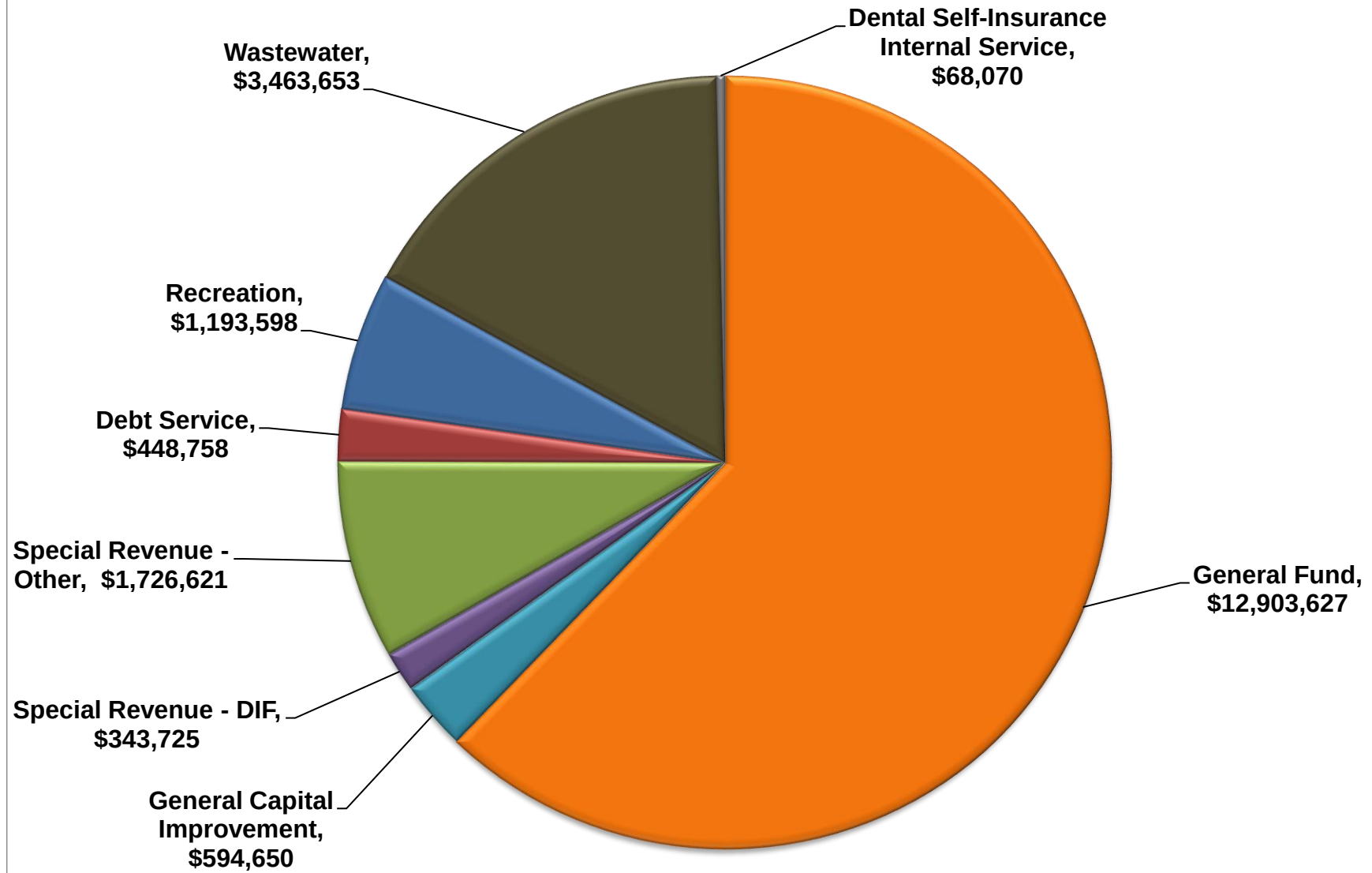
City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2019/20

		FY 2019/20 Proposed				
Fund/ Dept	Fund/Department Title	Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
317	EDG Revolving Loan Fund	-	-	-	-	-
	Total Special Revenue Funds - Other	98,882	516,051	942,549	169,139	1,726,621
Debt Service Funds						
26	Pension Obligation Bonds	-	3,500	-	443,758	447,258
66	COP Debt Service Reserve	-	1,500	-	-	1,500
	Total Debt Service Funds	-	5,000	-	443,758	448,758
Recreation Enterprise Fund						
4	Recreation	920,088	273,510	-	-	1,193,598
Wastewater Enterprise Funds						
10	Wastewater Operations	1,084,154	914,000	96,000	270,000	2,364,154
11	Tertiary Treatment Plant	52,905	164,500	12,000	-	229,405
12	Wastewater Capital Reserve	-	2,000	866,854	-	868,854
14	Wastewater ERF	-	1,200	-	-	1,200
15	TTP District Reserve	-	40	-	-	40
	Total Wastewater Enterprise Funds	1,137,059	1,081,740	974,854	270,000	3,463,653
Internal Service Fund						
112	Dental Insurance	68,000	70	-	-	68,070
	Total All Funds	11,411,430	4,557,780	2,837,803	1,935,689	20,742,702

General Fund Expenditures by Department FY 2019/20 Proposed

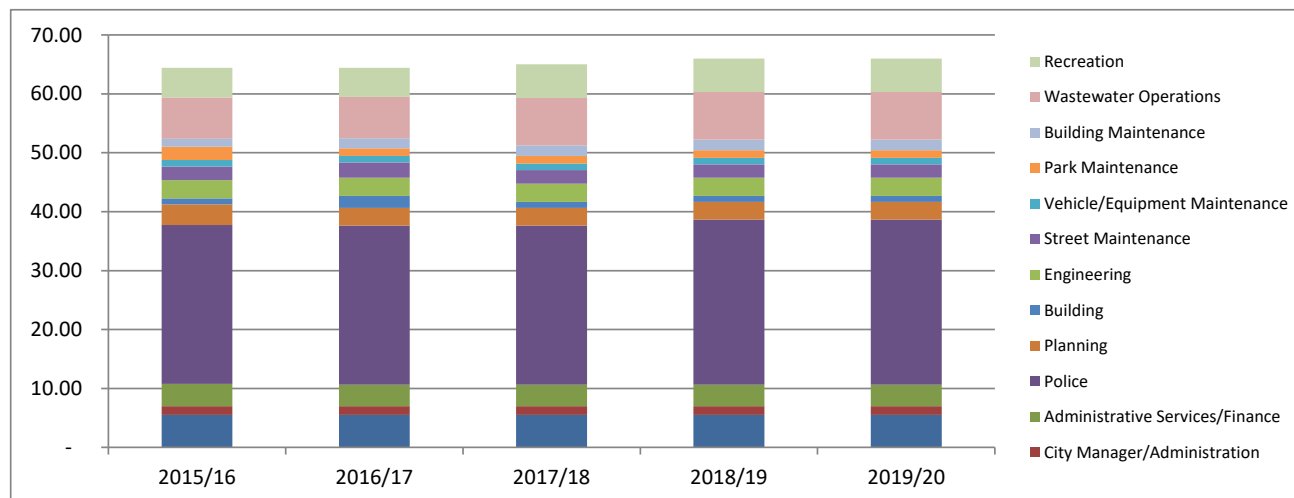


Total Expenditures by Fund FY 2019/20 Proposed



**City of Scotts Valley
Personnel Summary by Department
FY 2019/20**

Department	Fiscal Year				
	Actual			Approved	Proposed
	2015/16	2016/17	2017/18	2018/19	2019/20
Legislative	5.50	5.50	5.50	5.50	5.50
City Manager/Administration	1.50	1.50	1.50	1.50	1.50
Administrative Services/Finance	3.75	3.65	3.65	3.65	3.65
Police	27.00	27.00	27.00	28.00	28.00
Community Development					
Planning	3.50	3.00	3.00	3.00	3.00
Building	1.00	2.00	1.00	1.00	1.00
Public Works					
Engineering	3.10	3.10	3.10	3.10	3.10
Street Maintenance	2.30	2.60	2.30	2.30	2.30
Vehicle/Equipment Maintenance	1.10	1.10	1.10	1.10	1.10
Park Maintenance	2.30	1.30	1.30	1.30	1.30
Building Maintenance	1.30	1.70	1.80	1.80	1.80
Wastewater Operations	7.05	7.05	8.05	8.05	8.05
Recreation	5.00	4.90	5.70	5.70	5.70
Total	64.40	64.40	65.00	66.00	66.00



City of Scotts Valley
Schedule of Fund Balance Transfers
FY 2019/20

Fund #				Transfers In							
				1		26		4		77	
						Pension Obligation Bond				Recreation	
Fund #	Fund Title		General Fund								
Transfers out	1	General Fund			B	370,693	C	100,000	-	470,693	
	3	Gas Tax Fund	A	235,000						235,000	
	4	Recreation Fund			B	25,352				25,352	
	28	Senior Center Operations			B	3,695				3,695	
	123	Community Facility Center Operations			B	1,443				1,443	
	10	Wastewater Operations			B	47,576				47,576	
	78	Skypark Maint - Insurance						D	12,000	12,000	
		Totals		235,000			448,759			100,000	12,000

Notes:

A - Transfer Gas Tax revenues to General Fund for streets maintenance expenditures.

B - Transfer from operating department budgets to fund allocation of costs associated with Pension Obligation Bond debt service and administrative costs.

C - Transfer to Recreation Fund from General Fund to subsidize recreation programs and liquidate deficit fund balance from FY 2017/18

D - Transfer to Skypark Landscape Maintenance District for improvements to Linear Park

RESOLUTION NO. 1965

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING AN UNFUNDED ACCRUED LIABILITY PREPAYMENT POLICY FOR THE CITY'S CLASSIC MISCELLANEOUS AND SAFETY PLANS AND PEPRA MISCELLANEOUS AND SAFETY PLANS FOR FY 2019/20

WHEREAS, the term “unfunded accrued liability” measures the difference between the normal accrued liability and market value of assets in the City’s four pension plans as determined annually by CalPERS; and,

WHEREAS, prepaying the City’s annual unfunded accrued liability contribution will provide savings to help mitigate current and future unfunded accrued liability risks should CalPERS adopt changes in assumptions or the discount rate; and,

WHEREAS, the City Council desires to establish a formal policy on the prepayment of the City’s unfunded accrued liability contribution for its Classic Miscellaneous and Safety plans and PEPRA Miscellaneous and Safety plans; and,

WHEREAS, provided funds are available, the level of prepayment will cover the minimum annual required contribution for each plan plus the full Unfunded Accrued Liability of any plan where the savings realized exceed the total Unfunded Accrued Liability of any plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that a minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2019/20 as follows:

- **Classic Miscellaneous** – the annual required contribution
- **Classic Safety** – the annual required contribution
- **PEPRA Miscellaneous** – the total Unfunded Accrued Liability, provided funds are available and total savings realized from prepayment exceed the total Unfunded Accrued Liability, otherwise the annual contribution
- **PEPRA Safety** – the total Unfunded Accrued Liability, provided funds are available and total savings realized from prepayment exceed the total Unfunded Accrued Liability, otherwise the annual contribution

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 5th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: UNFUNDED ACCRUED LIABILITY PREPAYMENT POLICY	POLICY NUMBER: 06-19
EFFECTIVE DATE: 6/5/2019	PAGES: 1
REVISED DATES:	
APPROVED BY:	

POLICY

This policy establishes a prepayment policy for the City's Unfunded Accrued Liability obligation to CalPERS for Fiscal Year 2019/20.

SCOPE

- The term "Unfunded Accrued Liability" measures the difference between the normal accrued liability and the market value of assets in the City's four pension plans as determined by CalPERS; and,
- Prepaying the City's annual unfunded accrued liability contribution will provide savings to help mitigate current and future unfunded accrued liability risks should CalPERS adopt changes in assumptions or the discount rate; and,
- The City Council desires to establish a formal policy on the prepayment of the City's unfunded accrued liability for its Classic Miscellaneous and Safety plans and PEPRAs Miscellaneous and Safety plans; and,
- Provided funds are available, the level of prepayment will cover the minimum annual required contribution plus the full Unfunded Accrued Liability of any plan where the savings realized exceed the total Unfunded Accrued Liability of any plan.

OBJECTIVES

An Unfunded Accrued Liability prepayment policy is hereby established for the City's Classic Miscellaneous and Safety plans, and PEPRAs Miscellaneous and Safety plans as follows:

- **Classic Miscellaneous** – the annual required contribution;
- **Classic Safety** – the annual required contribution;
- **PEPRA Miscellaneous** – The total Unfunded Accrued Liability, provided funds are available and total savings realized from prepayment exceed total Unfunded Accrued Liability, otherwise the annual required contribution;
- **Safety Miscellaneous** – the total Unfunded Accrued Liability, provided funds are available and total savings from prepayment exceed total Unfunded Accrued Liability, otherwise the annual required contribution.

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

RESOLUTION NO. 1501.26

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX
FOR THE FISCAL YEAR 2019/20**

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

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

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

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

WHEREAS, the proposed FY 2019/20 Annual Budget requires the continuation of the collection of the utilities users' tax for FY 2019/20.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2020.

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 5th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

RESOLUTION NO. 1966

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SCOTTS VALLEY IN SUPPORT OF ASSEMBLY BILL 618**

WHEREAS, Measure U, a temporary ½ of one percent sales tax measure was passed by the voters in November 2013 and is set to expire on March 31, 2022; and,

WHEREAS, the City may consider extending and increasing the temporary sales tax to one percent that would, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law for the City, exceed the limit established under State law; and,

WHEREAS, before the City can submit such a sales tax measure to the voters, Legislature approval is required; and,

WHEREAS, Assemblymember Mark Stone has introduced Assembly Bill 618 that, if passed, would allow the City to exceed the two percent limit established under Section 7251.1 of the Transaction and Use Tax Law.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby supports the passage of Assembly Bill 618.

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 5th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

AMENDED IN ASSEMBLY MARCH 13, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 618

Introduced by Assembly Member Mark Stone

February 15, 2019

An act to add Chapter 2.62 (commencing with Section 7286.22) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL’S DIGEST

AB 618, as amended, Mark Stone. Transactions and use taxes: City of Scotts Valley.

Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.

This bill would authorize the City of Scotts Valley to impose a transactions and use tax in conformity with the Transactions and Use Tax Law for general or specific purposes at a rate of no more than 0.25% that, in combination with other transactions and use taxes, would exceed the above-described combined rate limit of ~~2%~~. *2% if certain requirements are met, including a requirement that the ordinance proposing the transactions and use tax be submitted to, and approved by, the voters.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Scotts Valley.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.62 (commencing with Section 7286.22) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.62. CITY OF SCOTTS VALLEY TRANSACTIONS AND
USE TAX

7286.22. The City of Scotts Valley may impose a transactions and use tax at a rate not to exceed 0.25 percent for general or specific purposes that, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), exceeds the limit established in Section 7251.1 if ~~that tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), other than Section 7251.1.~~ all of the following requirements are met:

(a) The city adopts an ordinance proposing the transactions and use tax subject to any applicable voting approval requirement.

(b) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance pursuant to Article XIII C of the California Constitution.

(c) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)) other than Section 7251.1.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being experienced in the City of Scotts Valley.

O