



# AGENDA

## Meeting of the Scotts Valley City Council

**Date: June 1, 2022**

**Time: 6:00 PM**

| CONTACT INFORMATION                                                                        | MEETING LOCATION                                                                                                                                                               | POSTING                                                                                                                             |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| City of Scotts Valley<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5600 | Zoom Video Conference<br><a href="https://us02web.zoom.us/j/87110870169">https://us02web.zoom.us/j/87110870169</a><br><br><i>See information below for how to participate.</i> | The agenda was posted 05-27-2022 at City Hall and on the Internet at <a href="http://www.scottsvally.org">www.scottsvally.org</a> . |

### PUBLIC ADVISORY REGARDING COVID-19 AND PUBLIC PARTICIPATION

On September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361"), an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue teleconferencing during a proclaimed State of Emergency, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees. In accordance with AB 361, the Scotts Valley City Council adopted Resolution 2007.9 On May 4, 2022, authorizing the continued use of teleconferenced meetings pursuant to AB 361. Elected Officials and City Staff Members will be participating remotely via videoconference.

#### Public Participation:

The meeting will be available on Zoom and broadcast through Community Television of Santa Cruz on Channel 25 and via their website at the following link: <https://communitytv.org/watch/> (be sure to click on Channel 25). For those wishing to participate via Zoom you can join the following ways:

- Join from a PC, Mac, iPad, iPhone or Android device:
- Please click this URL to join. <https://us02web.zoom.us/j/87110870169>
- Or iPhone one-tap:  
+16699009128,,87110870169#or13462487799,,87110870169#
- Or join by phone:  
Dial (for higher quality, dial a number based on your current location):  
+1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or  
+1 312 626 6799 or +1 646 558 8656

Webinar ID: 871 1087 0169

You will be given opportunities to provide public comment at the appropriate times throughout the meeting via Zoom. If you are participating via dial-up only, use \*9 to raise your hand at the requested time.

**How to comment via Zoom:**

1. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted. Our usual time limits of 3 minutes per individual, or 5 minutes for an individual who is representing a group of three or more, will apply. Please note that per our standard practice, this is not a question and answer time, but simply a time for you to provide your comments to the Council.
2. There is an option on Zoom to raise your hand. Please click on this option when the Mayor announces that public comment will be taken. Zoom places people in line automatically. If you are participating via dial-up, you can raise your hand at the appropriate time by pressing \*9. When it is your turn, the City Clerk will unmute you, and you will be able to make your comments based on the above time frames. Once your time is up, you will once again be muted and the next person in line will be given their opportunity to speak.

**How to comment via email:**

1. Members of the public may provide public comment by sending comments to the City Clerk via email at [cityhall@scottsvalley.org](mailto:cityhall@scottsvalley.org).
2. Additional materials and emails must be received by 5:30 pm the day of the meeting and will be distributed to agenda recipients prior to the meeting.
3. Emails received after 5:30 pm the day of the meeting will not be included in the record.

| ELECTED OFFICIALS                                                                                                                       | CITY STAFF MEMBERS                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Donna Lind, Mayor<br>Jim Reed, Vice Mayor<br>Jack Dilles, Council Member<br>Randy Johnson, Council Member<br>Derek Timm, Council Member | Mali LaGoe, City Manager<br>Casey Estorga, Administrative Services Director<br>Kirsten Powell, City Attorney<br>Steve Walpole, Chief of Police<br>Taylor Bateman, Community Development Director<br>Chris Lamm, Public Works Director<br>Cathie Simonovich, City Clerk |

**MEETING NOTICE AND AGENDA PACKET MATERIALS**

**Notice regarding City Council Meetings:**

The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 pm.

**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: <http://scottsvalley.org/AgendaCenter>. Due to COVID-19, City Hall is closed to the public therefore, the agenda is only available for viewing online.

**Televised Meetings:**

City Council meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25 and are also available livestream on the Community TV website at the following link: <https://communitytv.org/watch/>

**Zoom Meetings/Webinars:**

For those wishing to participate via Zoom you can join from a PC, Mac, iPad, iPhone or Android device by entering or clicking on the following URL: <https://us02web.zoom.us/j/87110870169>

**CALL TO ORDER                      6:00 PM**

## **MOMENT OF SILENCE**

## **ROLL CALL**

## **SPECIAL SET MATTER(S)**

Presentation of Mayor's Proclamation recognizing June 15, 2022 as World Elder Abuse Awareness Day and recognizing the month of June as Elder Abuse Awareness Month.

## **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 05-18-2022
- B. Approve check register dated 05-20-2022
- C. Approve Resolution No. 2007.9 authorizing the continued use of teleconferenced meetings pursuant to Assembly Bill 361
- D. Approve Resolution No.1851.9 temporarily closing a portion of Scotts Valley Drive for the City's Independence Day Parade to be held on July 3, 2022
- E. Approve fourth amendment to the Library Financing Authority (LFA) joint powers agreement
- F. Approve Waste Disposal Agreement with Monterey Regional Waste Management District

- G. Approve on-call professional service agreements
- H. Approve landscape service agreement with K&D Landscaping, Inc.
- I. Update salary schedules for the Senior Planner, Senior Civil Engineer, and Associate Civil Engineer

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| <b>ALTERATIONS TO REGULAR AGENDA</b> |
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|--------------------------------------------------------|
| Council can remove or add items to the Regular Agenda. |
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| <b>REGULAR AGENDA</b> |
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|-----------------------------------------------------------------------------------------------------|
| Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor. |
|-----------------------------------------------------------------------------------------------------|

- 1. Presentation of Scotts Valley Police Department's annual report (Chief Walpole)
- 2. Public meeting for Skypark Open Space Maintenance Assessment District No.1 (Public Works Director Lamm)
- 3. Public meeting for Pinewood Estates Landscape Maintenance Assessment District (Public Works Director Lamm)
- 4. Review of fiscal year 2022-23 proposed budget and long-range financial forecasts (Administrative Services Director Estorga)
- 5. Consideration and adoption of Flag Policy (City Manager LaGoe)
- 6. 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.)

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| <b>ADJOURNMENT</b> |
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| <b>ADA NOTICE</b> |
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| 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. |
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**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 City of Scotts Valley is home to over 3,400 residents age 60 or older who enrich and strengthen our community by serving as leaders, mentors, volunteers and vital members of our community, and deserve to be treated with respect and dignity; and
- WHEREAS,** over 1,600 reports of abuse against our elderly are received every year by Santa Cruz County Adult Protective Services; and
- WHEREAS,** it is estimated that one out of 10 Americans aged 60 and over have experienced elder abuse, and as few as one out of 24 elder abuse cases are reported; and
- WHEREAS,** as our population lives longer, we are presented with an opportunity to think about our collective needs and future; and
- WHEREAS,** ageism and social isolation are major causes of elder abuse; and
- WHEREAS,** recognizing that it is up to all of us, to ensure that proper social structures exist so people can retain community and societal connection, reducing the likelihood of abuse; and
- WHEREAS,** today there is a system of collaboration among the Human Services Department – Adult and Long-Term Care Services Division, the Santa Cruz County Sheriff's Department, the Scotts Valley Police Department, the District Attorney, Seniors Council (Area Agency on Aging), the Long-Term Care Ombudsman Program, Public Guardian Program, and many community services partners to prevent abuse, protect victims, and prosecute offenders who abuse our elderly; and
- WHEREAS,** Santa Cruz County is a leader in the State of California in assisting our vulnerable elderly citizens through education, advocacy, and collaboration on abuse issues.

**NOW, THEREFORE, I, Donna Lind, Mayor of the City of Scotts Valley, , do hereby recognize June 15, 2022, as **WORLD ELDER ABUSE AWARENESS DAY** and do hereby proclaim the month of June to be **ELDER ABUSE AWARENESS MONTH**, and encourage all citizens of the City of Scotts Valley to join me in this observance.**



Donna Lind, Mayor

Signed and sealed this 1st day of June, 2022



# MINUTES

## Meeting of the Scotts Valley City Council

Date: May 18, 2022  
Time: 6:00 PM

| CONTACT INFORMATION                                                                        | MEETING LOCATION      | POSTING                                                                                                                        |
|--------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------|
| City of Scotts Valley<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5600 | Zoom Video Conference | The agenda was posted<br>at City Hall and on the Internet<br>at <a href="http://www.scottsvally.org">www.scottsvally.org</a> . |

### CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:02 PM.

### PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

### ROLL CALL

#### ELECTED OFFICIALS PRESENT:

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

#### CITY STAFF MEMBERS PRESENT:

Mali LaGoe, City Manager  
Kirsten Powell, City Attorney  
Steve Walpole, Chief of Police  
Taylor Bateman, Community Development Director  
Casey Estorga, Administrative Services Director  
Chris Lamm, Public Works Director/City Engineer  
Cathie Simonovich, City Clerk

### SPECIAL SET MATTER(S)

Mayor Lind presented a Mayor's Proclamation recognizing the week of May 15-21, 2022, as National Public Works Week.

### COMMITTEE REPORTS

CM Dilles along with Vice Mayor Reed, attended a presentation of the housing element for both Scotts Valley and San Lorenzo Valley. CM Dilles presented the current and new regional housing needs allocation (RHNA) numbers. The new housing numbers will be a challenge and he has been talking to the Community Development Director regarding this issue.

CM Dilles attended a meeting of the Area Agency on Aging Advisory Council. The Meals on Wheels program, which has its office and commercial kitchen in Live Oak, has been issued a 6-month notice to vacate by the Live Oak School District. This will significantly impact the seniors throughout the County who receive these meals. Meals on Wheels is currently looking for a new location.

CM Timm attended the Association of Monterey Bay Area Governments (AMBAG) meeting where they discussed the water supply issues in Monterey County. They wrote a joint letter on behalf of the entire Board requesting that the water districts in Monterey County lift their cease-and-desist orders that are keeping Monterey from moving forward with meeting their RHNA (Regional Housing Needs Allocation) cycle numbers.

CM Timm attended the Town Center subcommittee meeting. They are still waiting on the cleanup costs and once they understand these costs, they will be able to move forward. They also discussed the process for selecting the right consultants for this project.

CM Johnson attended the Town Center subcommittee meeting and agreed with CM Timm's synopsis of the meeting.

Mayor Lind attended the City Leaders' Summit with City Manager LaGoe. They met with Senator Laird and discussed CalCities' funding priorities including funds that are owed for the unfunded mandates, funding for housing and economic development and funding for organic waste recycling programs. The summit was a good opportunity to meet with legislators and other elected officials who are facing some of the same challenges.

Mayor Lind attended a Santa Cruz Metropolitan Transit District (Metro) meeting where they discussed finances, Key Performance Indicators (KPI), ridership challenges, unfunded pensions, and more.

Mayor Lind attended the Youth Action Network (YAN) popup event today. She thanked the city staff who attended this event, and she thanked City Manager LaGoe and Captain Dean for leading the tours of City Hall and the Police Department.

Mayor Lind commended the Scotts Valley Rotary for their student appreciation scholarship awards event. The student speeches were inspiring.

#### **CITY MANAGER REPORT**

1. **CalCities Conference:** City Manager LaGoe attended this conference with Mayor Lind, and it was a great opportunity to get to know CalCities, to hear about the support they offer, to attend educational sessions, and to spend time with legislators.

2. **Sergeant Swearing in Ceremony:** Sergeant Chris Galli was sworn in yesterday in a nice outdoor ceremony that was well-attended.
3. **Youth Action Network Popup Event:** The City supported this event which was held today. The event included plenty of resources for students such as career opportunities and mental health resources. Attendees were able to play games, spend time with their peers, and enjoy snacks.
4. **Independence Day Celebration:** Please check the City's website for the information relating to the Independence Day celebration to be held on July 3<sup>rd</sup>. On the website you can find out more information about being a sponsor, and you can purchase tickets to the event which includes a fireworks show.
5. **Encore Project:** The Encore townhouse project on Scotts Valley Drive is starting so they are beginning to cut down some of the trees. Please feel free to reach out if you have any questions. Mayor Lind added that two trees will be planted for every one tree that is removed.
4. **Scotts Valley High School Senior Banners:** The banners celebrating the Class of 2022 students are scheduled to be hung this Friday. The City has partnered with the Parent Club at the high school to make this happen.
5. **Next Council Meeting:** The proposed budget presentation, a flag policy, and the annual police report from Chief Walpole will be coming to the next Council meeting on June 1, 2022.

#### PUBLIC COMMENT TIME

No one came forward.

#### ALTERATIONS TO CONSENT AGENDA

**M/S: Dilles/Timm**

**To approve the Consent Agenda.**

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

#### CONSENT AGENDA

- A. Approve City Council minutes of 05-04-2022
- B. Approve check registers dated 05-06-2022, 05-09-2022, and 05-13-2022
- C. Second reading and adoption of Ordinance No. 200, Scotts Valley Police Department Lexipol Policy #706 – Military Equipment Use

- D. Approve agreement between the City of Capitola and the City of Scotts Valley for sharing of Chief Building Official services
- E. Amend Agreement with OpenGov to add Enterprise Resource Planning (ERP) software
- F. Approve purchase order with Peterson/CAT for an emergency generator
- G. Approve final map for the Encore condominium project at Final Map and Set Aside Agreement
- H. Approve Caltrans Electric Maintenance Agreement
- I. Approve Recreation Division Manager salary schedule

#### **ALTERATIONS TO REGULAR AGENDA**

***M/S: Dilles/Timm***

***To approve the Regular Agenda.***

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

#### **REGULAR AGENDA**

1. Consider Five-Year Capital Improvement Project and Capital Purchase Plan for FY 2022-23 to FY 2026-27

Administrative Services Director Estorga presented the staff report, obtained feedback from Council, and responded to questions from Council.

2. First Reading of Ordinance No.188.1 which amends the Scotts Valley Municipal Code Regulations regarding smoking and tobacco products

Captain Rutherford presented the staff report and responded to questions from Council.

In addition to the letters that were included with the staff report, three letters of support and one letter of opposition were received and are included as part of the minutes. Public comments in support of the ordinance were received from Rachel Kippen, Co-Chair of the Santa Cruz Tobacco Education Coalition and a tobacco educator working in high schools throughout the County; Margo Sidener, CEO of Breathe California of the Bay Area, Golden Gate, and Central Coast; Andrea Solano, Project Director for the Tobacco Education and Prevention Program at the Santa Cruz County Health Services Agency.

***M/S: Timm/Dilles***

***To introduce and waive first reading of Ordinance 188.1, an ordinance of the City Council of the City of Scotts Valley amending chapter 5.22 of title 5 of the Scotts Valley Municipal code requiring tobacco retailer licenses and amending chapters 8.20 and 8.25 of the Scotts Valley Municipal Code to regulate the sale of tobacco products.***

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

3. Future Council agenda items

CM Timm requested an agenda item regarding flying the Pride flag during the month of June be placed on the June 1, 2022, agenda.

CM Reed requested an agenda item to discuss the process for recommending future Council agenda items.

CA Powell announced the City Council will be meeting in closed session pursuant to Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation (1 case).

**ADJOURNMENT**

The meeting adjourned at 7:29 PM.

Approved: \_\_\_\_\_  
Donna Lind, Mayor

Attest: \_\_\_\_\_  
Cathie Simonovich, City Clerk



May 13, 2022

Scotts Valley City Council  
One Civic Center Drive  
Scotts Valley, CA 95066

◆  
**Chairpersons**

*Rachel Kippen  
Monica Nicholas*

Dear Mayor Lind, Vice Mayor Reed, and Council Members Dilles, Johnson, and Timm:

Gummy Bear, Cotton Candy, Pink Lemonade, and Strawberry Bubblegum -- the list of candy-flavored tobacco products goes on and on! Flavored tobacco is as deadly and addictive as regular tobacco, but tastes and smells like treats for children. Big Tobacco is out to hook the youth of the community in so many ways, and flavored tobacco is currently one of those ways. Candy-like, fruity flavors, including the minty flavors of menthol, mask the harshness of tobacco, making it easier for youth to start smoking and start a lifetime of addiction. Please put an end to the sale of flavored tobacco products in Scotts Valley.

California has been facing a crisis of teen tobacco use. As a member of the Santa Cruz County Tobacco Education Coalition, I hope we as adults can help prevent a new generation of youth from being hooked on tobacco. The use of tobacco and nicotine products has skyrocketed in recent years, including little cigars, cigarillos, chewing tobacco, and electronic cigarettes or vapes.

Four out of every five current teen smokers started with a flavored tobacco product -- kids come for the flavors but get trapped by the nicotine, which harms the developing brain and primes children for a lifetime of addiction to nicotine as well as other substances.

I encourage the City of Scotts Valley to continue to protect youth health and well-being, by stopping the sale of flavored tobacco products.

Sincerely,

Randy Uang  
Member, Santa Cruz County Tobacco Education Coalition

◆  
*American Cancer Society  
American Heart Association  
American Lung Association  
Assembly Member Mark Stone  
Cabrillo College  
Capitola Police Department  
Central California Alliance for Health  
Community Prevention Partners  
Downtown Streets Team  
Friday Night Live  
Pajaro Valley Health Trust  
Pajaro Valley Prevention  
and Student Assistance, Inc.  
Salud Para La Gente  
Salud y Cariño  
Santa Cruz City Police Department  
Santa Cruz County  
Health Services Agency  
Santa Cruz County Office of Education  
Santa Cruz County  
Sheriff's Office  
Save Our Shores  
United Way of Santa Cruz County  
UCSC Student Health Outreach  
Watsonville Public Works Department*



# County of Santa Cruz

## HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1400 EMELINE AVENUE SANTA CRUZ, CA 95061-0962  
(831) 359-8450 TDD: (831) 454-4748

May 17, 2022

Dear Mayor Lind and Scotts Valley City Council members:

On behalf of Santa Cruz County Friday Night Live Youth Council (FNL Youth Council) I would like to encourage the City of Scotts Valley to review the evidence that shows the benefits to both youth and the community by regulating the sale of flavored tobacco products in the City of Scotts Valley. Friday Night Live builds partnerships for positive and healthy youth development which engage youth as active leaders and resources in their communities. Friday Night Live is a program that has a long history of youth and adults working together to help youth make healthy decisions, feel supported and prepared for leadership, and to help our community by preventing alcohol, drug, and tobacco use. Friday Night Live members are from middle schools and high schools across the county.

This year the FNL Youth Council has taken a specific interest in tobacco health and have dedicated our time to understanding the public health impacts and the value of quality policy to protect the health and wellbeing of youth. The policy you are considering has been an effective mechanism in reducing youth access to flavored products. Tobacco products such as e-cigarettes are strategically marketed to youth with kid-friendly flavors like cotton candy, gummy bears, watermelon, Kool-aid, and Doritos. Studies show that most of the youth who use, start vaping start with a flavored product. Not only do these flavors clearly target youth, but the colorful, candy wrapper-like packaging appeal to youth as well. These products are easily available and are often priced lower than regular tobacco products. These are "starter" products for the tobacco industry that establish smoking habits in youth and can lead to a lifetime of addiction and illness. 80% of youth who have ever used tobacco started with a flavored product!

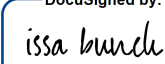
In the past few years, we have seen a drop in cigarette/traditional tobacco use by youth. But, youth vaping utilizing e-cigarettes and vaping devices to ingest flavored tobacco products is an everyday occurrence. Flavored products are easier to get and easier to use than traditional products. In our own schools we have even seen students vaping in class, in the halls, and in bathrooms. Often, we hear people say that "it's just flavor; there's nothing bad in it" or that "it isn't smoking", but we know that this isn't true. Flavored tobacco products are just as dangerous, if not more

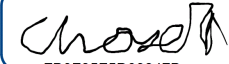
dangerous, because the flavors appeal to youth and cover up what is really being inhaled.

To help keep youth in our communities healthy and to prevent a huge spike in tobacco use and related diseases (like heart disease, cancer, stroke, and asthma} in our generation, we encourage you to use the data to make an informed decision to regulate the sale and availability of flavored tobacco products in Scotts Valley. It's a step that several communities across the state and our county have already taken. It's also a step that would help develop what we as youth want in our community-wellbeing, rather than a lifetime of addiction and issues for our friends, classmates, and families.

This City Council has shown its commitment to creating a community where young people can thrive. We ask you to continue prioritizing and protecting youth in our community as you decide on this important health issue.

Thank you for your leadership!

DocuSigned by:  
  
98E792BEB19846B...  
Issa Bunch  
Friday Night Live Youth Council Representative

DocuSigned by:  
  
FB0F85F5D09347B...  
Chase Jacques-Maynes  
Friday Night Live Youth Council Representative



**Breathe California  
of the Bay Area,  
Golden Gate, and  
Central Coast**

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Tax ID#: 94-1156307

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May 17, 2022

The Honorable Mayor Donna Lind, Vice Mayor Jim Reed,  
and Council Members Jack Dilles, Randy Johnson, and Derek Timm  
City Council  
1 Civic Center Drive  
Scotts Valley, CA 95066

Sent by e-mail: [dlindslind@earthlink.net](mailto:dlindslind@earthlink.net); [jimreedSV@gmail.com](mailto:jimreedSV@gmail.com);  
[jdilles@scottsvalley.org](mailto:jdilles@scottsvalley.org); [rlj12@comcast.net](mailto:rlj12@comcast.net); [dtimm@scottsvalley.org](mailto:dtimm@scottsvalley.org); and cc. City  
Clerk [csimonovich@scottsvalley.org](mailto:csimonovich@scottsvalley.org)

RE: ORDINANCE NO. 188.1, CHAPTER 5.22, 8.20 AND 8.25

Dear Mayor, Vice Mayor, and Council Members:

Breathe California of the Bay Area, Golden Gate, and Central Coast applauds your consideration of an improved ordinance to ban sales of flavored tobacco. I am writing to urge the Council to adopt these proposed amendments regulating tobacco retailers to better protect Scotts Valley youth from the lure of flavored tobacco.

As your introduction to the proposed ordinance implies, vaping in youth is epidemic, rising in the last 2 years by 218% in middle schoolers and 135% in high schoolers; and 96% of kids who vape use flavors. Those staggering figures alone justify the immediate implementation of restriction in sales of flavored tobacco products. Every day that you delay, local teens are trying these dangerous products and getting hooked, some into a lifetime of addiction.

Breathe California, founded in San Jose in 1911, is dedicated to working to prevent initiation to tobacco use. This has become more and more difficult due to the availability of flavored tobacco and vaping products. They are the product of choice by teens who smoke, are very difficult for parents and school personnel to detect, and are readily available in areas where they are not regulated.

I have reviewed the proposed ordinance and commend you on your comprehensive regulations, including appropriate enforcement and fines.

However, the detailed definitions section led me to expect some items, such as tobacco retailer restrictions in youth-sensitive areas and pharmacies, that did not appear later in the actual ordinance language itself. Is it your intent to follow up with other waves of the amendments that will include these provisions? (Or was the posted ordinance version incomplete?)

Additional Recommendation: Please improve Section 8.20.040C of Chapter 8.20 of Title 8 of your municipal code (Section 9 of the ordinance) to better protect Scotts Valley residents from the dangers of secondhand smoke. In reviewing the ordinance, I was surprised to see that most of the restrictions on smoking in public areas contain the possibility of "smoking permitted" or "designated sections." Due to the drifting of

smoke outdoors, especially in small areas like outdoor dining, having areas where smoking is allowed nullifies the impact of the ordinance. Protections are further weakened due to the lack of description of when and where these smoking permitted sections may be established. Finally, any regulation under 100% nonsmoking will make such sections of the ordinance harder to enforce.

Since the US Surgeon General declared in 2006 that there was no safe level of secondhand smoke, which had already been declared a toxic contaminant and human carcinogen, governments have acted to ban smoking in more outdoor areas. This has generally been done with little involvement of enforcement personnel, relying instead on adequate signage, education, and reminders.

Children, seniors, and populations with health and social inequity are the most exposed to secondhand smoke, especially in multi-unit housing. Please strengthen your smoke-free laws to protect these groups that are already overburdened with health disparities.

Our agency is here for further comment or to assist the Council in its goal to protect public health, including to help you in implementing the proposed ordinance. Please reach out to me personally if we may be of assistance.

Healthfully,



Margo Sidener, MS, CHES  
Chief Executive Officer  
[margo@lungsrus.org](mailto:margo@lungsrus.org)

**Scotts Valley City Council**  
**1 Civic Center Drive**  
**Scotts Valley, CA 95066**

**Re: Agenda Item #2- Flavored Tobacco Ban**  
**To: Mayor Donna Lind**  
**Vice Mayor Jim Reed**  
**Councilmember Jack Dilles**  
**Councilmember Randy Johnson**  
**Councilmember Derek Timm**

The California Fuels and Convenience Alliance (CFCA) represents about 300 members, including nearly 90% of all the independent petroleum marketers in the state and more than one half of the state's 12,000 convenience retailers. Our members are small, family- and minority-owned businesses that provide services to nearly every family in California. Additionally, CFCA members fuel local governments, law enforcement, city and county fire departments, ambulances/emergency vehicles, school district bus fleets, construction firms, marinas, public and private transit companies, hospital emergency generators, trucking fleets, independent fuel retailers (small chains and mom-and-pop gas stations) and California agriculture, among many others. CFCA appreciates the opportunity to provide comment on this proposed ordinance.

The retailers represented by CFCA are mostly small, family, and/or immigrant owned businesses that would be heavily impacted by regulations on legally sold and manufactured tobacco products. They have been heavily involved in keeping age-restricted products out of the hands of youth, including the change to California's age of sale from 18 to 21 years of age. Not only does our industry comply with federal and rapidly changing state and local laws, but they also conduct internal sting operations and build their own successful prevention policies, such as the WeCard Program. The ability to sell age-restricted products, including tobacco, is part of the financial stability of these community convenience stores.

**The California Fuels and Convenience Alliance strongly opposes the proposed ordinance banning all flavored tobacco and e-cigarette products. FDA regulations approve of the lawful sale of menthol tobacco products by convenience stores to sell age-restricted products.**

### **Identification Requirement and Online Sales**

Convenience stores and other brick-and-mortar locations are perfectly situated to adhere to federal, state, and local laws by checking a physical identification card and following the guidelines created and followed by the industry, such as the WeCard program. WeCard is a non-profit organization that provides training and materials such as age-of-purchase calendars that make it simple for an employee to ensure the purchaser is of legal age. They also have an e-cigarette specific webpage and materials.<sup>1</sup> WeCard ensures the correct materials and standards are being used in those locations and provides an invaluable service to small businesses that sell age-restricted products.

Although our members have continued to comply with these laws, little has been done to crack down on "fly by night" online storefronts and the increase in social sources. Social media has become a common link between these online stores and youth, either run by someone who will illegally ship products or other youths selling directly to classmates. Banning the sale of all tobacco products will shift sales from law-abiding retailers in a regulated environment to this illicit market.

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<sup>1</sup> <http://www.wecard.org/e-cig-and-vapor-central>

**We encourage the City Council to consider mandating ID checks for all sales of age-restricted products, instead of banning an entire product category.**

### **Economic Impact**

Many proponents of tobacco control measures, claim that their proposals would not negatively affect tobacco retailer's revenue. Not only do these groups have no data to support these claims, but available data from other cities that enacted similar proposals show losses in sales revenue, wages, and local tax revenue. For example, Proposition E in San Francisco led to an annual direct loss of \$17.6 million in sales, \$2.2 million in wages, and \$2.06 million in local tax revenue. The proposition also resulted in the loss of approximately 81 jobs in the city from 2019-2020, a number that has likely grown due to the COVID-19 pandemic. If retailers are forced to stop selling hundreds of tobacco products, then customers will simply drive to another store in a neighboring city or purchase their preferred products on-line. The additional loss of sales would translate into lost jobs and likely store closures in Scotts Valley.

### **Conclusion**

CFCA urges the Scotts Valley City Council to examine the methods by which youth are obtaining these age-restricted products, including cigarettes and vapes or ENDS. We encourage the City to work with the California Department of Public Health, the FDA, and others to do the necessary research in order to effectively limit youth access to tobacco while acknowledging the hard work by convenience stores and others to achieve the same goal. The fuels and convenience industry is willing to do its part to prevent youth access to age-restricted products, especially to find a manner to do it without the harm and negative impacts that ordinances such as this will bring onto small, family- and minority-owned businesses.

Please contact Ari Berlfein, CFCA's Policy Analyst, by email or phone with any questions or comments, [ari@cfca.energy](mailto:ari@cfca.energy) and (916) 646-5999

## **Economic Impact of the Ban on Flavored Tobacco Products in San Francisco**

**Prepared for the  
California Fuels & Convenience Alliance**



**By**

**John Dunham & Associates  
New York**

**January 9, 2020**

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## Economic Impact of the Ban on Flavored Tobacco Products in San Francisco

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### Executive Summary

Following the passage of Proposition E in June of 2018, all retailers selling tobacco products in San Francisco were required to remove flavored products, including flavored cigars, flavored vapor liquid (e-cigarette liquid), and menthol cigarettes, from their shelves by the start of 2019. Now, with 2019 coming to a close, it is possible to measure the impact this regulation has had on the City of San Francisco, the greater Bay Area, and the State of California.

The impact of this regulation is of particular interest to the convenience store industry. Due to their already thin margins, convenience stores and gas stations are particularly harmed by this ban, as many rely on tobacco sales to maintain their profitability.<sup>1</sup> In addition, these stores are disproportionately harmed as many adult consumers who may make purchases in addition to tobacco, chose to do so outside of San Francisco, where they can purchase their preferred tobacco products.

Overall, the direct loss to San Francisco's economy as a result of the ban is more than \$17.6 million in sales, \$2.2 million in wages, and \$2.06 million in local tax revenue annually. Convenience stores have lost approximately 81 jobs in the city as a result of the ban.

### Results

Following the passage of Proposition E in June of 2018, all tobacco retailers in San Francisco were required to remove flavored products, including flavored cigars, flavored vapor liquid (e-cigarette liquid), and menthol cigarettes, from their shelves by the start of 2019.

This ban has cost jobs in San Francisco's retail community. Based on retail scan data, retailers in San Francisco have lost almost \$17.7 million in tobacco sales. Some, though not all, of these sales simply shifted to retailers outside of San Francisco. For example, the change in sales for retailers in San Mateo County implies that over a quarter of menthol cigarette consumers and 10 percent of flavored cigar smokers purchased their products across the city limit, where flavored products remain legal in most incorporated communities.

**Table 1**  
**Sales, Employment, and Wages Impact of Flavored Tobacco Ban on San Francisco**

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|                    | Sales         | Jobs | Wages        |
|--------------------|---------------|------|--------------|
| San Francisco      | -\$17,695,000 | (81) | -\$2,263,000 |
| Convenience Stores | -\$5,654,000  | (46) | -\$1,120,000 |
| Gas Stations       | -\$4,302,000  | (35) | -\$1,143,000 |
| Other              | -\$7,739,000  | *    | *            |
| San Mateo County   | \$3,541,000   | *    | *            |
| Convenience Stores | \$1,054,000   | *    | *            |
| Gas Stations       | \$842,000     | *    | *            |
| Other              | \$1,645,000   | *    | *            |
| Total              | -\$14,154,000 | (81) | -\$2,263,000 |

\* While there would be an impact in terms of jobs and wages, the results of the model were not statistically significant

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<sup>1</sup> See for example: Gleeson Patrick and Jayne Thompson, *What Is the Average Gross Revenue of a Convenience Store?* [Houston Comicle](https://smallbusiness.chron.com/average-gross-revenue-convenience-store-35712.html), online updated on April 2, 2019, at: <https://smallbusiness.chron.com/average-gross-revenue-convenience-store-35712.html>

Lost sales generally mean lost jobs for retailers. Employment in retail is linearly related to sales volumes, so one should expect to see jobs move along with sales.<sup>2</sup> This has been the case in San Francisco, where tobacco retailers have seen a loss of over 80 jobs and nearly \$2.3 million in wages for workers. Interestingly, the effects in nearby San Mateo county have been much smaller, and there is no statistically significant increase in job growth.

This suggests that shoppers in San Francisco not only purchased their flavored tobacco products outside of the city following the ban, but have also shifted other purchases outside of the city, forcing serious downsizing by retailers in the City by the Bay.

**Table 2**  
**Business Tax Impact of Flavored Tobacco Ban on San Francisco**

|                    | Income    | Payroll  | Gross Reciepts | Total     |
|--------------------|-----------|----------|----------------|-----------|
| Convenience Stores | -\$16,800 | -\$4,300 | -\$7,600       | -\$28,700 |
| Gas Stations       | -\$17,100 | -\$4,300 | -\$5,800       | -\$27,200 |
| Other              | *         | *        | -\$10,400      | -\$10,400 |
| Total              | -\$33,900 | -\$8,600 | -\$23,800      | -\$66,300 |

\* While there would be an impact in terms of jobs and wages, the results of the model were not statistically significant

Due to the loss of employment, the city collects less in income taxes and payroll expense tax. Additionally, the loss of flavored tobacco sales has reduced the revenue collected from San Francisco's gross receipts tax. Although this number seems small, it likely underestimates the loss of revenue by a significant margin, particularly if consumers shift other purchases away from San Francisco and its relatively high taxes.

A number of taxes are applied to tobacco products before they reach the customer, including at the state, federal, and county level. These taxes vary across products, including unit excise taxes, wholesale or retail value taxes, and sales taxes. In addition to the local sales tax applied throughout California, San Francisco levies an additional \$0.85 tax per pack of cigarettes, called the cigarette litter abatement fee.

**Table 3**  
**Taxes Applied to Tobacco Products in San Francisco and San Mateo County**

| Levy (Product, unit)                              | Amount            |
|---------------------------------------------------|-------------------|
| Federal Excise Tax (Cigarettes, pack)             | \$1.01            |
| Federal Excise Tax (Snuff, oz)                    | \$0.094           |
| Federal Excise Tax (Chewing, oz)                  | \$0.031           |
| Federal Excise Tax (Cigars)                       | 52.75% / \$0.4026 |
| California Excise Tax (Cigarettes, pack)          | \$2.87            |
| California (Other Tobacco Products)               | 59.27%            |
| Cigarette Litter Abatement Fee (Cigarettes, pack) | \$0.85            |
| California Sales Tax                              | 6.00%             |
| San Francisco County Sales Tax                    | 2.50%             |
| San Mateo County Sales Tax                        | 3.25%             |

Because the ban has eliminated the taxable purchase of flavored products in San Francisco, it has also eliminated any revenue collected from their sale. While some of the taxes collected by California are instead collected from purchases in surrounding areas, overall revenue for the State has declined, and taxes specific to San Francisco, such as the Litter Abatement Fee, have fallen dramatically.

<sup>2</sup> DeFranco, Laurence J., William Lilley III and John R. Dunham, *The Case of the Transient Taxpayer: How Tax-Driven Price Differentials for Commodity Goods Can Create Improbable Markets*, *Business Economics*, July 1998.

**Table 4**  
**Taxes Collected on Tobacco Products in San Francisco and Nearby Counties**

| <b>Levy Name</b>               | <b>Change (\$)</b> |
|--------------------------------|--------------------|
| Federal Excise                 | -\$2,288,000       |
| State Excise                   | -\$5,440,000       |
| Cigarette Litter Abatement Fee | -\$1,559,000       |
| State Sales Tax                | -\$849,000         |
| San Francisco Sales Tax        | -\$442,000         |
| Other Bay Area Sales Tax       | \$115,000          |
| Total Federal Tax              | -\$2,288,000       |
| Total State Tax                | -\$6,289,000       |
| Total San Francisco Tax        | -\$2,001,000       |
| Total Other Bay Area Tax       | \$115,000          |
| Total                          | -\$10,463,000      |

Overall, consumption tax revenue has fallen by over \$2.0 million in San Francisco and about \$6.3 million in California, while the offsetting rise in revenue collected by nearby counties is only \$115,000.

Adding all of the taxes together brings the total cost to San Francisco's government to \$2.1 million annually.

## Methodology:

Two primary data sources were used in deducing the impact of San Francisco's ban on flavored tobacco products, the first being the Quarterly Census of Employment and Wages, a publication produced by the Bureau of Labor Statistics tracking 95 percent of all jobs in the United States, and the second being proprietary scanner data tracking shipments of tobacco products to San Francisco and surrounding counties.<sup>3</sup> For this analysis, measurements from both these sources date from January 2017, and capture monthly information concerning employment and sales respectively.

To compute the effect of the ban on employment, several relevant industries were selected, including convenience stores, gas stations, tobacco stores, and liquor stores, and then their monthly employment statistics in each Bay Area county were pulled from the QCEW database.<sup>4</sup> These numbers were then regressed against time, the respective industry employment numbers for the state of California, seasonal adjustment factors, and an added dummy variable corresponding to the start of the flavor ban. Ultimately, these models demonstrated a statistically significant impact ( $p < .001$ ) on employment for both convenience stores and gas stations in San Francisco, although no statistically significant impacts were found in surrounding counties.

**Table 5**  
**Outputs for Regression on QCEW Data**

| Convenience Store Employees |             |                      |                 | Gas Station Convenience Store Employees |             |                      |                 |
|-----------------------------|-------------|----------------------|-----------------|-----------------------------------------|-------------|----------------------|-----------------|
| Variable Name               | Coefficient | P-Value              | Significance    | Variable Name                           | Coefficient | P-Value              | Significance    |
| (Intercept)                 | (96.52)     | 0.67                 | Not significant | (Intercept)                             | 398.80      | 0.08                 | 90%             |
| Date                        | -           | 0.25                 | Not significant | Date                                    | -           | 0.29                 | Not significant |
| CA Convenience Employees    | 0.01        | 0.00                 | 99%             | CA Gas Employees                        | 0.02        | 0.04                 | 95%             |
| Flavor Ban                  | (45.84)     | 0.00                 | 99%             | Flavor Ban                              | (34.88)     | 0.00                 | 99%             |
| January                     | 4.47        | 0.52                 | Not significant | January                                 | (8.74)      | 0.37                 | Not significant |
| February                    | 2.81        | 0.65                 | Not significant | February                                | (11.11)     | 0.22                 | Not significant |
| March                       | (3.43)      | 0.54                 | Not significant | March                                   | (4.57)      | 0.60                 | Not significant |
| April                       | (0.50)      | 0.94                 | Not significant | April                                   | (2.30)      | 0.79                 | Not significant |
| May                         | 2.02        | 0.72                 | Not significant | May                                     | 4.21        | 0.63                 | Not significant |
| June                        | (6.62)      | 0.20                 | Not significant | June                                    | (2.18)      | 0.81                 | Not significant |
| July                        | (19.51)     | 0.00                 | 99%             | July                                    | 4.54        | 0.69                 | Not significant |
| August                      | (20.66)     | 0.00                 | 99%             | August                                  | 1.00        | 0.94                 | Not significant |
| September                   | (10.49)     | 0.07                 | 93%             | September                               | (7.05)      | 0.54                 | Not significant |
| October                     | 2.02        | 0.71                 | Not significant | October                                 | 7.41        | 0.45                 | Not significant |
| November                    | (0.52)      | 0.92                 | Not significant | November                                | (1.87)      | 0.84                 | Not significant |
| Model F Statistic:          | 35.02       | R <sup>2</sup> :     | 0.9703          | Model F Statistic:                      | 10.59       | R <sup>2</sup> :     | 0.9703          |
| Model Significance:         | 99%         | Adj R <sup>2</sup> : | 0.9426          | Model Significance:                     | 99%         | Adj R <sup>2</sup> : | 0.9426          |

To compute the effect of the ban on sales of tobacco products, scanner data for each tobacco product in each county was regressed against time, seasonal adjustment factors, and a dummy variable to measure the effect of the ban. Additionally, the information was further broken down and regressed to measure the effect on convenience stores, as the previous regressions conducted on employment data had indicated they were the most severely impacted industry.

While the employment model did not reveal a statistically significant impact on employment in counties outside of San Francisco, the regressions performed on scan data demonstrated a statistically significant impact on menthol cigarette sales ( $p < .05$ ) and cigars ( $p < .01$ ) in San Mateo County, demonstrating the shift in sales due to consumers circumventing the ban.

<sup>3</sup> Proprietary data source capturing retail data for tobacco related products.

<sup>4</sup> *Quarterly Census of Employment and Wages*, US Department of Labor, Bureau of Labor Statistics, at: <https://www.bls.gov/cew/>

**Table 6**  
**Outputs for Regression on Scan Data**

| San Francisco Menthol Cigarette Sales |              |                      |                 | San Francisco Vape Sales  |                |                      |                 |
|---------------------------------------|--------------|----------------------|-----------------|---------------------------|----------------|----------------------|-----------------|
| Variable Name                         | Coefficient  | P-Value              | Significance    | Variable Name             | Coefficient    | P-Value              | Significance    |
| (Intercept)                           | 2,198,048.00 | 0.00                 | 99%             | (Intercept)               | (1,070,640.00) | 0.00                 | 99%             |
| Date                                  | (113.94)     | 0.01                 | 99%             | Date                      | 63.36          | 0.01                 | 99%             |
| Seasonality                           | 55,297.06    | 0.00                 | 99%             | Seasonality               | 12,865.09      | 0.00                 | 99%             |
| Flavor Ban                            | (152,844.50) | 0.00                 | 99%             | Flavor Ban                | (15,086.72)    | 0.00                 | 99%             |
| Model F Statistic:                    | 61.87        | R <sup>2</sup> :     | 0.8609          | Model F Statistic:        | 17.47          | R <sup>2</sup> :     | 0.6360          |
| Model Significance:                   | 99%          | Adj R <sup>2</sup> : | 0.8470          | Model Significance:       | 99%            | Adj R <sup>2</sup> : | 0.5996          |
| San Francisco Smokeless Tobacco Sales |              |                      |                 | San Francisco Cigar Sales |                |                      |                 |
| Variable Name                         | Coefficient  | P-Value              | Significance    | Variable Name             | Coefficient    | P-Value              | Significance    |
| (Intercept)                           | 177,947.50   | 0.09                 | 91%             | (Intercept)               | 1,163,394.00   | 0.39                 | Not significant |
| Date                                  | (7.82)       | 0.18                 | 81%             | Date                      | (36.69)        | 0.63                 | Not significant |
| Seasonality                           | 10,357.37    | 0.00                 | 99%             | Seasonality               | 143,332.70     | 0.00                 | 99%             |
| Flavor Ban                            | (15,245.82)  | 0.00                 | 99%             | Flavor Ban                | (165,908.00)   | 0.00                 | 99%             |
| Model F Statistic:                    | 31.9         | R <sup>2</sup> :     | 0.7613          | Model F Statistic:        | 20.59          | R <sup>2</sup> :     | 0.6731          |
| Model Significance:                   | 99%          | Adj R <sup>2</sup> : | 0.7374          | Model Significance:       | 99%            | Adj R <sup>2</sup> : | 0.6404          |
| San Mateo Menthol Cigarette Sales     |              |                      |                 | San Mateo Cigar Sales     |                |                      |                 |
| Variable Name                         | Coefficient  | P-Value              | Significance    | Variable Name             | Coefficient    | P-Value              | Significance    |
| (Intercept)                           | (66,488.58)  | 0.89                 | Not significant | (Intercept)               | (255,592.90)   | 0.16                 | 84%             |
| Date                                  | 16.95        | 0.52                 | Not significant | Date                      | 18.95          | 0.07                 | 93%             |
| Seasonality                           | 78,072.47    | -                    | 100%            | Seasonality               | 21,222.35      | 0.00                 | 99%             |
| Flavor Ban                            | 38,191.08    | 0.03                 | 96%             | Flavor Ban                | (16,536.15)    | 0.02                 | 98%             |
| Model F Statistic:                    | 25.68        | R <sup>2</sup> :     | 0.7197          | Model F Statistic:        | 12.73          | R <sup>2</sup> :     | 0.5601          |
| Model Significance:                   | 99%          | Adj R <sup>2</sup> : | 0.6917          | Model Significance:       | 99%            | Adj R <sup>2</sup> : | 0.5161          |

Taxes were calculated by multiplying sales and employment data by tax rates made publicly available by the San Francisco Office of the Treasurer and Tax Collector.<sup>5</sup>

<sup>5</sup> See: *Taxes & Fees*, Treasurer & Tax Collector, City and County of San Francisco, at: <https://sftreasurer.org/business/taxes-fees>

## **Economic Impact of the Ban on Menthol Cigarettes in Los Angeles**

**Prepared for the  
California Fuels & Convenience Alliance**



**By**

**John Dunham & Associates  
New York**

**June 24, 2020**

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## Economic Impact of the Ban on Menthol Cigarettes in Los Angeles

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### Executive Summary

The City of Los Angeles already has one of the worst retail environments for cigarettes and other tobacco products in the country. The per pack tax on cigarettes is already \$5.30 (including MSA payments) which is about 44.9 percent of the current average estimated retail price of \$11.80.<sup>1</sup> (Table 1) While not the highest in the nation, cigarette taxes in California are 88 percent above the average, and the taxable sales per adult are just one-quarter of the nationwide average.<sup>2</sup>

While the unincorporated areas of Los Angeles County have banned the sale of menthol cigarettes, such a ban in the much more populous city of Los Angeles will have dramatic economic consequences, particularly as businesses try to recover from the devastation surrounding the government-imposed economic shutdown in response to the COVID-19 virus.

The impact of this regulation is of particular interest to the convenience store industry. Due to their already thin margins, convenience stores and gas stations are particularly harmed by this ban, as many rely on tobacco sales to maintain their profitability.<sup>3</sup> In addition, these stores are disproportionately harmed as many adult consumers who may make purchases in addition to tobacco, chose to do so outside of Los Angeles, where they can purchase their preferred tobacco products.

Overall, the direct loss to the economy of Los Angeles as a result of the ban would be almost \$96.6 million in sales, and \$4.6 million in local cigarette tax revenue annually. Convenience stores alone would lose approximately 254 jobs in the city as a result of the ban.

In addition to this, based on a model of tobacco demand, and the 2019 impact analysis of the menthol segment, over half (866) of the roughly 1,605 people in the city whose livelihoods depend on the production, distribution and sale of menthol cigarettes would see their jobs disappear, along with \$50.8 million in local wages. The economic loss to Los Angeles would be over \$137.4 million. (Table 3)

One the tax losses from the reduced economic activity are accounted for, Los Angeles would experience a reduction of nearly \$7.6 million in tax and fee revenues as a result of this proposed ban.

### Results:

The County of Los Angeles recently banned the sale of menthol cigarettes in its unincorporated areas. Since the ban only applied to sparsely populated rural parts of the county, the effects were not substantial. However, were the city of Los Angeles to follow suit and ban menthol cigarettes, a product that has roughly 40 percent of the market share, the economic effects could be substantial.

Los Angeles already has one of the worst retail environments for cigarettes and other tobacco products in the country. The per pack tax on cigarettes is already \$5.30 (including MSA payments) which is about

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<sup>1</sup> Based on data from the Economic Impact of Menthol Cigarettes: 2019, Prepared by John Dunham & Associates, for Reynolds American Inc.

<sup>2</sup> Nationwide sales based on *The Tax Burden on Tobacco* Volume 54, Orzechowski and Walker, 2019. Adult population (21+) from the US Department of Commerce, Bureau of the Census, American Community Survey.

|               | Packs          | Adult Population (21+) | Packs Per Adult |
|---------------|----------------|------------------------|-----------------|
| United States | 11,111,479,311 | 240,352,655            | 46.23           |
| Los Angeles   | 35,714,273     | 3,022,096              | 11.82           |

<sup>3</sup> See for example: Gleeson Patrick and Jayne Thompson, *What Is the Average Gross Revenue of a Convenience Store?* Houston Comicle, online updated on April 2, 2019, at: <https://smallbusiness.chron.com/average-gross-revenue-convenience-store-35712.html>

44.9 percent of the current average estimated retail price of \$11.80.<sup>4</sup> (Table 1) While not the highest in the nation, cigarette taxes in California are 88 percent above the average, and the taxable sales per adult are just one-quarter of the nationwide average.<sup>5</sup>

**Table 1**  
**Cigarette Taxes and Fees in Los Angeles**

| Levy                        | Amount Per Pack |
|-----------------------------|-----------------|
| Federal Excise Tax          | \$1.01          |
| CA Excise Tax               | \$2.87          |
| Total Tax                   | \$3.88          |
| Master Settlement Agreement | \$1.42          |
| Total                       | \$5.30          |

Were Los Angeles to ban the sale of menthol cigarettes, not only would local retailers and distributors be hurt, it would further exasperate the problem of smuggled cigarettes and cross border sales. In addition, Los Angeles would lose upwards of \$4.6 million in cigarette tax revenues. Table 2 below shows the estimated tax revenue change for Los Angeles were the ban to go into effect.

**Table 2**  
**Sales and Excise Tax Impact of A Menthol Cigarette Ban in Los Angeles**

|                     | Before       | After        | Change        |
|---------------------|--------------|--------------|---------------|
| LA Sales Tax        | \$9,481,355  | \$7,308,487  | (\$2,172,868) |
| LA MSA Allocation   | \$10,615,000 | \$8,182,331  | (\$2,432,669) |
| Total Cigarette Tax | \$20,096,355 | \$15,490,818 | (\$4,605,537) |

The economic impact would be far larger. Today, roughly 1,600 people in Los Angeles rely on the production, distribution and sale of menthol cigarettes for their livelihood.<sup>6</sup> Were the ban to go into effect, about 866 of these people (or 54.0 percent) would see their jobs disappear, along with \$50.8 million in local wages. The economic loss to Los Angeles would be over \$137.4 million. (Table 3 on the following page.)

These lost jobs and wages will also lead to tax revenue reductions. When stores close, or people lose their jobs, they also reduce tax revenues that Los Angeles collects from property, income, and sales taxes, fees, and other sources. It is estimated that the economic losses in the city will result in \$5.4 million in revenue reductions, of which 98.6 percent will come from reduced business taxes and fees. Table 4 outlines these losses by revenue type.

<sup>4</sup> Based on data from the Economic Impact of Menthol Cigarettes: 2019, Prepared by John Dunham & Associates, for Reynolds American Inc.

<sup>5</sup> Nationwide sales based on *The Tax Burden on Tobacco* Volume 54, Orzechowski and Walker, 2019. Adult population (21+) from the US Department of Commerce, Bureau of the Census, American Community Survey.

|               | Packs          | Adult Population (21+) | Packs Per Adult |
|---------------|----------------|------------------------|-----------------|
| United States | 11,111,479,311 | 240,352,655            | 46.23           |
| Los Angeles   | 35,714,273     | 3,022,096              | 11.82           |

<sup>6</sup> Based on data from *The Menthol Industry Economic Impact Study*, Prepared for Reynolds American, Inc., by John Dunham & Associates, May 1, 2019

**Table 3**  
**Economic Impact of A Menthol Cigarette Ban in Los Angeles**

|               | <b>Jobs</b> | <b>Wages</b>    | <b>Economic Output</b> |
|---------------|-------------|-----------------|------------------------|
| Direct        | (518)       | \$ (28,996,500) | \$ (71,434,222)        |
| Manufacturing | -           | \$ -            | \$ -                   |
| Wholesaling   | (156)       | \$ (13,054,965) | \$ (39,140,489)        |
| Retailing     | (363)       | \$ (15,941,534) | \$ (32,293,733)        |
| Supplier      | (139)       | \$ (10,125,979) | \$ (31,861,746)        |
| Induced       | (209)       | \$ (11,676,755) | \$ (34,109,931)        |
| Total         | (866)       | \$ (50,799,233) | \$ (137,405,898)       |

Overall, a ban on the sale of menthol cigarettes in Los Angeles, will result in a reduction of over \$7.6 million in tax and fee revenues.<sup>7</sup> (Table 4)

**Table 4**  
**Business and Personal Tax Revenues Lost Due to A Menthol Cigarette Ban in Los Angeles**

|                     | <b>Personal</b> | <b>Business</b> | <b>Total</b> |
|---------------------|-----------------|-----------------|--------------|
| Property Taxes      | \$ 19,924       | \$ 5,156,335    | \$ 5,176,259 |
| Income Taxes        | \$ -            | \$ 11,711       | \$ 11,711    |
| Sales Taxes         | \$ -            | \$ 96,876       | \$ 96,876    |
| Other Taxes         | \$ 27,190       | \$ 80,744       | \$ 107,934   |
| Fines/Fees/Licenses | \$ 30,849       | \$ 19,932       | \$ 50,781    |
| Total               | \$ 77,963       | \$ 5,365,597    | \$ 5,443,560 |

The estimates in the model are robust. A similar ban was enacted in San Francisco in 2018 on all flavored tobacco products, including menthol cigarettes, flavored cigars, and vapor products. A year after this ban went into effect, tobacco sales in that city fell by 28.3 percent, an even higher loss than the 22.9 percent estimated reduction in this analysis.<sup>8</sup>

**Table 5**  
**Total Revenues Lost Due to A Menthol Cigarette Ban in Los Angeles**

| <b>Revenue Type</b>    | <b>Revenue Loss</b> |
|------------------------|---------------------|
| LA Cigarette Sales Tax | \$ (2,172,868)      |
| Personal Taxes         | \$ (77,963)         |
| Business Taxes         | \$ (5,365,597)      |
| Total                  | \$ (7,616,428)      |

The results from San Francisco showed a slight increase in unflavored cigarette sales following the ban of flavored tobacco, but only offsetting lost menthol sales by approximately 1.6 percent. Applying this to Los Angeles by adding together the 14.1 million lost sales of menthol cigarettes and the offsetting sales as some consumers switched to unflavored cigarettes, leads to a change in overall cigarette sales of \$109 million. Using breaks established by the San Francisco study, the market was segmented into convenience

<sup>7</sup> Based on *Revenue Outlook: Supplement to the 2020-21 Proposed Budget*, City of Los Angeles, Administrative Officer, April 2020, at: [http://cao.lacity.org/budget20-21/2020-21Revenue\\_Outlook.pdf](http://cao.lacity.org/budget20-21/2020-21Revenue_Outlook.pdf) and 2020-21 Governor's Budget, Schedule 8, Comparative Statement Of Revenue at: [http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/BS\\_SCH8.pdf](http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/BS_SCH8.pdf)

<sup>8</sup> *Economic Impact of the Ban on Flavored Tobacco Products in San Francisco*, Prepared for the California Fuels & Convenience Alliance by John Dunham & Associates, New York, January 9, 2020

stores, gas stations with convenience stores, and other retail outlets. These results are shown in Table 6 on the following page.

The San Francisco study also demonstrated that a loss of a million dollars in retail sales translated to approximately 2.4 jobs lost in the convenience store sector and 1.8 jobs in the gas station sector, with no statistically observable impact on other retailers of tobacco products. The net impact on employment was calculated by multiplying those sales changes by those numbers, arriving at a total of 466 jobs lost in Los Angeles. This compares with the 363 lost retail jobs presented in Table 3.

**Table 6**  
**Estimated Impact of Menthol Cigarette Ban on Retail Sales, Jobs, and Wages Based on San Francisco**

|                    | <b>Sales</b>   | <b>Jobs</b> | <b>Wages</b>  |
|--------------------|----------------|-------------|---------------|
| Los Angeles        | -\$109,187,000 | (466)       | -\$11,993,000 |
| Convenience Stores | -\$34,888,000  | (265)       | -\$6,353,000  |
| Gas Stations       | -\$26,545,000  | (201)       | -\$5,640,000  |
| Other              | -\$47,753,000  | *           | *             |

### Methodology

This analysis is based on the Menthol Industry Economic Impact Study for 2019. This model incorporates a geographic distribution model that allocates all menthol cigarette production, distribution and retailing jobs across the country based on either individual facility geographic coordinates, or facility zip code.<sup>9</sup>

Overall, a total of 14,940 jobs in California depend on the sale of menthol cigarettes. Of these, 1,605, or 10.7 percent are located in Los Angeles.

This economic impact analysis was developed by JDA based on data provided by Reynolds American Inc. (RAI), Infogroup, The Tax Burden on Tobacco 2018, the Food and Drug Administration, Centers for Disease Control and Prevention (CDC), and Federal and state governments. The analysis utilizes the IMPLAN model in order to quantify the economic impact of the menthol cigarette industry on the economy of the United States, as well as individual states, congressional districts, and state legislative districts.<sup>10</sup> The model adopts an accounting framework through which the relationships between different inputs and outputs across industries and sectors are computed. It is based on the national income accounts generated by the US Department of Commerce, Bureau of Economic Analysis (BEA).<sup>11</sup>

The menthol share of sales in California is 28.2 percent of total cigarette sales, based on data provided by RAI. LA's share of menthol sales is 39.5 percent.

Every economic impact analysis begins with a description of the industry being examined. In the case of the menthol industry it is defined as the three components of the United States' menthol cigarette industry. This will incorporate firms in the following economic sectors:

<sup>9</sup> Based on data from *The Menthol Industry Economic Impact Study*, Prepared for Reynolds American, Inc., by John Dunham & Associates, May 1, 2019

<sup>10</sup> The model uses 2016 input/output accounts.

<sup>11</sup> The IMPLAN model is based on a series of national input-output accounts known as RIMS II. These data are developed and maintained by the U.S. Department of Commerce, Bureau of Economic Analysis as a policy and economic decision analysis tool.

- ❖ Manufacturers: Menthol cigarette manufacturing plants, warehouses, offices.
- ❖ Wholesalers: Includes firms involved in the distribution and storage of menthol cigarettes.
- ❖ Retailers: Includes firms involved in the sale of menthol cigarettes. This sector includes retail establishments (e.g. grocery stores, convenience stores, gas stations, menthol stores, etc.)

The IMPLAN model is designed to run based on the input of specific direct economic factors. It generates estimates of the other direct impacts, tax impacts and indirect and induced impacts based on these entries. In the case of the menthol model, direct employment in the menthol cigarette industry is a starting point for the analysis. Direct employment is based on data provided to John Dunham & Associates by Infogroup, RAI, and the Food and Drug Administration as of January 2017. Infogroup data are recognized nationally as a premier source of micro industry data. Infogroup is the leading provider of business and consumer data for the top search engines and leading in-car navigation systems in North America. Infogroup gathers data from a variety of sources, by sourcing, refining, matching, appending, filtering, and delivering the best quality data. Infogroup verifies its data at the rate of almost 100,000 phone calls per day to ensure absolute accuracy.

Once the initial direct employment figures have been established, they are entered into a model linked to the IMPLAN database. The IMPLAN data are used to generate estimates of direct wages and output. Wages are derived from data from the U.S. Department of Labor's ES-202 reports that are used by IMPLAN to provide annual average wage and salary establishment counts, employment counts and payrolls at the county level. Since this data only covers payroll employees, it is modified to add information on independent workers, agricultural employees, construction workers, and certain government employees. Data are then adjusted to account for counties where non-disclosure rules apply. Wage data include not only cash wages, but health and life insurance payments, retirement payments and other non-cash compensation. It includes all income paid to workers and proprietors/partners by employers.

Total output is the value of production by industry in a given state. It is estimated by IMPLAN from sources similar to those used by the BEA in its RIMS II series. Where no Census or government surveys are available, IMPLAN uses models such as the Bureau of Labor Statistics' growth model to estimate the missing output.

The model also includes information on income received by the Federal, state and local governments, and produces estimates for the following taxes at the Federal level: Corporate income, payroll, personal income, estate and gift, excise taxes, customs duties, and fines, fees, etc. State and local tax revenues include estimates of: Corporate profits, property, sales, severance, estate and gift and personal income taxes; licenses and fees and certain payroll taxes.

While IMPLAN is used to calculate the state level impacts, Infogroup data provide the basis for Los Angeles level estimates. Publicly available data at the county and local level is limited by disclosure restrictions, especially for smaller sectors of the economy. This model therefore uses actual physical location data provided by Infogroup in order to allocate jobs – and the resulting economic activity – by physical address or when that is not available, zip code. For zip codes contained in a single congressional district, jobs are allocated based on the total sector jobs in each zip. For zip codes that are broken by congressional districts, allocations are based on the percentage of total jobs physically located in each segment of the zip. Physical locations are based on either actual address of the facility, or the zip code of the facility, with facilities placed randomly throughout the zip code area.

#### Demand Model

Once the base economic impact of the menthol cigarette industry is developed, the effects of the proposed ban are calculated using a standard demand model. When Los Angeles bans the sale of menthol cigarettes, adults who prefer these products will react in one of four ways. They could:

- 1) Stop smoking cigarettes or switch to another tobacco product;
- 2) Switch from smoking menthol cigarettes to tobacco flavored cigarettes;
- 3) Continue to smoke menthol cigarettes but purchase them from other parts of California;
- 4) Continue to smoke menthol cigarettes but purchase them from other states and jurisdictions, or over the black market.

In the case of this analysis, two of these factors matter. Since no menthol cigarettes will be legally sold in Los Angeles, the fact that consumers are switching to the black market or purchase their tobacco products outside of the city does not impact either the revenue or economic impact projections. The bottom line is that 100 percent of the taxable menthol cigarette sales will disappear.

If adult smokers decide to continue to smoke menthol cigarettes and purchase them in California, there will be a small countervailing benefit to the rest of the state's economy, which is calculated in this analysis.

Finally, adult smokers could switch to non-menthol cigarettes, and this would mitigate the lost sales in Los Angeles.

In order to calculate the effect of the ban on cigarette sales in Los Angeles, it is essential to know how consumers would react – both in terms of the percent of purchases outside of the city but in California, but also in terms of what percent would switch to other cigarette products. These percentages are called elasticities by economists. Cigarette elasticities have been studied in depth, but most academic research has focused on the effects of taxes on demand, or on the substitution effects of vapor products.

One comprehensive study on the menthol cigarette market was conducted by Compass Lexecon for Lorillard Tobacco Company in 2011.<sup>12</sup> This study provides a series of estimates on all the different elasticities required for this model.

According to the Compass Lexecon analysis, the cross-elasticity of demand between menthol and non-menthol cigarettes ranges from 0.28 to 0.42. This means that a 100 percent reduction in the sale of menthol cigarettes (as would happen under the proposed ban) would lead to an increase of non-menthol cigarettes equal to between 28 and 42 percent of the initial menthol product demand. For this analysis of the proposed ban the most conservative estimate – 0.42 – was used, meaning that the analysis assumes the least impact to the Los Angeles economy from the proposed ban.

In addition, the Compass Lexicon report provided a series of additional elasticities related to quitting and black-market sales. Since any non-reported sale of cigarettes to a consumer in Los Angeles from any other source would technically be a black-market sale under the methodology used in the analysis, then the difference between 1.0 and the sum of the switching, quitting would equal the and black-market elasticity. Some of these sales would go to California retailers. Currently, according to the Tax

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<sup>12</sup> *Estimating Consequences of a Ban on the Legal Sale of Menthol Cigarettes*, prepared by Compass Lexecon for Lorillard Tobacco Company, January 19, 2011. On-line at: [https://www.thecre.com/ccsf/wp-content/uploads/2011/03/compass\\_1\\_19\\_2011.pdf](https://www.thecre.com/ccsf/wp-content/uploads/2011/03/compass_1_19_2011.pdf) According to its website, Compass Lexecon is *one of the world's leading economic consulting firms*.

Foundation, the black-market sales in California are already equal to 28.3 percent of the market.<sup>13</sup> Taking the inverse of this (71.7 percent) would equal the legal sales. Assuming that the black-market rate stays constant, then the shift from Los Angeles to other parts of California sales would be 0.28 multiplied by 0.717, or 0.201. This means that 20 percent of lost menthol sales would transfer to other parts of California.

With these substitution percentages, the effect of the ban on both Los Angeles and California sales can be calculated. (See Table 7)

**Table 7**  
**State and City Impacts Resulting from A Menthol Cigarette Ban in Los Angeles**

|                 | Direct          |               | Supplier        |               | Induced         |               | Total            |               |
|-----------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|------------------|---------------|
|                 | LA              | CA            | LA              | CA            | LA              | CA            | LA               | CA            |
| Jobs            | (518)           | 179           | (139)           | 76            | (209)           | 146           | (866)            | 401           |
| Wages           | \$ (28,996,500) | \$ 9,531,079  | \$ (10,125,979) | \$ 6,197,553  | \$ (11,676,755) | \$ 9,237,233  | \$ (50,799,233)  | \$ 24,965,865 |
| Economic Output | \$ (71,434,222) | \$ 23,279,499 | \$ (31,861,746) | \$ 26,799,974 | \$ (34,109,931) | \$ 28,332,316 | \$ (137,405,898) | \$ 78,411,789 |

As the table shows, 518 jobs directly related to the sale of menthol cigarettes will be lost in Los Angeles, offset by 179 jobs gained in other parts of California, and 57.1 percent of the overall economic loss to LA would be made up for by economic gains in the state economy. These effects are due to adult smokers purchasing their menthol cigarettes in California, outside of Los Angeles.

#### Cigarette Sales and Tax Revenues

Cigarette tax revenues are driven by both the volume of cigarettes sold in a particular jurisdiction as well as the price. Actual sales volumes in Los Angeles were provided by the California Fuels & Convenience Alliance.

The average retail price for a pack of cigarettes (less sales taxes) in Los Angeles is calculated to be \$11.80. This price estimate is calculated based on the retail output (or gross margin) from the economic impact model. Dividing gross output by the retail margin of 0.2399 provides an estimate of the price of cigarettes prior to taxes.<sup>14</sup> The final price of \$11.80 per pack, is calculated by adding in Federal and state excise taxes, as well as the MSA payment.

**Table 8**  
**State and City Impacts Resulting from A Menthol Cigarette Ban in Los Angeles**

|                   | Existing       | After Ban      |
|-------------------|----------------|----------------|
| Total Packs       | 35,714,273     | 27,529,534     |
| Total Value       | \$ 421,393,564 | \$ 324,821,641 |
| Menthol Packs     | 14,111,618     | -              |
| Menthol Value     | \$ 166,503,316 | \$ -           |
| Non-Menthol Packs | 21,602,655     | 27,529,534     |
| Non-Menthol Value | \$ 254,890,248 | \$ 324,821,641 |

Based on the price of \$11.80 per pack, a total of \$421.4 million worth of menthol cigarettes are currently

<sup>13</sup> Drenkard, Scott, *Cigarette Taxes and Cigarette Smuggling by State, 2015*, **FISCAL FACT No. 565**, The Tax Foundation, November 6, 2017. On-line at: <https://files.taxfoundation.org/20171106130335/Tax-Foundation-FF565.pdf>

<sup>14</sup> See: *Margins After Redefinitions: 2007 Detail*, Industry Economic Accounts Directorate, Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

sold on an annual basis in Los Angeles. With a city sales tax of 2.5 percent, this generates a total of nearly \$9.5 million in sales tax revenues.

If the sale of menthol cigarettes were banned Los Angeles, the entire \$421.4 million worth of sales would be lost. Based on the elasticities the lost menthol sales would be offset by gains in other cigarette sales of 5.9 million packs, or about \$69.9 million. (Table 8)

## San Francisco Methodology

Two primary data sources were used in deducing the impact of San Francisco's ban on flavored tobacco products, the Quarterly Census of Employment and Wages, a publication produced by the Bureau of Labor Statistics tracking 95 percent of all jobs in the United States, and proprietary scanner data tracking shipments of tobacco products to San Francisco and surrounding counties.<sup>15</sup> For this analysis, measurements from both these sources date from January 2017, and capture monthly information concerning employment and sales respectively.

To compute the effect of the ban on employment, several relevant industries were selected, including convenience stores, gas stations, tobacco stores, and liquor stores, and then their monthly employment statistics in each Bay Area county were pulled from the QCEW database.<sup>16</sup> These numbers were then regressed against time, the respective industry employment numbers for the state of California, seasonal adjustment factors, and an added dummy variable corresponding to the start of the flavor ban. Ultimately, these models demonstrated a statistically significant impact ( $p < .001$ ) on employment for both convenience stores and gas stations in San Francisco, although no statistically significant impacts were found in surrounding counties.

**Table 9**  
**Outputs for Regression on QCEW Data**

| Convenience Store Employees |             |                      |                 | Gas Station Convenience Store Employees |             |                      |                 |
|-----------------------------|-------------|----------------------|-----------------|-----------------------------------------|-------------|----------------------|-----------------|
| Variable Name               | Coefficient | P-Value              | Significance    | Variable Name                           | Coefficient | P-Value              | Significance    |
| (Intercept)                 | (96.52)     | 0.67                 | Not significant | (Intercept)                             | 398.80      | 0.08                 | 90%             |
| Date                        | -           | 0.25                 | Not significant | Date                                    | -           | 0.29                 | Not significant |
| CA Convenience Employees    | 0.01        | 0.00                 | 99%             | CA Gas Employees                        | 0.02        | 0.04                 | 95%             |
| Flavor Ban                  | (45.84)     | 0.00                 | 99%             | Flavor Ban                              | (34.88)     | 0.00                 | 99%             |
| January                     | 4.47        | 0.52                 | Not significant | January                                 | (8.74)      | 0.37                 | Not significant |
| February                    | 2.81        | 0.65                 | Not significant | February                                | (11.11)     | 0.22                 | Not significant |
| March                       | (3.43)      | 0.54                 | Not significant | March                                   | (4.57)      | 0.60                 | Not significant |
| April                       | (0.50)      | 0.94                 | Not significant | April                                   | (2.30)      | 0.79                 | Not significant |
| May                         | 2.02        | 0.72                 | Not significant | May                                     | 4.21        | 0.63                 | Not significant |
| June                        | (6.62)      | 0.20                 | Not significant | June                                    | (2.18)      | 0.81                 | Not significant |
| July                        | (19.51)     | 0.00                 | 99%             | July                                    | 4.54        | 0.69                 | Not significant |
| August                      | (20.66)     | 0.00                 | 99%             | August                                  | 1.00        | 0.94                 | Not significant |
| September                   | (10.49)     | 0.07                 | 93%             | September                               | (7.05)      | 0.54                 | Not significant |
| October                     | 2.02        | 0.71                 | Not significant | October                                 | 7.41        | 0.45                 | Not significant |
| November                    | (0.52)      | 0.92                 | Not significant | November                                | (1.87)      | 0.84                 | Not significant |
| Model F Statistic:          | 35.02       | R <sup>2</sup> :     | 0.9703          | Model F Statistic:                      | 10.59       | R <sup>2</sup> :     | 0.9703          |
| Model Significance:         | 99%         | Adj R <sup>2</sup> : | 0.9426          | Model Significance:                     | 99%         | Adj R <sup>2</sup> : | 0.9426          |

To compute the effect of the ban on sales of tobacco products, scanner data for each tobacco product in each county was regressed against time, seasonal adjustment factors, and a dummy variable to measure the effect of the ban. Additionally, the information was further broken down and regressed to measure the effect on convenience stores, as the previous regressions conducted on employment data had indicated they were the most severely impacted industry.

<sup>15</sup> Proprietary data source capturing retail data for tobacco related products.

<sup>16</sup> *Quarterly Census of Employment and Wages*, US Department of Labor, Bureau of Labor Statistics, at: <https://www.bls.gov/cew/>



# MINUTES

## Special Closed Session Meeting of the Scotts Valley City Council

**Date: May 18, 2022**

**Time: 6:30 PM**

| CONTACT INFORMATION                                                                        | MEETING LOCATION      | POSTING                                                                                                                  |
|--------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------|
| City of Scotts Valley<br>1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5600 | Zoom Video Conference | The agenda was posted at City Hall and on the Internet at <a href="http://www.scottsvally.org">www.scottsvally.org</a> . |

| ELECTED OFFICIALS                                                                                                                       | CITY STAFF MEMBERS                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Donna Lind, Mayor<br>Jim Reed, Vice Mayor<br>Jack Dilles, Council Member<br>Randy Johnson, Council Member<br>Derek Timm, Council Member | Mali LaGoe, City Manager<br>Kirsten Powell, City Attorney |

### CALL TO ORDER

The City Council meeting was called to order at 7:35 PM.

### ROLL CALL

### CONVENE TO CLOSED SESSION

### CLOSED SESSION SUBJECT(S)

The City Council convened to closed session at 7:35 PM to discuss the following item:

- (1) Conference with legal counsel regarding potential litigation  
Legal Authority: Government Code Section 54956.9(b)  
Number of Cases: 1 case  
Staff Present: City Manager, City Attorney

### RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 7:42 PM.

**REPORT ON ACTION TAKE DURING CLOSED SESSION**

Mayor Lind reported that the City Council voted unanimously to authorize the City Manager and the City Attorney to execute a release of claim in favor of the State in exchange for the payment of \$106,645 for damage caused to the Skypark fields during the CZU fire.

**ADJOURNMENT**

The meeting adjourned at 7:42 PM.

Approved: \_\_\_\_\_  
Donna Lind, Mayor

Attest: \_\_\_\_\_  
Cathie Simonovich, City Clerk

# AGENDA ITEM B

## DATE: 06-01-2022

SCOTTS VALLEY ACCOUNTS PAYABLE  
05/20/2022 17:54:29 Check Register

CITY OF SCOTTS VALLEY  
GL050S-V08.17 COVERPAGE  
GL540R

Report Selection:

RUN GROUP... 052022 COMMENT... 05/20/2022 A/P

DATA-JE-ID DATA COMMENT  
-----

W-05202022-900 05/20/2022 A/P

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        |        |          |            |     |
|      | 000041 ACC BUSINESS             | 124071 | 05/20/22 | 584.67     |     |
|      | 003534 ADOBE ANIMAL HOSPITAL SO | 124072 | 05/20/22 | 95.24      |     |
|      | .15872 ALAMEDA COUNTY SHERIFF'S | 124073 | 05/20/22 | 2,094.00   |     |
|      | 001219 ALHAMBRA                 | 124074 | 05/20/22 | 197.30     |     |
|      | 003497 ALVAREZ INDUSTRIES, INC  | 124075 | 05/20/22 | 646.00     |     |
|      | 000097 AT&T                     | 124076 | 05/20/22 | 33.97      |     |
|      | 004048 BADGE FRAME, INC.        | 124077 | 05/20/22 | 64.35      |     |
|      | 003899 BIGLER CONSTRUCTION      | 124078 | 05/20/22 | 7,395.94   |     |
|      | 000021 BOWMAN & WILLIAMS        | 124079 | 05/20/22 | 5,750.00   |     |
|      | 003936 BOYS & GIRLS CLUBS SC CO | 124080 | 05/20/22 | 118,447.00 |     |
|      | 004063 CAPITOL BARRICADE, INC.  | 124081 | 05/20/22 | 570.33     |     |
|      | 000773 CENTRAL COAST LANDSCAPE  | 124082 | 05/20/22 | 383.00     |     |
|      | 002091 COMCAST                  | 124083 | 05/20/22 | 323.25     |     |
|      | 000037 CRYSTAL SPRINGS WATER CO | 124084 | 05/20/22 | 24.40      |     |
|      | 000037 CRYSTAL SPRINGS WATER CO | 124085 | 05/20/22 | 29.25      |     |
|      | 004088 EARL ADAMS TILE-COPING & | 124086 | 05/20/22 | 8,164.00   |     |
|      | 001881 GRAINGER                 | 124087 | 05/20/22 | 75.67      |     |
|      | 004066 HEATHER A. HARDEE        | 124088 | 05/20/22 | 600.00     |     |
|      | 003944 HEBARD/TYLER             | 124089 | 05/20/22 | 304.00     |     |
|      | 003995 LIPARI/NICOLAS           | 124090 | 05/20/22 | 436.00     |     |
|      | 003913 LONG/AMANDA              | 124091 | 05/20/22 | 111.50     |     |
|      | 001234 MC GRAW DDS/BERNARD      | 124092 | 05/20/22 | 292.80     |     |
|      | 003171 MICHALAK/GENE            | 124093 | 05/20/22 | 125.00     |     |
|      | 000083 MISSION UNIFORM SERVICE  | 124094 | 05/20/22 | 2,745.06   |     |
|      | 001872 NORTH CENTRAL LABORATORI | 124095 | 05/20/22 | 412.51     |     |
|      | 001615 OLIN CORP-CHLOR ALKALI   | 124096 | 05/20/22 | 2,557.16   |     |
|      | 000723 PIED PIPER INC./THE      | 124097 | 05/20/22 | 4,900.00   |     |
|      | 000134 S.V. WATER DISTRICT      | 124098 | 05/20/22 | 5,234.51   |     |
|      | 001894 S.V. WATER DISTRICT - BU | 124099 | 05/20/22 | 199.80     |     |
|      | 000319 SCOTTS VALLEY CAR WASH   | 124100 | 05/20/22 | 384.65     |     |
|      | 000133 SCOTTS VALLEY SPRINKLER  | 124101 | 05/20/22 | 20.82      |     |
|      | 003958 STANDEN/BENJAMIN         | 124102 | 05/20/22 | 690.00     |     |
|      | 005004 STARK LEAK DETECTION, LL | 124103 | 05/20/22 | 700.00     |     |
|      | 004026 STEELE-FREITAS/SETH      | 124104 | 05/20/22 | 114.85     |     |
|      | 002053 STEPFORD                 | 124105 | 05/20/22 | 9,519.12   |     |
|      | 003757 SWEDBERG ELECTRIC INC.   | 124106 | 05/20/22 | 4,543.50   |     |
|      | 001085 SYCAL ENGINEERING INC    | 124107 | 05/20/22 | 165.00     |     |
|      | 004087 TIRECHOICE AUTO SERVICE  | 124108 | 05/20/22 | 2,747.15   |     |
|      | 003956 VERITONE, INC.           | 124109 | 05/20/22 | 1,200.00   |     |
|      | 001106 VERIZON WIRELESS         | 124110 | 05/20/22 | 74.24      |     |
|      | 003924 VIRTUAL PROJECT MANAGER  | 124111 | 05/20/22 | 1,000.00   |     |
|      | .15873 WATSONVILLE DIESEL       | 124112 | 05/20/22 | 380.00     |     |
|      | 003576 WEBER,HAYES, & ASSOCIATE | 124113 | 05/20/22 | 2,837.60   |     |
|      | 001402 WILLIAM'S TREE SERVICE,  | 124114 | 05/20/22 | 3,550.00   |     |
|      | 000154 WINCHESTER AUTO STORES   | 124115 | 05/20/22 | 20.25      |     |
|      | 003971 WIZIX TECHNOLOGY GROUP,  | 124116 | 05/20/22 | 389.89     |     |
|      | GENERAL CHECKING ACCOUNT        |        |          | 191,133.78 | *** |

SCOTTS VALLEY ACCOUNTS PAYABLE  
CITY OF SCOTTS VALLEY  
05/20/2022 17:54:29  
GL540R-V08.17 PAGE 2

Check Register

| BANK           | VENDOR | CHECK# | DATE | AMOUNT     |
|----------------|--------|--------|------|------------|
| REPORT TOTALS: |        |        |      | 191,133.78 |

RECORDS PRINTED - 000066

GL540R

FUND RECAP:

| FUND            | DESCRIPTION                  | DISBURSEMENTS |
|-----------------|------------------------------|---------------|
| ----            | -----                        |               |
| 001             | GENERAL                      | 23,613.44     |
| 004             | RECREATION                   | 25,597.87     |
| 010             | WASTEWATER OPERATIONS        | 19,713.99     |
| 011             | TERTIARY TREATMENT PLANT     | 1,278.58      |
| 028             | SENIOR CENTER                | 104.53        |
| 050             | PINEWOOD EST LNDSCP MAINT DT | 383.00        |
| 077             | SKYPARK MAINT ASSESS DIST    | 1,542.36      |
| 112             | DENTAL INS INTERNAL SERV     | 1,144.30      |
| 123             | COMMUNITY FACILITY CENTER    | 608.17        |
| 150             | GENERAL CAPITAL IMPROVEMENTS | 24,147.54     |
| 317             | EDG-REVOLVING LOAN FUND      | 93,000.00     |
| TOTAL ALL FUNDS |                              | 191,133.78    |

BANK RECAP:

| BANK            | NAME                     | DISBURSEMENTS |
|-----------------|--------------------------|---------------|
| ----            | -----                    |               |
| BA              | GENERAL CHECKING ACCOUNT | 191,133.78    |
| TOTAL ALL BANKS |                          | 191,133.78    |

**City of Scotts Valley  
CITY COUNCIL STAFF REPORT**

**DATE:** June 1, 2022  
**TO:** Honorable Mayor and City Council  
**FROM:** Kirsten M. Powell, City Attorney  
**SUBJECT: CONTINUED VIRTUAL MEETINGS FOR CITY COUNCIL AND  
APPOINTED BOARDS**

**SUMMARY OF ISSUE**

On October 26, 2021, the City Council passed Resolution No. 2007 authorizing continued virtual meetings and extended those meetings on November 17, 2021, December 15, 2021, January 12, 2022, February 2, 2022, March 2, 2022, March 16, 2022, April 6, 2022 and May 4, 2022, by Resolution Nos. 2007.1, 2007.2, 2007.3, 2007.4, 2007.5, 2007.6, 2007.7 and 2007.8. Pursuant to AB 361, legislative bodies may use teleconferencing to conduct public meetings during a proclaimed State of Emergency, as defined under the California Emergency Services Act, if one of the following circumstances apply: (A) State or local officials have imposed or recommended measures to promote social distancing; (B) The legislative body is meeting to determine whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

At this point, the State of Emergency the Governor proclaimed on March 4, 2020 is still in effect today and the recommended measures to promote social distancing are still in place. Recently with the removal of masks, there has been an uptick in cases. The CDC has recently upgraded the risk level of catching COVID 19 in Santa Cruz County to medium risk.

The City currently does not have the technological capabilities to hold hybrid meetings so anyone wanting to participate in the meetings would have to attend in person. As a result, holding public meetings of the City Council or other appointed bodies in person continues to present imminent risks to the health and safety of attendees.

**FISCAL IMPACT**

There is no fiscal impact associated with continuing virtual meetings.

**STAFF RECOMMENDATION**

Adopt Resolution No. 2007.9 confirming the need for virtual meetings pursuant to AB 361.

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**RESOLUTION NO. 2007.9**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY  
AUTHORIZING THE CONTINUED USE OF TELECONFERENCED MEETINGS PURSUANT  
TO ASSEMBLY BILL 361**

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency, pursuant to the Emergency Services Act, in response to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended certain requirements of Government Code section 54950 *et seq.*, the Ralph M. Brown Act ("Brown Act"), in order to allow local legislative bodies to conduct meetings telephonically or electronically without a physical meeting place; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, providing that the provision suspending the Brown Act requirements in Executive Order N-29-20 would remain in effect through September 30, 2021, at which point the suspension would expire; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361"), an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue teleconferencing during a proclaimed State of Emergency, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees;

WHEREAS, the State of Emergency proclaimed by the Governor on March 4, 2020, remains in effect; and

WHEREAS, state and local officials have imposed and/or recommended measures to promote social distancing; and

WHEREAS, people who are fully vaccinated are currently not required to wear masks indoors but those who are not fully vaccinated must continue to wear masks; and

WHEREAS, although the Omicron variant appears to be waning, a new subvariant has been identified which is rapidly spreading and may be more contagious than the Omicron variant; and

WHEREAS, the CDC has recently upgraded the risk level of catching COVID 19 in Santa Cruz County to medium risk.

WHEREAS, on October 26, 2021, the City Council of the City of Scotts Valley passed Resolution No. 2007 to continue the use of virtual meetings and confirmed the need for virtual meetings on November 17, 2021, with passage of Resolution No. 2007.1, on December 15, 2021, with the passage of Resolution No. 2007.2, on January 12, 2022, with the passage of Resolution No. 2007.3, on February 2, 2022, with the passage of Resolution No. 2007.4, with the passage of Resolution No. 2007.5 on March 2, 2022, with the passage of Resolution No.

2007.6 on March 16, 2022, with the passage of Resolution No. 2007.7 on April 6, 2022, and with the passage of Resolution No. 2007.8 on May 4, 2022 ; and

WHEREAS, the City Council of the City of Scotts Valley hereby finds and determines that the above conditions continue to create an imminent risk to the health and safety of attendees should they be required to attend meetings in person in a shared indoor public meeting space; and

WHEREAS, the City Council wishes to authorize remote meetings as set forth in this Resolution.

NOW THEREFORE, be it resolved by the City Council of the City of Scotts Valley as follows:

A. The City hereby acknowledges the Governor of the State of California's Proclamation of State of Emergency related to the COVID-19 pandemic remains in effect; and

B. The City finds that due to the continued threat of COVID-19 transmission in the community holding in person meetings for the City Council and other appointed bodies of the City of Scotts Valley would present imminent risks to the health or safety of attendees.

C. The City Council and other appointed bodies of the City of Scotts Valley are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

D. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty days from the adoption of this Resolution, or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the City Council and the appointed bodies of the City of Scotts Valley may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

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 1<sup>st</sup> day of June, 2022 by the following vote:

AYES:  
NOES  
ABSENT:  
ABSTAIN:

Approved: \_\_\_\_\_  
Donna Lind, Mayor

Attest: \_\_\_\_\_  
Cathie Simonovich, City Clerk

## **City of Scotts Valley CITY COUNCIL STAFF REPORT**

**DATE:** June 01, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Steve Walpole, Chief of Police

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT: ROAD CLOSURE FOR CITY'S 3rd OF JULY PARADE**

### **SUMMARY OF ISSUE**

On July 3, 2022, the City of Scotts Valley will celebrate Independence Day by hosting a parade along Scotts Valley Drive. The proposed parade route will begin at Carbonero Way, travel northbound to El Pueblo Road, then circle back and return to Carbonero Way. The roadway will be closed in both directions from 2:00pm to 5:00pm in order to maximize pedestrian/audience safety, with police officers, private security, and volunteers manning various driveways and barricaded sections along the parade route.

The parade will begin at 3:00pm and anticipated participants for the parade include antique/classic car enthusiasts, children's groups (such as 4H, cub scouts, etc.), dance groups, martial arts clubs, bicyclists, pets, emergency vehicles, service clubs, floats, and other local organizations.

Closure of the roadway will require the City Council to adopt a resolution in compliance with California Vehicle Code 21101(e). Appropriate notice letters will be distributed to affected businesses and residences, and the police department will further alert the public via the mobile radar trailer message board prior to the event. A press release will be issued for media coverage and sent to affected agencies (such as fire, ambulance, transit, sheriff, CHP, Metro).

### **FISCAL IMPACT**

Additional overtime will be necessary for police staff to work this event. Approximately five police officers (in addition to the two already working patrol July 3rd) will be required to work this event from 1:00pm to 5:00pm. The cost will be absorbed by the Police Department's overtime budget. Additional needed resources such as security and supplies to safely close the road will be expended from the budget approved by the City Council at its March 02, 2022 meeting. Donations for the parade are expected to defray a portion, if not all, of the parade costs.

**STAFF RECOMMENDATION**

It is recommended that the City Council approve Resolution No. XXXX establishing a road closure along the above specified route of Scotts Valley Drive in order to host a parade in celebration of Independence Day on July 3, 2022.

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**RESOLUTION NO. 1851.9**

**RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF SCOTTS VALLEY TEMPORARILY CLOSING A PORTION OF  
SCOTTS VALLEY DRIVE FOR THE CITY'S 3<sup>rd</sup> OF JULY PARADE**

**WHEREAS**, in celebration of Independence Day, the City has planned a parade to be held on July 3, 2022; and

**WHEREAS**, the parade route shall be along Scotts Valley Drive from Carbonero Way, travel northbound to El Pueblo Road, and then circle back and return to Carbonero Way; and

**WHEREAS**, participants in the parade and spectators will utilize all lanes of Scotts Valley Drive; and

**WHEREAS**, it is necessary to temporarily close Scotts Valley Drive from Carbonero Way to El Pueblo Road for the safety and protection of the participants and spectators of the parade.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Scotts Valley hereby orders the temporary closure of Scotts Valley Drive from Carbonero Way to El Pueblo Road from 2:00 p.m. until 5:00 p.m. on July 3, 2022. Such road closure shall be posted along the parade route by June 24, 2022.

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 1<sup>st</sup> of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: \_\_\_\_\_  
Donna Lind, Mayor

Attest: \_\_\_\_\_  
Cathie Simonovich, City Clerk

**City of Scotts Valley  
CITY COUNCIL STAFF REPORT**

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Mali LaGoe, City Manager

**SUBJECT: FOURTH AMENDMENT TO THE LIBRARY FINANCING  
AUTHORITY JOINT POWERS AGREEMENT**

**SUMMARY OF ISSUE**

Financing of public library services in the County is provided through the Santa Cruz County Library Financing Authority (LFA), a Joint Powers Authority formed in 1996 by the County of Santa Cruz and the cities of Santa Cruz, Watsonville, Scotts Valley and Capitola, established for the purpose of consolidating and providing for equitable financing of library services. LFA funding is currently provided through the proceeds of the voter-approved  $\frac{1}{4}$ -cent sales tax for libraries (Measure R) and from jurisdictional contributions (also referred to as Maintenance of Effort contributions) from the cities of Santa Cruz and Watsonville and the County Library Fund, which includes Capitola and Scotts Valley.

Under the original LFA agreement approved in June 1996, the cities of Santa Cruz and Watsonville contributed a fixed amount from their general funds, and the County Library Fund contributed an amount based on property taxes collected in the unincorporated area and cities of Capitola and Scotts Valley. When the LFA was established, the City of Santa Cruz contributed more than the County Library Fund based on population, and these amounts were intended to equalize. That occurred in approximately 15 years, and the County Library Fund's contribution continued to grow from property taxes. In December 2015, the jurisdictions amended the LFA agreement to establish a five-year term through June 30, 2021 and to adjust the contributions as follows:

- **County Library Fund** - The County Library Fund contributes a fixed amount of approximately \$5 million annually beginning in FY 2016-17. The County Board of Supervisors allocates any excess property taxes in the Library Fund for exclusive use on library improvements or services at County Library Fund branches in consultation with the cities of Capitola and Scotts Valley and library staff.
- **City of Santa Cruz** - The City of Santa Cruz contributes an amount that increases \$70,000 annually beginning in FY 2016-17. The Santa Cruz City Council allocates an additional \$30,000 annually for exclusive use on library improvements or services at City branches in consultation with library staff.

- **City of Watsonville** - The City of Watsonville contributes a fixed amount and receives a fixed distribution, beginning a phased down approach to reach the targeted level of funding based on the population served. The remaining amount available from contributions is distributed to the Santa Cruz City/County Library System.

In June 2021, the jurisdictions further amended the LFA agreement to increase the contributions for the City of Santa Cruz and the County Library Fund in FY 2021-22. This one-year extension allowed staff to consider the funding of major maintenance at branches and update the schedule for Watsonville target funding based on the population served and property tax growth.

The jurisdictions have reached a new agreement for a three-year extension with increased contributions in FY 2022-23 through FY 2024-25. This aligns with the current term of the Joint Powers Agreement relating to library services, which expires at the end of 2025.

The attached Fourth Amendment to the Joint Exercise of Powers Agreement Establishing the Santa Cruz County Library Financing Authority extends the term through June 30, 2025 and provides for the contributions and distributions detailed in Tables 1 and 2.

**Table 1: Contributions of the Cities and County**

| <b>Fiscal Year</b> | <b>City of Santa Cruz</b> | <b>City of Watsonville</b> | <b>County Library Fund</b> |
|--------------------|---------------------------|----------------------------|----------------------------|
| 2022-23            | \$1,976,853               | \$541,684                  | \$6,322,019                |
| 2023-24            | \$2,214,546               | \$541,684                  | \$6,870,918                |
| 2024-25            | \$2,452,089               | \$541,684                  | \$7,422,372                |

While the City of Watsonville's contribution remains the same, the contributions of the City of Santa Cruz and County Library Fund will both increase in FY 2022-23 through FY 2024-25. The amounts have been determined based on a formula weighted equally by population and library square footage in each jurisdiction. The formula makes adjustments for systemwide use of the Downtown Branch as well as a rent offset for systemwide administrative staff housed at the Downtown Branch. Staff are working with the Santa Cruz City/County Library System to obtain better data on library usage so that these factors can be used as part of the future formula. Based on the current formula, the City of Santa Cruz's contribution is expected to reach a targeted level of funding equal to the County Library Fund by FY 2025-26.

**Table 2: Distributions to the Libraries**

| <b>Fiscal Year</b> | <b>Santa Cruz City/County Library System</b> | <b>Watsonville Library</b> |
|--------------------|----------------------------------------------|----------------------------|
|--------------------|----------------------------------------------|----------------------------|

|         |             |             |
|---------|-------------|-------------|
| 2022-23 | \$7,276,853 | \$1,563,703 |
| 2023-24 | \$8,114,546 | \$1,512,602 |
| 2024-25 | \$8,952,089 | \$1,464,056 |

The Santa Cruz City/County Library System's distribution will continue to increase in FY 2022-23 through FY 2024-2025, while the Watsonville Library's distribution will remain fixed in FY 2022-23 and then begin to decrease in FY 2023-24. The Watsonville Library's distribution is expected to reach the targeted level of funding from the County Library Fund based on the population served by FY 2025-26, or 11 years earlier than anticipated due to adjustments to the population served and property tax growth.

### **FISCAL IMPACT**

There is no fiscal impact to the City of Scotts Valley, as taxes from City residents are paid to the County Library Fund.

### **STAFF RECOMMENDATION**

It is recommended that the City Council approve the Fourth Amendment to the Joint Powers Authority Agreement establishing the Santa Cruz County Library Financing Authority, and authorize the City Manager to sign the amendment.

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# **FOURTH AMENDMENT TO THE JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE SANTA CRUZ COUNTY LIBRARY FINANCING AUTHORITY**

**WHEREAS**, the Santa Cruz County Library Financing Authority (“the Financing Authority”) was created in 1996 for the purpose of financing library services and facilities; and

**WHEREAS**, the Financing Authority was established pursuant to the Joint Exercise of Powers Law of the State of California, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (“the Act”); and

**WHEREAS**, an original agreement entitled the “Joint Exercise of Powers Agreement Santa Cruz County Library Financing Authority” (“the Agreement”) was entered into by each of the parties in May 1996; and

**WHEREAS**, an agreement amending the original Agreement was entered into by each of the parties in November 2013; and

**WHEREAS**, a Second Amendment to the Agreement was entered into by each of the parties in December 2015; and

**WHEREAS**, a Third Amendment to the Agreement was entered into by each of the parties in June 2021; and

**WHEREAS**, a Fourth Amendment to the Agreement is necessary to increase the Maintenance of Effort contributions and extend the term three years; and

**WHEREAS**, said Section 9.5 of said Second Amendment authorizes amendments at any time, or from time to time, only by the unanimous consent of the parties.

NOW THEREFORE, the Board of Supervisors of the County of Santa Cruz, and the City Councils for the Cities of Santa Cruz, Watsonville, Scotts Valley and Capitola agree to further amend the Third Amendment as follows:

1. **Article III – Contributions** is hereby amended as follows:

Section 3.1 – Maintenance of Effort Contributions of the Cities. Commencing with the 2022-23 fiscal year, the City of Santa Cruz shall contribute a Maintenance of Effort (“MOE”) amount each year in the amounts shown below:

### **City of Santa Cruz Maintenance of Effort**

| <b>Fiscal Year</b> | <b>Amount</b> |
|--------------------|---------------|
| 2022-23            | \$1,976,853   |
| 2023-24            | \$2,214,546   |
| 2024-25            | \$2,452,089   |

Commencing with the 2022-23 fiscal year, the City of Watsonville shall contribute a MOE amount each year in the amounts shown below:

### **City of Watsonville Maintenance of Effort**

| <b>Fiscal Year</b> | <b>Amount</b> |
|--------------------|---------------|
| 2022-23            | \$541,684     |
| 2023-24            | \$541,684     |
| 2024-25            | \$541,684     |

Section 3.2 – Maintenance of Effort Contributions of the County. Commencing with the 2022-23 fiscal year, and subject to the terms below, the County of Santa Cruz, on behalf of the Unincorporated Area and the cities of Capitola and Scotts Valley, shall contribute a MOE amount from the County Library Fund each year in the amounts shown below:

### **County Library Fund Maintenance of Effort**

| <b>Fiscal Year</b> | <b>Amount</b> |
|--------------------|---------------|
| 2022-23            | \$6,322,019   |
| 2023-24            | \$6,870,918   |
| 2024-25            | \$7,422,372   |

If the Annual Net Amount of Allocated Taxes received by the County Library Fund is less than the annual MOE amount shown above, the County shall contribute the lesser amount as its annual MOE contribution. In no instance shall the County's annual MOE contribution exceed the Annual Net Amount of Allocated Taxes received by the County Library Fund.

If the Annual Net Amount of Allocated Taxes received by the County Library Fund exceeds the annual MOE amount shown above, the County shall allocate any excess funds in the County Library Fund for exclusive use on library improvements, major maintenance, or services at County Library Fund branches (including Capitola and Scotts Valley branches) with input by library staff and the cities of Capitola and Scotts Valley.

2. **Article IV – Annual Budget/Disbursement of Funds** is hereby amended as follows:

Section 4.3 – Disbursement of Funds. Commencing with the 2023-23 fiscal year, the amounts available from MOE contributions, taxes or fees, and carryover balances or surplus funds shall be disbursed as follows:

(A) The estimated amount available from MOE contributions shall be distributed to the Santa Cruz City/County Library System and the Watsonville Library each year in the amounts shown below:

**Santa Cruz City/ County Library System**

| <b>Fiscal Year</b> | <b>Amount</b> |
|--------------------|---------------|
| 2022-23            | \$7,276,853   |
| 2023-24            | \$8,114,546   |
| 2024-25            | \$8,952,089   |

**Watsonville Library**

| <b>Fiscal Year</b> | <b>Amount</b> |
|--------------------|---------------|
| 2022-23            | \$1,563,703   |
| 2023-24            | \$1,512,602   |
| 2024-25            | \$1,464,056   |

The Watsonville Library’s MOE distribution remains fixed at \$1,563,703 in the 2022-23 fiscal year and then reduces so that the Watsonville Library’s share of the Annual Net Amount of Allocated Taxes received by the County Library Fund reaches the targeted level of funding based on the population served.

3. **Article VI – Term and Withdrawal** is hereby amended as follows:

Section 6.1 – Term. The changes outlined in this Fourth Amendment shall commence upon the execution by the parties hereto, and will continue to remain in effect through June 30, 2025.

All other provisions of said Agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be executed and attested by their proper officers thereunto duly authorized on the day and year stated below the name of each of the parties. This Fourth Amendment may be signed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

**COUNTY OF SANTA CRUZ**

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**CITY OF SANTA CRUZ**

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**CITY OF WATSONVILLE**

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**CITY OF CAPITOLA**

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**CITY OF SCOTTS VALLEY**

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

## **City of Scotts Valley CITY COUNCIL STAFF REPORT**

**DATE:** May 27, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Kirsten Powell, City Attorney

**SUBJECT:** Waste Disposal Agreement with Monterey Regional Waste Management District

### **SUMMARY OF ISSUE**

Monterey Regional Waste Management District (“District”) is a California Joint Powers Authority that owns and operates the Monterey Peninsula Landfill (the Landfill”). On December 18, 2009, the City and the District entered into “WASTE DISPOSAL AGREEMENT BY AND BETWEEN DISTRICT AND CITY,” (the “Agreement”) for a term of thirty years, which gave the City and its waste collection contractor the right to deliver waste generated and collected in the City to the Landfill for disposal. Due to certain legal considerations, the District terminated the Agreement with the intention of entering into a new agreement but has continued to receive the solid waste and organic materials collected in the City.

About the same time that the District terminated the agreement, the City was working on its implementation of SB 1383 which establishes regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to support achievement of State-wide Organic Waste Diversion (disposal reduction) targets. In order to address the concerns raised by the District when terminating the Agreement and to comply with SB 1383, the District and City staff have developed two agreements for the disposal of solid waste and organics at the Landfill.

### **Agreement To Continue Waste Disposal Services**

As proposed, this agreement will enable the City and its solid waste hauler to deliver solid waste to the Landfill for a period of 30 years. Commencing on the first day of the eleventh year of this agreement (July 1, 2033), either party may terminate this Agreement for convenience by giving a 30-day's written notice to the other party. Upon 30-day's written notice, the Agreement will terminate in 5 years. In addition, the Agreement can be terminated for cause by either party.

The disposal rates under the contract are as follows:

|                             | Refuse Disposal Rates |          |                           |
|-----------------------------|-----------------------|----------|---------------------------|
| Effective Date of new Rates | Current               | 7/1/2023 | 7/1/2024 and thereafter   |
| Posted MRWMD Refuse Rates   | \$65.00               | TBD      | TBD                       |
| Contractual Refuse Rates    |                       |          |                           |
| City of Scotts Valley       | \$50.00               | \$55.00  | 95% of Posted Refuse Rate |

Although the City is not a member of the District, the rates charged under the agreement are the same rates the members of the District are paying. The rate charged is a component of the solid waste collection rates paid by the rate payers in the City. There is no charge to the City for this agreement.

#### Agreement For Organic Waste Diversion Services

Under this agreement, the City will have the right to deliver organic waste to the Landfill for an initial period of 5 years. During that time, the District will be preparing a master plan for its facilities which may affect capacity and services offered at the Landfill's organic processing area. Upon the completion of the master planning process, the City and the District will renegotiate this agreement. The agreement may be terminated with 12 months' notice by the District if the District is no longer able to process organics or by the City with 12 months' notice if it chooses to no longer deliver organics to the Landfill. City shall pay an initial rate for organics processing in the amount of \$61.00/ton from July 1, 2022 to June 20, 2023. For the remainder of this Agreement, the rates shall be equal to the District's Posted Rates for such materials and services, including Mixed Organic Waste, except where agreed to otherwise in writing by both parties. All changes to District's Posted Rates are subject to approval by District's Board of Directors, in the exercise of its sole discretion. The rate charged is a component of the solid waste collection rates paid by the rate payers in the City. There is no charge to the City for this agreement.

#### FISCAL IMPACT

Because the rates charged are a component of the solid waste collection rates paid by the rate payers in the City, there is no fiscal impact to the City by entering into these agreements.

#### STAFF RECOMMENDATION

Staff recommends that the City Council approve the Agreement To Continue Waste Disposal Services By And Between the Monterey Regional Waste Management District and the City Of Scotts Valley and the Agreement For Organic Waste Diversion Services By and Between the Monterey Regional Waste Management District and the City Of Scotts Valley.

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**AGREEMENT TO CONTINUE  
WASTE DISPOSAL SERVICES BY AND BETWEEN  
THE MONTEREY REGIONAL WASTE MANAGEMENT  
DISTRICT AND THE CITY OF SCOTTS VALLEY**

**THIS AGREEMENT TO CONTINUE WASTE DISPOSAL SERVICES** (hereinafter “Agreement”) is made and entered into on June \_\_\_\_\_, 2022 by and between the Monterey Regional Waste Management District, a public entity duly organized pursuant to the provisions of California Health and Safety Code sections 4170 *et seq.* (the "District"), and the City of Scotts Valley, a California general law city (the “City”) (collectively, the “Parties”), as follows:

**RECITALS**

A. On December 18, 2009, District and City entered into “WASTE DISPOSAL AGREEMENT BY AND BETWEEN DISTRICT AND CITY,” for a term of thirty years, to facilitate the delivery of waste generated and collected in the City to District’s Monterey Peninsula Landfill for disposal. Due to certain legal considerations, including without limitation changes to applicable laws, District has given notice to City of termination for convenience of the 2009 agreement, and the Parties are in accord that the 2009 agreement shall be superseded by this Agreement.

B. The Parties are also in accord that they continue to be satisfied with the performance of each of the parties hereto, with the benefits enjoyed by each of the parties under the terms of the 2009 agreement, and with the facts, principles, and descriptions set out in the Recitals of the 2009 agreement, and therefore those Recitals are incorporated here by reference as if set out in full herein.

C. District has determined that the execution by District of this Agreement will serve the public health, safety, and welfare of the District by continuing to provide a more stable, predictable and reliable supply of municipal solid waste to optimize the Monterey Peninsula Landfill, and that the resulting revenue will assist in the District’s rate stabilization efforts and waste diversion programs.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and City agree to the following Terms and Conditions:

## **TERMS AND CONDITIONS**

### **1. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Acceptable Waste" means all non-hazardous solid wastes such as garbage, refuse, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the owners at the time of such discard or rejection and which is normally disposed of or collected from residential (single family or multi-family), commercial, industrial, governmental, and institutional establishments by haulers, and which is acceptable at Class III landfills under Applicable Law. "Acceptable Waste" also means solid waste that has been source separated and/or processed with reasonable due diligence to remove the following: reusable and recyclable materials; Unacceptable Waste; Hazardous Substances or Hazardous Materials; Universal Waste (as defined by State law); and Hazardous Waste.

1.2 "Act" means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time.

1.3 "Applicable Law" means the Act, the Monterey County Code, CERCLA, RCRA, CEQA, any legal entitlement and any other rule, regulation, requirement, guideline, permit, action, determination, or order of any governmental body having jurisdiction, applicable from time to time, relating to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management, operation, or maintenance of the Monterey Peninsula Landfill or the transfer, handling, transportation, and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages).

1.4 "CEQA" means the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) as amended or superseded, and the regulations promulgated under the statute.

1.5 "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act (42 U.S.C. Section 9601 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.6 "Disposal Services" means the solid waste disposal services to be provided to the City by the District under this Waste Disposal Agreement.

1.7 "Hazardous Material" or "Hazardous Substance" has the meaning given such terms in CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Section 25300 et seq.), and Titles 22 and 26 of the California Code of Regulations, as well as other regulations promulgated under these statutes, as they exist now and as they may be amended from time to time.

1.8 "Hazardous Waste" means (a) any waste which by reason of its quality, concentration, composition or physical, chemical, or infectious characteristic may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness, or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise mismanaged; or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act (RCRA) and the regulations contained in 40 CFR Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117, 25115, 25249.8, 25281 and 25316; (4) the California Public Resources Code, Section 40141; and (5) future additional or substitute Applicable Law pertaining to the indemnification, treatment, storage, or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 et seq.) and the regulations contained in 10 CFR Part 40.

1.9 "Household Hazardous Waste Element" or "HHWE" means a solid waste planning document prepared by each city and unincorporated county pursuant Division 30, Section 41000 et seq. of the Act.

1.10 "Non-District Waste" also "Out-of- District Waste," means solid waste originating outside the jurisdictional boundaries of the District.

1.11 "RCRA" means the Resource Conservation and Recovery Act, 42 USC Section 6901 *et seq.*, as amended and superseded.

1.12 "Self-Hauler" means any person not engaged commercially in waste cartage that collects and hauls to the Monterey Peninsula Landfill Acceptable Waste generated from residential or business activities.

1.13 "Source Reduction and Recycling Element" or "SRRE" means a solid waste planning document prepared by each city and unincorporated county pursuant to Division 30, Section 41000 *et seq.* of the Act.

1.14 "Transfer Trucks" means any large, multi-axle vehicle not exceeding 80,000 pounds gross vehicle weight.

1.15 "Unacceptable Waste" means Hazardous Waste; Hazardous Substances; Hazardous Materials; untreated medical waste; Household Hazardous Waste that has been separated from Acceptable Waste; explosives; bombs; ordnance, such as guns and ammunition; highly flammable substances; noxious materials; drums and closed containers; liquid waste, including liquid concrete; oil; human wastes and sewage sludge; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts; motor vehicles or major components thereof; agricultural equipment; trailers; marine vessels and steel cable; hot loads, including hot asphalt, and hot liquid sulfur; loads of whole tires; friable asbestos; and any waste which the Monterey Peninsula Landfill is prohibited from receiving under Applicable Law.

1.16 "Uncontrollable Circumstances" means only the following acts, events or conditions, whether affecting the City, or the District, to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement:

1. an act of nature, hurricane, landslide, lightning, pandemic, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;
2. a change in law affecting either party's ability to perform an obligation or complying with any condition required of such party under this Agreement;
3. pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

Provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party.

## **2. TERM OF AGREEMENT**

### **2.1 Term of Agreement**

The term of this Agreement shall commence on the date first written above and shall continue for thirty years thereafter.

## **3. DELIVERY OF WASTE**

### **3.1 Commitment to Deliver Waste**

The City shall be permitted to annually deliver Acceptable Waste to the Monterey Peninsula Landfill during the term of this Agreement.

Waste shall generally be delivered by refuse collection or transfer vehicles of the City's franchised waste hauler.

Waste shall be delivered to the Monterey Peninsula Landfill during the hours of 5:30 A.M. TO 4:00 P.M. Monday through Friday, and 8:00 A.M. to 4:00 P.M. on Saturdays, excepting certain holidays where closed or operating under shortened business hours, or as otherwise approved in writing by the District or as modified by a regulatory entity at the time of a permit renewal or issuance of a new permit.

The City shall deliver to the Monterey Peninsula Landfill one hundred percent of the Acceptable Waste generated from residential or business activities within the City and collected by the City's franchised waste hauler or any subcontractor. The delivery to any other landfill of Acceptable Waste generated from residential or business activities within the City by the

City's franchised waste hauler or any subcontractor is a default under the terms of this Agreement, in which event, the District shall be entitled to reasonably estimate the amount of Acceptable Waste that would have been delivered to the Monterey Peninsula Landfill and invoice the City for such amount in accordance with Section 4.2.

### **3.2 City's Authority to Deliver Waste**

The City warrants that it has and shall maintain during the term of this Agreement the right, power, and authority to deliver the Acceptable Waste to the District through franchises, contracts, permits, licenses, or other arrangements.

## **4. PROVISION OF DISPOSAL SERVICES**

### **4.1 Commitment to Provide Disposal Services**

The District agrees to provide Disposal Services to the City for the term of the Agreement under the conditions specified in the Agreement. The District warrants that it can receive City's Acceptable Waste at the designated Monterey Peninsula Landfill, under the facility permit for the term of this Agreement.

### **4.2 Fee for Disposal Services**

For the first four years of this Agreement, City shall pay rates for refuse delivered to District according to Exhibit A, Refuse Rates, attached hereto and incorporated herein by this reference. Beginning in Year Five, and for the remainder of the term of this Agreement, City shall pay a rate equal to 95% of District's Posted Rate for Acceptable Waste (also known as the "Member Agency Rate" or "Disposal Tip Fee Rate") delivered to District for disposal. For the entirety of this Agreement, all other materials and services shall be paid at rates equal to the District's Posted Rates for such materials and services. All changes to District's Posted Rates are subject to approval by District's Board of Directors, in the exercise of its sole discretion. For the purposes of this Agreement, the first year, or "Year 1", shall begin on July 1, 2022 and end on June 30, 2023.

### **4.3 Payment for Disposal Services**

The City is responsible for payment for Disposal Services and all other fees or charges under this Agreement. The District may, in its discretion, charge and accept payment from the City's franchised waste hauler for Disposal Services but responsibility for payment of any charges not paid by the City's franchised waste hauler remains the City's responsibility. The

disposal fee may be paid in cash in advance for each load at the time of delivery, or the District may elect to establish a deferred billing account under a process mutually agreed upon.

#### 4.4 Annual Disposal Fee Increase Adjustment for Provision of Disposal Services

The rate specified in Section 4.2 shall be as specified in Exhibit A. All rate increases shall be effective on July 1 of each year. Rate increases shall be approved by the District's Board of Directors.

#### 4.5 Increase in Governmental Fees or District Costs Due to New Regulatory or Statutory Mandates

If any fees or charges are imposed or increased by law or regulation after the date first written above and levied on the District by any local, state, or federal government or a local enforcement agency, the District shall have the right, upon 30-days prior written notice to the City, to increase the then current fee charged to the City hereunder in an equitable manner relative to the services provided to the City under this Agreement. Any increased cost borne by the District due to new regulatory or statutory mandates beyond the District's control shall be allocated based on the percentage of tons of waste delivered to the District by the City compared to all other tons delivered to the District and included in the disposal fee charged.

### 5. **PROCEDURES FOR DELIVERY AND ACCEPTANCE OF WASTE**

#### 5.1 Procedures for Delivery and Acceptance of Out-of-District Waste

City shall deliver Acceptable Waste to the Monterey Peninsula Landfill according to the conditions and procedures in **Exhibit B**. The General Manager of the District and the City's designee may mutually agree to modify **Exhibit B**, provided such modifications are made in writing signed by both parties and subject to the terms and conditions of this Agreement.

The City through its franchised waste hauler shall bear all costs of collection, processing, transfer, transportation, taxes, permits, or impositions assessed by any governmental body related to the delivery of waste to the Monterey Peninsula Landfill. The District assumes all costs incurred as a result of the acceptance of the City's Acceptable Waste.

#### 5.2 Unacceptable Waste

The City shall act with reasonable due diligence to prevent the delivery of any waste to the Monterey Peninsula Landfill that is defined as Unacceptable Waste under this Agreement.

### 5.3 Out-of-City Waste

Only waste originating inside of the City (with the exception of up to 5% of out-of-City waste per Section 8.4) may be delivered to the Monterey Peninsula Landfill pursuant to this Agreement. City shall maintain records and supporting source documents that adequately identify the origin of all "Acceptable Waste" delivered by the City to the Monterey Peninsula Landfill pursuant to this Agreement. All records and source documentation shall be maintained by the City for a minimum of five years following the termination of this Agreement. Documents shall be maintained in a location mutually acceptable to District and City.

District shall, through its duly authorized agents or representatives, have the right to examine and audit records and supporting source documents maintained by City concerning the origin of waste delivered to the Monterey Peninsula Landfill at any and all reasonable times, upon thirty (30) days written notice, for purposes of determining the accuracy of those records and of the reports provided to District pursuant to this Agreement and of the accuracy of City payments to District pursuant to this Agreement. If any Audit of the City's or its franchised hauler's invoices or other records reveals any variance from any invoice for waste delivered to the District in excess of five percent (5%) of the amount shown on such invoice, or if the City has failed to maintain true and complete books, records and supporting source documents in accordance with this Section, City shall immediately reimburse District for all costs and expenses incurred in conducting such Audit.

### 5.4 Hazardous Materials, Substances or Waste

The City shall act with reasonable due diligence to prevent the delivery of Unacceptable Wastes, Hazardous Materials, Hazardous Substances, or Hazardous Waste to the Monterey Peninsula Landfill. The City program for detection and removal of Hazardous Materials, Hazardous Waste, Hazardous Substances or Unacceptable Waste from Acceptable Waste ("Hazardous Materials Removal Program") is set out in **Exhibit C**, incorporated herein by this reference as if fully set forth herein.

The City shall notify the General Manager of the District, in writing, at least 30-days prior to making any significant modifications in City's Hazardous Materials Removal Program. The District may object to any such modification in writing within 15-days of receipt. The City shall give reasonable consideration to any District objections. The intentional delivery any quantity of Hazardous Waste shall constitute a material breach of this Agreement.

5.5 Emergency Re-Designation of Facility

The District shall have the right to suspend acceptance of Acceptable Waste to the Monterey Peninsula Landfill at any time for up to 45-days upon the occurrence of a natural disaster or other Uncontrollable Circumstances which affect the ability of the District to accept, under Applicable Law, City's otherwise Acceptable Waste at the Monterey Peninsula Landfill.

The District will make every reasonable effort to provide advance notice; however, exigent circumstances may require re-designation of Acceptable Waste on a temporary basis without prior notice. No adjustments shall be made to the disposal fee of waste redirected due to emergency.

5.6 Mutual Aid

In the event of an emergency, the parties may provide mutual aid to one another through the sharing of resources.

5.7 Weights for Payment

Payment shall be based upon weight provided by the Districts' regular vehicle weighing scale system.

**6. REGULATORY COMPLIANCE**

6.1 Applicable Law

Throughout the term of this Agreement the parties shall comply with Applicable Law; and shall obtain and maintain any permits, licenses, or approvals which are required for the performance of the party's respective obligations under this Agreement.

6.2 Compatibility with The Act

The actions of the City in entering into this Agreement shall be compatible with the goals, policies, and agreements of the Source Reduction and Recycling Element(s) (SRREs) of the jurisdiction(s) generating the waste which is accepted in the Monterey Peninsula Landfill.

6.3 Disposal Reporting

The City shall supply all information necessary to comply with the District's Disposal Reporting System and any other information required by the District to comply with the Act, or any other Applicable Law.

#### 6.4 Recordkeeping and Reporting

Upon City's request, District shall provide any and all records and/or reports related specifically to the use of facilities relied upon by District for performance under this Agreement that have been provided to other governmental agencies, including but not necessarily limited to: County of Monterey, Regional Water Quality Board, Air Quality Management District, or CalRecycle, unless such records are the subject of litigation disclosure or confidentiality agreements, or where disclosure is limited or prohibited in accordance with State or local privacy laws.

#### 6.5 Capacity Assurance

District warrants that as of the Commencement Date, it has sufficient capacity to dispose of all Acceptable Waste throughout the Term, and that it shall maintain that capacity throughout the Term and any extension.

### 7. **TERMINATION, DEFAULT AND REMEDIES**

#### 7.1 Termination for Convenience

Commencing on the first day of the eleventh year of this agreement, either party may terminate this Agreement for convenience during the term hereof by giving a 30-day's written notice to the other party. Upon the expiration of the 30-day notice period, a five-year final term on the same terms and conditions set forth herein shall commence.

#### 7.2 Termination for Cause

Either party may terminate this Agreement for cause for the reasons set forth below, without the commencement of a final 5-year term (as provided in paragraph 7.1). In the case of termination for cause, the terminating party shall not be liable to the non-terminating party for any damages incurred due to early termination, including, but not limited to, consequential damages.

##### A. Termination for Cause by District

The District may terminate for cause if:

- i. The City delivers waste originating outside the City in excess of 5% (paragraph 5.3);
- ii. The City intentionally delivers and attempts to deliver Unacceptable Waste; Hazardous Substances or Hazardous Materials or Universal Waste (as defined by State law) (paragraph 5.4); or
- iii. The City fails to comply with a Household Hazardous Waste Program that complies with state law (paragraph 8.4).

B. Termination for Cause by City

The City may terminate for cause if the District is unable to accept Acceptable Waste for more than 45-days and the parties are unable to reach a mutually acceptable resolution through modification of this Agreement (paragraph 5.5).

C. Termination for Cause by Either Party

Either party may terminate for cause if:

- i. The District is ordered by court of competent jurisdiction to cease providing Disposal Services under the terms and conditions of this Agreement. In such event District will not be liable for actual or consequential damages due to the inability to provide Disposal Services.
- ii The other party is determined to be in violation of Applicable Law, despite reasonable due diligence.

D. Opportunity for Cure

If either party fails to perform any of its obligations hereunder, that party shall have 30 business days from receipt of written notice of default from the other party within which to cure such default. However, the City's intentional delivery of industrial or commercial Hazardous Waste (pursuant to paragraph 5.4) or failure to maintain a Household Hazardous Waste (HHW) Management Program that complies with state law (pursuant to paragraph 8.4) may be grounds for termination in the District's discretion. Such default may be subject to termination pursuant to paragraph 7.2. In the case of a default involving HHW under paragraph 5.4 by City, City must cure the default within 24 hours of written notice of the default in compliance with applicable laws and regulations, including District ordinances and established procedures.

7.3 Dispute Resolution

If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall meet and confer in a good faith attempt to resolve the matter between themselves. If a dispute concerns any amounts to be paid to the District by the City, then the City shall pay the amount demanded on time, under protest, notwithstanding that the City has commenced or proposes to commence the dispute resolution procedures specified herein. If a dispute is not resolved by meeting and conferring within a period of thirty (30)

days after the first notice of the dispute is received by the non-disputing party, the matter shall be submitted for formal mediation to a mediator mutually agreed upon by the parties. The expenses of such mediation will be shared equally between the parties. If the dispute is not or cannot be resolved by mediation within one-hundred-twenty (120) days after the notice of the dispute is received by the non-disputing party, then either party may pursue any and all available legal and equitable remedies.

## **8. GENERAL CONDITIONS**

### **8.1 Uncontrollable Circumstances**

Each party will excuse performance by the other in the event of Uncontrollable Circumstances.

### **8.2 Indemnification and Hold Harmless**

A. Indemnification by City. City and District agree that District, its Board of Directors, officers, employees and agents, shall to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorney's fees, litigation cost, defense cost, court cost or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the District. City acknowledges that District would not enter into this agreement in the absence of this commitment to indemnify and protect District as set forth herein.

To the full extent permitted by law, the City shall defend, indemnify and hold harmless District, its Board of Directors, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by District, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or willful misconduct of the City or its franchised waste hauler or contractor(s). All obligations under this provision are to be paid by the City as they are incurred by the District.

Without affecting the rights of the District under any provision of this Agreement or this section, the City shall not be required to indemnify and hold harmless District as set forth above for liability attributable to the active negligence of the District, its officers, employees or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the District is shown to have been actively negligent and not in instances where the City, or its franchised waste hauler or contractor(s) are solely or partially at fault or in instances where the District's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the City will be for that portion or percentage of liability not attributable to the active negligence of the District, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

The City shall obtain executed indemnity agreements from its franchised waste hauler and any contractor or any other person or entity involved by, for, with or on behalf of the City in the performance or subject matter of this Agreement. In the event the City fails to obtain such indemnity obligations from others as required here, the City shall be fully responsible according to the terms of this section.

Failure of the District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder and shall survive the termination of this Agreement or this section.

B. Indemnification by District. To the full extent permitted by law, the District shall defend, indemnify and hold harmless the City, its City Council, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or the willful misconduct of the District. All obligations under this provision are to be paid by the District as they are incurred by the City.

Without affecting the rights of the City under any provision of this Agreement or this section, the District shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the active negligence of the City, its officers, employees, contractors or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City or its franchised waste hauler or contractor(s) are shown to have been actively negligent and not in instances where the District is solely or partially at fault or in instances where the City's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the District will be for that portion or percentage of liability not attributable to the active negligence of the City, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

C. Notice of Claims

A party seeking indemnification shall promptly notify the other party of the assertion of any claim against it for which it seeks to be indemnified, shall give the other party the opportunity to defend such claim, and shall not settle the claim without the approval of the other party. These indemnification provisions are for the protection of the Parties only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

8.3 Insurance

A. CITY'S INSURANCE. City shall require its franchise waste hauler to maintain, and require any of its subcontractors or others hired for this Agreement to maintain, insurance coverage as described hereunder effective the date first written above and such insurance shall remain in full force at all times throughout the full term of this Agreement. Insurers providing coverage as required by this Agreement shall be acceptable to District and must be authorized to do business in the State of California.

Certificates of insurance or other evidence satisfactory to the District shall be furnished in duplicate, evidencing City coverage of Workers' Compensation Insurance, Commercial General Liability, and Comprehensive Auto Liability; such certificates shall show the insurer's name, policy number, limit of coverage, and the period of the policy and cancellation conditions of these specifications. Such certificates shall state that coverage there under shall

not be terminated or reduced in coverage until 30 days' written notice is given to General Manager of the District of cancellation or reduction in coverage; allow for severability of interest of District; and be primary and non-contributing with insurance maintained or self-insured by the District.

The District shall be added, by endorsement to the policy for Commercial General Liability, Auto Liability and Employer's Liability coverage, as an additional insured party on the above-described policies, as they pertain to the operations of the named insured performed under this Agreement for the District. The District, as the additional insured party, shall be defined as follows: "Monterey Regional Waste Management District and Agency, its Council, boards and commissions, officers, employees, agents, and volunteers". Entire limits of liability maintained must be certified but in no event shall limits be less than specified herein below:

| <u>Coverage</u>                 | <u>Minimum Limit</u>                        |
|---------------------------------|---------------------------------------------|
| Workers' Compensation           | Statutory                                   |
| Employer's Liability            | \$1,000,000 per accident or disease         |
| Comprehensive General Liability | \$1,000,000 Combined                        |
| General Aggregate               | \$2,000,000<br>Single limit each occurrence |
| Comprehensive Auto Liability    | \$1,000,000 Combined                        |

B. **DISTRICT INSURANCE.** District shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

**1. Limits.**

**Commercial General Liability** – \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

**Automobile Liability** – \$1,000,000 combined single limit per accident for bodily injury and property damage (include coverage for hired and non-owned vehicles).

**Workers' Compensation (WC)** – Statutory Limits/Employers' Liability.

General Liability and Auto Liability Limits of Insurance may be satisfied by a combination of primary and umbrella or excess insurance.

**2. Additional Insured.** The City, its officers, officials, employees, volunteers, representatives, and agents shall be named as additional insured on all but the WC.

3. Said policies shall remain in force through the life of this Agreement and shall be payable on a “per occurrence” basis unless City’s Risk Manager specifically consents in writing to a “claims made” basis. For all “claims made” coverage, in the event that the District changes insurance carriers District shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the District changes to a new carrier prior to receipt of any payments due.

4. The District shall declare all aggregate limits on the required coverage are in place before commencing performance of this Agreement and are available throughout the performance of this Agreement.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days’ prior written notice (10 days for non-payment) has been given to the City. If District’s insurer refuses to provide this endorsement, District shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

5. The deductibles or self-insured retentions are for the account of District and shall be the sole responsibility of the District.

6. District shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. “The City reserves the right to review at District’s corporate office copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications. The District shall be allowed to redact information that it considers confidential”.

The Certificate with endorsements and notices shall be mailed to:

City of Scotts Valley  
City Manager  
One Civic Center Drive  
Scotts Valley, CA 95066

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A-VII, unless otherwise approved by City Risk Manager.

7. The policies shall cover all activities of District, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.

8. For any claims relating to this Agreement, the District’s insurance coverage shall be primary, including as respects City, its officers, agents, employees, and volunteers. Any insurance maintained by City shall apply in excess of, and not contribute to,

coverage provided by District's liability insurance policy.

9. The District shall waive, by evidenced endorsement to the policy, all rights of subrogation against City, its officers, employees, agents, and volunteers.

**10. Endorsements.** Prior to the Effective Date pursuant to this Agreement, District shall furnish City with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the City's Risk Manager before work commences.

**11. Renewals.** During the Term of this Agreement, District shall furnish City with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

**12. Workers' Compensation.** District shall provide workers' compensation coverage as required by State law, and prior to the Effective Date pursuant to this Agreement, District shall file the following statement with City:

"I am aware of the provisions of Section 3700 of the Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing any services required by this Agreement.

District agrees to include in any subcontract the same requirements and provisions of this Agreement including the indemnity and insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by District agree to be bound to District and City in the same manner and to the same extent as District is bound to City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Contract/Agreement and Insurance Provisions will be furnished to the Subcontractor. The District shall require all Subcontractors to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencement of any work and will provide proof of compliance to the City.

The person executing this Certificate on behalf of District affirmatively represents that she/he has the requisite legal authority to do so on behalf of District, and both the person executing this Agreement on behalf of District and District understand that City is relying on this representation in entering into this Agreement."

#### 8.4 Solid Waste Origin

City may deliver solid waste collected by City or any other entity under subcontract to City. The District understands and agrees that up to 5% of the City's Acceptable Waste delivered to the Monterey Peninsula Landfill during any twelve-month period may originate

outside the City. Waste originating outside City in excess of the 5% cap, may not be delivered without the express prior written consent of the District General Manager. All waste delivered must originate from a municipality or district that has implemented an approved Household Waste Collection Program and has fully implemented its SRRE.

#### 8.5 Non-Assignment of Agreement

City may not assign this Agreement or any of the rights or obligations under this Agreement without the prior written consent of the District, which may be withheld at the District's sole discretion. Any person or entity to whom this Agreement is assigned shall expressly agree to be bound by all provisions of this Agreement. City will remain liable to District for all obligations under this Agreement notwithstanding any assignment made pursuant to this clause.

#### 8.6 Notices

Any notice required or permitted by this Agreement shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective parties set forth in this Agreement. Any changes to the respective addresses to which notices may be directed, may be made from time to time by any party by notice to the other party. The present addresses of the parties are:

|          |                                                                                                                                                                                                                                                     |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| District | Monterey Regional Waste Management District<br>Attn: General Manager<br>Location for Direct Deliveries and Certified Mail:<br>14201 Del Monte Blvd., Monterey County, CA 93908 (Physical)<br>P.O. Box 1670, Marina, CA 93933-1670 (Mailing Address) |
| City     | City of Scotts Valley.<br>Attn: City Manager<br>One Civic Center Drive<br>Scotts Valley, CA 95066                                                                                                                                                   |

#### 8.7 Indemnification for Taxes and Contributions

Each party shall exonerate, indemnify, defend, and hold harmless the other (which for the purpose of this paragraph shall include, without limitation, its officers, agents, employees,

and volunteers) from and against:

Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect each party's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

#### 8.8 Non-Discrimination

During and in relation to the performance of this Agreement, both parties agree as follows:

Neither party shall discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Both parties agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

#### 8.9 Independent Contractor Status

The District and City have reviewed and considered the principal test and secondary factors for determining independent contractor status and agree that this is an independent contractor arrangement and that neither party is an employee of the other. Each party is responsible for its own insurance (workers' compensation, unemployment, etc.) and all payroll-related taxes. Neither party is entitled to any employee benefits from the other. Each party shall have the right to control the manner and means of accomplishing the result contracted for herein.

#### 8.10. Amendment or Modification

This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by authorized representatives of both of the parties hereto.

#### 8.11. Further Actions

Each of the parties shall execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

#### 8.12. Interpretation

This Agreement has been negotiated by and between the general managers and engineers or principals of both parties, all persons knowledgeable in the subject matter of this Agreement, which was then reviewed and drafted by attorneys representing both parties, in joint consultation with both general managers and engineers or principals. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

#### 8.13. Captions

Titles or captions of sections and paragraphs contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of it.

#### 8.14. Severability

If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement, unless this Agreement without the severed provision would frustrate a material purpose of either party in entering into this Agreement.

#### 8.15. Attorneys' Fees and Costs

In the event it should become necessary for either party to enforce any of the terms and conditions of this Agreement by means of court action or administrative enforcement, the prevailing party, in addition to any other remedy at law or in equity available to such party, shall be awarded all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing party.

8.16 Relationship of Parties

Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the parties.

8.17 Controlling Law; Jurisdiction

The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey with respect to any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

8.18 Waiver

No waiver of any right or obligation of either party hereto shall be effective unless made in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement or any other right at any time shall not be a bar to exercise of the same right on any subsequent or any other right at any time.

8.19 Counterparts

This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute one and the same instrument.

8.20 Entire Agreement

This Agreement constitutes the entire and complete agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates opposite their respective signatures:

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT**

Date: \_\_\_\_\_ By \_\_\_\_\_  
Chairperson of the Board of Directors

**CITY OF SCOTTS VALLEY**

Date: \_\_\_\_\_ By \_\_\_\_\_  
City Manager

**ATTEST:**

Date: \_\_\_\_\_ By \_\_\_\_\_  
MRWMD Board Secretary

Date: \_\_\_\_\_ By \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

By \_\_\_\_\_ Date: \_\_\_\_\_  
District Legal Counsel

By \_\_\_\_\_ Date: \_\_\_\_\_  
City Attorney

**APPROVED AS TO INSURANCE:**

By \_\_\_\_\_ Date: \_\_\_\_\_  
City Risk Manager

**EXHIBIT A**  
**REFUSE RATES**

|                             | Refuse Disposal Rates |          |                           |
|-----------------------------|-----------------------|----------|---------------------------|
| Effective Date of new Rates | Current               | 7/1/2023 | 7/1/2024 and thereafter   |
| Posted MRWMD Refuse Rates   | \$65.00               | TBD      | TBD                       |
| Contractual Refuse Rates    |                       |          |                           |
| City of Scotts Valley       | \$50.00               | \$55.00  | 95% of Posted Refuse Rate |

**EXHIBIT B**  
**CONDITIONS & PROCEDURES FOR DELIVERY OF ACCEPTABLE WASTE BY  
CITY OF SCOTTS VALLEY TO MONTEREY PENINSULA LANDFILL**

1. The City will not deliver any Acceptable Waste to the Landfill after 4:00 P.M. Monday-Saturday except in the case of an emergency, or with prior written approval of the District General Manager or his/her designee.
2. The types of vehicles to deliver Acceptable Waste will be Transfer Trucks or Refuse Collection Packer Trucks only.
3. The City will participate in a Household Hazardous Waste Program that complies with state law.

City delivery vehicles shall proceed to the Districts' regular vehicle weighing scale system upon arrival at the Monterey Peninsula Landfill for all loads accepted. District staff will invoice the City monthly based upon weight provided by the Districts' regular vehicle weighing scale system. Terms of payment will be net 30 day's upon receipt of invoice

**EXHIBIT C**  
**CITY HAZARDOUS MATERIALS REMOVAL PROGRAM**

**AGREEMENT FOR ORGANIC WASTE DIVERSION  
SERVICES BY AND BETWEEN  
THE MONTEREY REGIONAL WASTE MANAGEMENT  
DISTRICT AND THE CITY OF SCOTTS VALLEY**

**THIS AGREEMENT FOR ORGANIC WASTE DIVERSION SERVICES**

(hereinafter "Agreement") is made and entered into on June \_\_\_, 2022 by and between the Monterey Regional Waste Management District, a public entity duly organized pursuant to the provisions of California Health and Safety Code sections 4170 *et seq.* (the "District"), and the City of Scotts Valley, a California general law city (the "City") (collectively, the "Parties"), as follows:

**RECITALS**

A. On December 18, 2009, District and City entered into "WASTE DISPOSAL AGREEMENT BY AND BETWEEN DISTRICT AND CITY," for a term of thirty years, to facilitate the delivery of waste generated and collected in the City to District's Monterey Peninsula Landfill for disposal. Due to certain legal considerations, including without limitation changes to applicable laws, District has given notice to City of termination for convenience of the 2009 agreement, and the Parties are in accord that the 2009 agreement shall be superseded by a new "Waste Disposal Agreement" and separately, this Agreement for Organic Waste Diversion.

B. The Parties agreed to extend that agreement subject to the terms of that certain agreement entitled Agreement To Continue Waste Disposal Services By And Between The Monterey Regional Waste Management District And The City Of Scotts Valley.

C. On September 17, 2016, the California Legislature passed Senate Bill 1383 which establishes regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to support achievement of State-wide Organic Waste Diversion (disposal reduction) targets.

D. The City desires to have a continued right to deliver Organic Waste to the Monterey Peninsula Landfill ("Landfill").

E. The District is in the process of preparing a master plan for its facilities which may affect capacity and services offered at the Landfill's organic processing area.

F. The Parties desire to enter into a short-term agreement for the processing, diversion, and disposal of Organic Waste at the Landfill subject to the terms of this Agreement until such time as the master plan is approved and changes are proposed at the Landfill.

G. District has determined that the execution by District of this Agreement will serve the public health, safety, and welfare of the District by providing a more stable, predictable and reliable supply of Organic Waste to optimize the District's composting operations, and that the resulting revenue will assist in the District's rate stabilization efforts and waste diversion programs.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and City agree to the following Terms and Conditions:

## **TERMS AND CONDITIONS**

### **1. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Applicable Law" means the Act, the Monterey County Code, CERCLA, RCRA, CEQA, SB 1383, any legal entitlement and any other rule, regulation, requirement, guideline, permit, action, determination, or order of any governmental body having jurisdiction, applicable from time to time, relating to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management, operation, or maintenance of the Landfill or the transfer, handling, transportation, and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire,

environmental protection, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages).

1.2 "CEQA" means the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.3 "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act (42 U.S.C. Section 9601 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.4 "Organic Waste Diversion Services" means the Organic Waste processing, diversion, and disposal services to be provided to the City by the District under this Organic Waste Diversion Agreement.

1.5 "Food Scraps" means those discarded materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) (iv) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (v) vegetable trimmings, houseplant trimmings and other Compostable organic waste common to the occupancy of residential dwellings. Food Scraps are a subset of Mixed Organic Waste.

1.6 "Mixed Organic Waste" means discarded organic materials that are collected from a residential customer that includes a mixture of Food Scraps and Yard Trimmings. Mixed Organic Waste does not include items herein defined as Excluded Waste, and contaminants such as glass, plastic (including Compostable Plastics), ceramics, metal, waxed paper, animal waste, restaurant or commercially Collected post-consumer food waste, dirt, treated or painted wood, concrete, or tree stumps.

1.7 "Non-District Waste" also "Out-of- District Waste," means solid waste originating outside the jurisdictional boundaries of the District.

1.8 "Source Reduction and Recycling Element" or "SRRE" means a solid waste planning document prepared by each city and unincorporated county pursuant to Division 30, Section 41000 *et seq.* of the Act.

1.9 "Transfer Trucks" means any large, multi-axle vehicle not exceeding 80,000 pounds gross vehicle weight.

1.10 "Unacceptable Waste" means Hazardous Waste; Hazardous Substances; Hazardous Materials; untreated medical waste; Household Hazardous Waste that has been separated from Acceptable Waste; explosives; bombs; ordnance, such as guns and ammunition; highly flammable substances; noxious materials; drums and closed containers; liquid waste, including liquid concrete; oil; human wastes and sewage sludge; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts; motor vehicles or major components thereof; agricultural equipment; trailers; marine vessels and steel cable; hot loads, including hot asphalt, and hot liquid sulfur; loads of whole tires; friable asbestos; and any waste which the Landfill is prohibited from receiving under Applicable Law.

1.11 "Uncontrollable Circumstances" means only the following acts, events or conditions, whether affecting the City, or the District, to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement:

- a. an act of nature, hurricane, landslide, lightning, pandemic, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;
- b. a change in law affecting either party's ability to perform an obligation or complying with any condition required of such party under this Agreement;
- c. pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

Provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party.

1.12 "Yard Trimmings" means those discarded materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and other types of

materials resulting from normal yard and landscaping maintenance. Yard Trimmings does not include items herein defined as Excluded Waste. Yard Trimmings are a subset of Mixed Organic Waste.

## **2. TERM OF AGREEMENT**

### **2.1 Term of Agreement**

The term of this Agreement shall commence on the date first written above and shall continue as long as the District's existing processor continues compost operations on site. A 12-month notice will be given to City if the 3<sup>rd</sup> party processor's operations are discontinued. The City shall give the District a 12-month notice if they choose to stop delivering organic waste to the District.

## **3. DELIVERY OF ORGANIC WASTE**

### **3.1 Commitment to Deliver Organic Waste**

The City shall be permitted to annually deliver Mixed Organic Waste to the Landfill during the term of this Agreement. Waste shall generally be delivered by organics collection or transfer vehicles of the City's franchised waste hauler. Waste shall be delivered to the Landfill during the hours of 5:30 A.M. TO 4:00 P.M. Monday through Friday, and 8:00 A.M. to 4:00 P.M. on Saturdays, excepting certain holidays where closed or operating under shortened business hours, or as otherwise approved in writing by the District or as modified by a regulatory entity at the time of a permit renewal or issuance of a new permit. At any time, the City may redirect its Mixed Organic Waste to another landfill or processing facility.

### **3.2 City's Authority to Deliver Waste**

The City warrants that it has and shall maintain during the term of this Agreement the right, power, and authority to deliver the Mixed Organic Waste to the District through franchises, contracts, permits, licenses, or other arrangements.

## **4. PROVISION OF ORGANIC WASTE DIVERSION SERVICES**

### **4.1 Commitment to Provide Organic Waste Diversion Services**

The District agrees to provide Organic Waste Diversion Services to the City for the term of the Agreement under the conditions specified in the Agreement. The District warrants that it can receive City's Mixed Organic Waste at the District's composting facility, under the facility permit for the term of this Agreement.

### **4.2 Fee for Organic Waste Diversion Services**

City shall pay an initial rate for Mixed Organic Waste delivered to District in the amount of \$61.00/ton. For the entirety of this Agreement, all other materials and services shall be paid at rates equal to the District's Posted Rates for such materials

and services, including Mixed Organic Waste, except where agreed to otherwise in writing by both parties. All changes to District's Posted Rates are subject to approval by District's Board of Directors, in the exercise of its sole discretion. For the purposes of this Agreement, the first year, or "Year 1", shall begin on July 1, 2022 and end on June 30, 2023.

#### 4.3 Payment for Organic Waste Diversion Services

The City is responsible for payment for Organic Waste Diversion Services and all other fees or charges under this Agreement. The District may, in its discretion, charge and accept payment from the City's franchised waste hauler for Organic Waste Diversion Services but responsibility for payment of any charges not paid by the City's franchised waste hauler remains the City's responsibility. The diversion fee may be paid in cash in advance for each load at the time of delivery, or the District may elect to establish a deferred billing account under a process mutually agreed upon.

#### 4.4 Annual Diversion Fee Increase Adjustment for Provision of Organic Waste Diversion Services

The rate specified in Section 4.2 shall be the initial rate through June 30, 2023. All rate increases shall be effective on July 1 of each year.

#### 4.5 Increase in Governmental Fees or District Costs Due to New Regulatory or Statutory Mandates

If any fees or charges are imposed or increased by law or regulation after the date first written above and levied on the District by any local, state, or federal government or a local enforcement agency, the District shall have the right, upon 30-days prior written notice to the City, to increase the then current fee charged to the City hereunder in an equitable manner relative to the services provided to the City under this Agreement. Any increased cost borne by the District due to new regulatory or statutory mandates beyond the District's control shall be allocated based on the percentage of tons of waste delivered to the District by the City compared to all other tons delivered to the District and included in the diversion fee charged.

### **5. PROCEDURES FOR DELIVERY AND ACCEPTANCE OF WASTE**

#### 5.1 Procedures for Delivery and Acceptance of Out-of-District Waste

City shall deliver Mixed Organic Waste to the District's composting facility according to the conditions and procedures in **Exhibit A**. The General Manager of the

District and the City's designee may mutually agree to modify **Exhibit A**, provided such modifications are made in writing signed by both parties and subject to the terms and conditions of this Agreement.

The City through its franchised waste hauler shall bear all costs of collection, processing, transfer, transportation, taxes, permits, or impositions assessed by any governmental body related to the delivery of Mixed Organic Waste to the Landfill. The District assumes all costs incurred as a result of the acceptance of the City's Mixed Organic Waste.

#### 5.2 Unacceptable Waste

The City shall act with reasonable due diligence to prevent the delivery of any waste to the Landfill that is defined as Unacceptable Waste under this Agreement.

#### 5.3 Out-of-City Waste

Only Mixed Organic Waste originating inside of the City (with the exception of up to 5% of out-of-City waste per Section 8.4) may be delivered to the District's composting facility pursuant to this Agreement. City shall maintain records and supporting source documents that adequately identify the origin of all Mixed Organic Waste delivered by the City to the District's composting facility pursuant to this Agreement. All records and source documentation shall be maintained by the City for a minimum of five years following the termination of this Agreement. Documents shall be maintained in a location mutually acceptable to District and City.

District shall, through its duly authorized agents or representatives, have the right to examine and audit records and supporting source documents maintained by City concerning the origin of waste delivered to the Monterey Peninsula Landfill at any and all reasonable times, upon thirty (30) days written notice, for purposes of determining the accuracy of those records and of the reports provided to District pursuant to this Agreement and of the accuracy of City payments to District pursuant to this Agreement. If any Audit of the City's or its franchised hauler's invoices or other records reveals any variance from any invoice for waste delivered to the District in excess of five percent (5%) of the amount shown on such invoice, or if the City has failed to maintain true and complete books, records and supporting source documents in accordance with this Section, City shall immediately reimburse District for all costs and expenses incurred in conducting such Audit.

#### 5.4 Hazardous Materials, Substances or Waste

The City shall act with reasonable due diligence to prevent the delivery of Unacceptable Wastes, Hazardous Materials, Hazardous Substances, or Hazardous Waste to the District's composting facility. The City program for detection and removal of Hazardous Materials, Hazardous Waste, Hazardous Substances or Unacceptable Waste from Acceptable Waste ("Hazardous Materials Removal Program") is set out in **Exhibit B**, incorporated herein by this reference as if fully set forth herein.

The City shall notify the General Manager of the District, in writing, at least 30-days prior to making any significant modifications in City's Hazardous Materials Removal Program. The District may object to any such modification in writing within 15-days of receipt. The City shall give reasonable consideration to any District objections. The intentional delivery any quantity of Hazardous Waste shall constitute a material breach of this Agreement.

#### 5.5 Emergency Re-Designation of Facility

The District shall have the right to suspend acceptance of Mixed Organic Waste to the District's composting facility at any time for up to 45-days upon the occurrence of a natural disaster or other Uncontrollable Circumstances which affect the ability of the District to accept, under Applicable Law, City's otherwise Mixed Organic Waste at the District's composting facility.

The District will make every reasonable effort to provide advance notice; however, exigent circumstances may require re-designation of Mixed Organic Waste on a temporary basis without prior notice. No adjustments shall be made to the diversion fee of organic waste redirected due to emergency.

#### 5.6 Mutual Aid

In the event of an emergency, the parties may provide mutual aid to one another through the sharing of resources.

#### 5.7 Weights for Payment

Payment shall be based upon weight provided by the Districts' regular vehicle weighing scale system.

### 6. **REGULATORY COMPLIANCE**

6.1 Applicable Law

Throughout the term of this Agreement the parties shall comply with Applicable Law; and shall obtain and maintain any permits, licenses, or approvals which are required for the performance of the party's respective obligations under this Agreement.

6.2 Compatibility with The Act

The actions of the City in entering into this Agreement shall be compatible with the goals, policies, and agreements of the Source Reduction and Recycling Element(s) (SRREs) of the jurisdiction(s) generating the waste which is accepted in the Landfill.

6.3 Reporting

The City shall supply all information necessary to comply with the District's Diversion and Disposal Reporting System and any other information required by the District to comply with the Act, or any other Applicable Law.

6.4 Recordkeeping and Reporting

Upon the City's request, the District shall provide any and all records and/or reports related specifically to the use of facilities relied upon by the District for performance under this Agreement that have been provided to other governmental agencies, including but not necessarily limited to: County of Monterey, Regional Water Quality Board, Air Quality Management District, or CalRecycle, unless such records are the subject of litigation disclosure or confidentiality agreements, or where disclosure is limited or prohibited in accordance with State or local privacy laws.

6.5 Capacity Assurance

The District warrants that as of the Commencement Date, it has sufficient capacity to process, divert, and dispose of all Mixed Organic Waste throughout the Term, and that it shall maintain that capacity throughout the Term and any extension.

## 6.6 SB 1383 Requirements

District's performance of services described in this Agreement shall be performed in accordance with those provisions of the SB 1383 regulations, incorporated herein by reference, which specifically pertain to District's Organic Waste Diversion Services under this Agreement and which does not pertain solely to services provided by the City's franchised collector or programs operated by the City.

## **7. TERMINATION, DEFAULT AND REMEDIES**

### 7.1 Termination for Convenience

Commencing on the first day of the fifth year of this agreement, the District may terminate this Agreement in the event the District has completed its master plan and has implemented new policies, procedures and fees for the processing, diversion, and disposal of Mixed Organic Waste; provided the District has negotiated in good faith with the City to execute a new agreement subject to the new policies, procedures and fees for the processing, diversion, and disposal of Mixed Organic Waste.

### 7.2 Termination for Cause

Either party may terminate this Agreement for cause for the reasons set forth below. In the case of termination for cause, the terminating party shall not be liable to the non-terminating party for any damages incurred due to early termination, including, but not limited to, consequential damages.

#### a. Termination for Cause by District

The District may terminate for cause if:

- i. The City delivers waste originating outside the City in excess of 5% (paragraph 5.3).

#### b. Termination for Cause by City

The City may terminate for cause if the District is unable to accept Mixed Organic Waste for more than 45-days and the parties are unable to reach a mutually acceptable resolution through modification of this Agreement (paragraph 5.5).

#### c. Termination for Cause by Either Party

Either party may terminate for cause if:

- i. The District is ordered by court of competent jurisdiction to cease providing Organic Waste Diversion Services under the terms and conditions of this Agreement. In such event District

will not be liable for actual or consequential damages due to the inability to provide Organic Waste Diversion Services.

- ii The other party is determined to be in violation of Applicable Law, despite reasonable due diligence.

d. Opportunity for Cure

If either party fails to perform any of its obligations hereunder, that party shall have 30 business days from receipt of written notice of default from the other party within which to cure such default.

7.3 Dispute Resolution

If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall meet and confer in a good faith attempt to resolve the matter between themselves. If a dispute concerns any amounts to be paid to the District by the City, then the City shall pay the amount demanded on time, under protest, notwithstanding that the City has commenced or proposes to commence the dispute resolution procedures specified herein. If a dispute is not resolved by meeting and conferring within a period of thirty (30) days after the first notice of the dispute is received by the non-disputing party, the matter shall be submitted for formal mediation to a mediator mutually agreed upon by the parties. The expenses of such mediation will be shared equally between the parties. If the dispute is not or cannot be resolved by mediation within one-hundred-twenty (120) days after the notice of the dispute is received by the non-disputing party, then either party may pursue any and all available legal and equitable remedies.

**8. GENERAL CONDITIONS**

8.1 Uncontrollable Circumstances

Each party will excuse performance by the other in the event of Uncontrollable Circumstances.

8.2 Indemnification and Hold Harmless

a. Indemnification by City. City and District agree that District, its Board of Directors, officers, employees and agents, shall to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorney's fees, litigation cost, defense cost, court cost or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity

provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the District. City acknowledges that District would not enter into this agreement in the absence of this commitment to indemnify and protect District as set forth herein.

To the full extent permitted by law, the City shall defend, indemnify and hold harmless District, its Board of Directors, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by District, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or willful misconduct of the City or its franchised waste hauler or contractor(s). All obligations under this provision are to be paid by the City as they are incurred by the District.

Without affecting the rights of the District under any provision of this Agreement or this section, the City shall not be required to indemnify and hold harmless District as set forth above for liability attributable to the active negligence of the District, its officers, employees or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the District is shown to have been actively negligent and not in instances where the City, or its franchised waste hauler or contractor(s) are solely or partially at fault or in instances where the District's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the City will be for that portion or percentage of liability not attributable to the active negligence of the District, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

The City shall obtain executed indemnity agreements from its franchised waste hauler and any contractor or any other person or entity involved by, for, with or on behalf of the City in the performance or subject matter of this Agreement. In the event the City fails to obtain such indemnity obligations from others as required here, the City shall be fully responsible according to the terms of this section.

Failure of the District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder and shall survive the termination of this Agreement or this section.

b. Indemnification by District. To the full extent permitted by law, the District shall defend, indemnify and hold harmless the City, its City Council, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or the willful misconduct of the District. All obligations under this provision are to be paid by the District as they are incurred by the City.

Without affecting the rights of the City under any provision of this Agreement or this section, the District shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the active negligence of the City, its officers, employees, contractors or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City or its franchised waste hauler or contractor(s) are shown to have been actively negligent and not in instances where the District is solely or partially at fault or in instances where the City's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the District will be for that portion or percentage of liability not attributable to the active negligence of the City, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

c. Notice of Claims

A party seeking indemnification shall promptly notify the other party of the assertion of any claim against it for which it seeks to be indemnified, shall give the other party the opportunity to defend such claim, and shall not settle the claim without the approval of the other party. These indemnification provisions are for the protection of the Parties only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

### 8.3 Insurance

a. City's Insurance. City shall require its franchise waste hauler to maintain, and require any of its subcontractors or others hired for this Agreement to maintain, insurance coverage as described hereunder effective the date first written above and such insurance shall remain in full force at all times throughout the full term of this Agreement. Insurers providing coverage as required by this Agreement shall be acceptable to District and must be authorized to do business in the State of California.

Certificates of insurance or other evidence satisfactory to the District shall be furnished in duplicate, evidencing City coverage of Workers' Compensation Insurance, Commercial General Liability, and Comprehensive Auto Liability; such certificates shall show the insurer's name, policy number, limit of coverage, and the period of the policy and cancellation conditions of these specifications. Such certificates shall state that coverage there under shall not be terminated or reduced in coverage until 30 days' written notice is given to General Manager of the District of cancellation or reduction in coverage; allow for severability of interest of District; and be primary and non-contributing with insurance maintained or self-insured by the District.

The District shall be added, by endorsement to the policy for Commercial General Liability, Auto Liability and Employer's Liability coverage, as an additional insured party on the above-described policies, as they pertain to the operations of the named insured performed under this Agreement for the District. The District, as the additional insured party, shall be defined as follows: "Monterey Regional Waste Management District and Agency, its Council, boards and commissions, officers, employees, agents, and volunteers". Entire limits of liability maintained must be certified but in no event shall limits be less than specified herein below:

| <u>Coverage</u>                 | <u>Minimum Limit</u>         |
|---------------------------------|------------------------------|
| Workers' Compensation           | Statutory                    |
| Employer's Liability            | \$1,000,000 per accident or  |
| disease                         |                              |
| Comprehensive General Liability | \$1,000,000 Combined         |
| General Aggregate               | \$2,000,000                  |
|                                 | Single limit each occurrence |
| Comprehensive Auto Liability    | \$1,000,000 Combined         |

b. District Insurance. District shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

i. Limits.

Commercial General Liability – \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

Automobile Liability – \$1,000,000 combined single limit per accident for bodily injury and property damage (include coverage for hired and non-owned vehicles).

Workers' Compensation – Statutory Limits/Employers' Liability.

General Liability and Auto Liability Limits of Insurance may be satisfied by a combination of primary and umbrella or excess insurance.

ii. Additional Insured. The City, its officers, officials, employees, volunteers, representatives, and agents shall be named as additional insured on all but the workers' compensation coverage.

iii. Said policies shall remain in force through the life of this Agreement and shall be payable on a "per occurrence" basis unless City's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, in the event that the District changes insurance carriers District shall purchase "tail" coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such "tail" or other continuous coverage shall be required at any time that the District changes to a new carrier prior to receipt of any payments due.

iv. The District shall declare all aggregate limits on the required coverage are in place before commencing performance of this Agreement and are available throughout the performance of this Agreement.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the City. If District's insurer refuses to provide this endorsement, District shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

v. The deductibles or self-insured retentions are for the account of District and shall be the sole responsibility of the District.

vi. District shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies

conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. "The City reserves the right to review at District's corporate office copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications. The District shall be allowed to redact information that it considers confidential".

The Certificate with endorsements and notices shall be mailed to:

City of Scotts Valley  
City Manager  
One Civic Center Drive  
Scotts Valley, CA 95066

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by City Risk Manager.

vii. The policies shall cover all activities of District, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.

viii. For any claims relating to this Agreement, the District's insurance coverage shall be primary, including as respects City, its officers, agents, employees, and volunteers. Any insurance maintained by City shall apply in excess of, and not contribute to, coverage provided by District's liability insurance policy.

ix. The District shall waive, by evidenced endorsement to the policy, all rights of subrogation against City, its officers, employees, agents, and volunteers.

x. Endorsements. Prior to the Effective Date pursuant to this Agreement, District shall furnish City with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the City's Risk Manager before work commences.

xi. Renewals. During the Term of this Agreement, District shall furnish City with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

xii. Workers' Compensation. District shall provide workers' compensation coverage as required by State law, and prior to the Effective Date pursuant to this Agreement, District shall file the following statement with City:

"I am aware of the provisions of Section 3700 of the Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such

provisions before commencing any services required by this Agreement.

District agrees to include in any subcontract the same requirements and provisions of this Agreement including the indemnity and insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by District agree to be bound to District and City in the same manner and to the same extent as District is bound to City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Contract/Agreement and Insurance Provisions will be furnished to the Subcontractor. The District shall require all Subcontractors to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencement of any work and will provide proof of compliance to the City.

The person executing this Certificate on behalf of District affirmatively represents that she/he has the requisite legal authority to do so on behalf of District, and both the person executing this Agreement on behalf of District and District understand that City is relying on this representation in entering into this Agreement.”

#### 8.4 Mixed Organic Waste Origin

City may deliver Mixed Organic Waste collected by City or any other entity under subcontract to City. The District understands and agrees that up to 5% of the City's Mixed Organic Waste delivered to the District's composting facility during any twelve-month period may originate outside the City. Waste originating outside City in excess of the 5% cap, may not be delivered without the express prior written consent of the District's General Manager. All waste delivered must originate from a municipality or district that has implemented a SB1383 diversion program and an approved Household Waste Collection Program and has fully implemented its SRRE.

#### 8.5 Non-Assignment of Agreement

City may not assign this Agreement or any of the rights or obligations under this Agreement without the prior written consent of the District, which may be withheld at the District's sole discretion. Any person or entity to whom this Agreement is assigned shall expressly agree to be bound by all provisions of this Agreement. City will remain liable to District for all obligations under this Agreement notwithstanding any assignment made pursuant to this clause.

#### 8.6 Notices

Any notice required or permitted by this Agreement shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective parties set forth in this Agreement. Any

changes to the respective addresses to which notices may be directed, may be made from time to time by any party by notice to the other party. The present addresses of the parties are:

|          |                                                                                                                                                                                                                                                     |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| District | Monterey Regional Waste Management District<br>Attn: General Manager<br>Location for Direct Deliveries and Certified Mail:<br>14201 Del Monte Blvd., Monterey County, CA 93908 (Physical)<br>P.O. Box 1670, Marina, CA 93933-1670 (Mailing Address) |
| City     | City of Scotts Valley<br>Attn: City Manager<br>One Civic Center Drive<br>Scotts Valley, CA 95066                                                                                                                                                    |

#### 8.7 Indemnification for Taxes and Contributions

Each party shall exonerate, indemnify, defend, and hold harmless the other (which for the purpose of this paragraph shall include, without limitation, its officers, agents, employees, and volunteers) from and against:

Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect each party's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

#### 8.8 Non-Discrimination

During and in relation to the performance of this Agreement, both parties agree as follows:

Neither party shall discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship), employment,

upgrading, demotion, or transfer. Both parties agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

#### 8.9 Independent Contractor Status

The District and City have reviewed and considered the principal test and secondary factors for determining independent contractor status and agree that this is an independent contractor arrangement and that neither party is an employee of the other. Each party is responsible for its own insurance (workers' compensation, unemployment, etc.) and all payroll-related taxes. Neither party is entitled to any employee benefits from the other. Each party shall have the right to control the manner and means of accomplishing the result contracted for herein.

#### 8.10. Amendment or Modification

This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by authorized representatives of both of the parties hereto.

#### 8.11. Further Actions

Each of the parties shall execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

#### 8.12. Interpretation

This Agreement has been negotiated by and between the general managers and engineers or principals of both parties, all persons knowledgeable in the subject matter of this Agreement, which was then reviewed and drafted by attorneys representing both parties, in joint consultation with both general managers and engineers or principals. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

#### 8.13 Captions

Titles or captions of sections and paragraphs contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of it.

#### 8.14 Severability

If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement, unless this Agreement without the severed provision would frustrate a material purpose of either party in entering into this Agreement.

#### 8.15 Attorneys' Fees and Costs

In the event it should become necessary for either party to enforce any of the terms and conditions of this Agreement by means of court action or administrative enforcement, the prevailing party, in addition to any other remedy at law or in equity available to such party, shall be awarded all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing party.

#### 8.16 Relationship of Parties

Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the parties.

#### 8.17 Controlling Law; Jurisdiction

The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey with respect to any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

#### 8.18 Waiver

No waiver of any right or obligation of either party hereto shall be effective unless made in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement or any other right at any time shall not be a bar to exercise of the same right on any subsequent or any other right at any time.

#### 8.19 Counterparts

This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute one and the same instrument.

8.20 Entire Agreement

This Agreement constitutes the entire and complete agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the dates opposite their respective signatures:

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT**

Date: \_\_\_\_\_ By \_\_\_\_\_  
Chairperson of the Board of Directors

**CITY OF SCOTTS VALLEY**

Date: \_\_\_\_\_ By \_\_\_\_\_  
City Manager

**ATTEST:**

Date: \_\_\_\_\_ By \_\_\_\_\_  
MRWMD Board Secretary

Date: \_\_\_\_\_ By \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

By \_\_\_\_\_ Date: \_\_\_\_\_  
District Legal Counsel

By \_\_\_\_\_ Date: \_\_\_\_\_  
City Attorney

**APPROVED AS TO INSURANCE:**

By \_\_\_\_\_ Date: \_\_\_\_\_  
City Risk Manager

## **EXHIBIT A**

### **CONDITIONS & PROCEDURES FOR DELIVERY OF ACCEPTABLE WASTE BY CITY OF SCOTTS VALLEY TO MONTEREY PENINSULA LANDFILL**

1. The City will not deliver any Acceptable Waste to the Landfill after 4:00 P.M. Monday-Saturday except in the case of an emergency, or with prior written approval of the District General Manager or his/her designee.
2. The types of vehicles to deliver Acceptable Waste will be Transfer Trucks or Refuse Collection Packer Trucks only.
3. The City will participate in a Household Hazardous Waste Program that complies with state law.

City delivery vehicles shall proceed to the Districts' regular vehicle weighing scale system upon arrival at the Monterey Peninsula Landfill for all loads accepted. District staff will invoice the City monthly based upon weight provided by the Districts' regular vehicle weighing scale system. Terms of payment will be net 30 day's upon receipt of invoice

**EXHIBIT B**

**CITY HAZARDOUS MATERIALS REMOVAL PROGRAM**

## **City of Scotts Valley CITY COUNCIL STAFF REPORT**

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Tyler Thomas, Maintenance Division Manager  
Chris Lamm, Public Works Director / City Engineer

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT: APPROVAL OF ON-CALL PROFESSIONAL SERVICE AGREEMENTS**

### **SUMMARY OF ISSUE**

The public works department is responsible for planning, building, and maintaining the City's infrastructure. The department is comprised of engineering, maintenance, wastewater, and recreation divisions managing projects per the City's capital improvement program (CIP) and development service needs. Such projects may include design, master planning, development permit review, utility upgrades, building and park maintenance, and street and sidewalk repairs. Currently, public works projects are overseen by staff engineers and supplemented with contract consulting services as technical need or staffing resources require.

On-call agreements are an efficient tool for providing technical staff support and shorten the time needed to identify vetted/qualified firms while adhering to City purchasing policies. This enables the City to more quickly respond to needs by utilizing these consulting firms' services on an as-needed basis for a specific activity. These services are temporary and obtained only for the length of time needed to complete the tasks. On-call agreements that involve professional services only provide a list of qualified and vetted consulting firms. Once an on-call agreement is in place with the listed firms, staff interacts with these firms on an as-needed basis to find the most appropriate level of expertise and knowledge to carry out a specific task.

The on-call agreement includes the same language as the City's standard services contract and requires the consultant to provide proof of insurance and to indemnify and hold the City harmless for the work performed. The agreements will be for three years with an option to extend yearly for up to two additional years.

On February 4, 2022 the City issued a request for qualifications (RFQ) for on-call arborist

services, architectural, landscape architectural, civil engineering, project management, MEP (mechanical, electrical, and plumbing) engineering, construction inspection, general municipal engineering, materials testing, and transportation engineering services to develop a list of firms to award on call agreements. On February 25, 2022, the City received 27 submittals in response to the RFQ. Out of the 27 responses, there were no submittals for MEP engineering. On April 28, 2022, the City issued another RFQ for MEP engineering services to assist with two immediate projects and future needs.

The first project being installation of back-up generators at the Senior Center and Community Center to provide back-up power during major storm events or PSPS events in the City or surrounding areas. These two City buildings are currently used as emergency evacuation centers for the County of Santa Cruz during storms that pose a high debris flow risk in burn scar areas. Evacuation centers are critical to our residents, and the residents of surrounding areas, during storm events. It is critical that these facilities be well equipped and prepared to attend to the needs of our residents. The City was able to purchase the generators through an Office of Emergency Services (OES) grant, but upon bidding for installation it was apparent that further design work was needed to ensure proper installation and connection to the existing electrical systems.

The second project that will utilize the on-call agreement will be upgrades to the current HVAC system at City Hall and the Police Department which has had persistent issues, including major malfunctions, for the past several years. The City Hall HVAC system is unreliable and continues to incur costly repairs. The maintenance department has been providing repairs on an as-needed basis; however, it is apparent that these repairs are reactive versus proactive. These reactive repairs are costly and interfere with the work of City staff. A reactive approach to repairing the HVAC infrastructure within City Hall and the Police Department is not fiscally responsible. This project will also help the City find a more energy efficient system that can decrease our energy usage and provide an improved work environment to City staff.

On May 13, 2022, the City received 3 submittals to the RFQ.

| On-Call Service                | Proposals Received |
|--------------------------------|--------------------|
| MEP                            | 3                  |
| <b>Total Proposal Received</b> | <b>3</b>           |

Table 1: Proposals

Staff reviewed and ranked proposals by type of on-call service. Upon review, staff identified firms that would best provide the range of specialties for MEP services. Proposers were chosen based on several selection criteria including qualifications, key personnel, fee structure, reference projects, availability to complete work, along with other factors. Staff recommends entering into agreements with all three firms who proposed for MEP services. Refer to Table 2 below for the selected firms and types of services that can be provided.

| On-Call Service | Firm(s) Selected                                                                                                                      | Types of services (Illustrative)                                                                                                                                                                               |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MEP             | <ul style="list-style-type: none"> <li>• EDesignC</li> <li>• Advance Design Consultants</li> <li>• Borrelli and Associates</li> </ul> | <ul style="list-style-type: none"> <li>• Project development</li> <li>• MEP design</li> <li>• Preparing as built drawings</li> <li>• Construction support</li> <li>• Building permitting assistance</li> </ul> |

Table 2: Selected Firms

Once a specific firm from the list is identified for a task, the City will solicit scope, schedule and cost information about the task(s) requested and establishes a purchase order for a not-to-exceed amount from a funding source as included in either the annual operating or approved CIP budget.

### **FISCAL IMPACT**

The authorization of these on-call agreements would not result in a direct expenditure of City resources. Tasks would be assigned through the on-call agreements to meet the needs and demands identified for each future fiscal year through the adoption of the annual budget and capital improvement program.

The contract amount for services would be identified for each project, depending on the scope of work/services, the number and type of professionals/technicians used, and the level of community engagement needed. The costs of these services are budgeted in the program or capital project for which the services are needed. No additional appropriations are being requested at this time.

### **STAFF RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to negotiate and execute three-year on-call agreements in a form acceptable to the City Attorney with multiple consulting firms, listed in Table 2 for; on-call MEP services with options to extend the agreements on a yearly basis for up to two additional years; and authorize the execution of purchase orders under the on-call agreements up to the budgeted amount.

## City of Scotts Valley CITY COUNCIL STAFF REPORT

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Tyler Thomas, Maintenance Division Manager  
Chris Lamm, Public Works Director / City Engineer

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT:** **LANDSCAPE SERVICES AGREEMENT**

### **SUMMARY OF ISSUE**

At the City Council strategic planning sessions this spring, a focus was placed on the restoration of parks to improve the quality of life of the residents of Scotts Valley. At current staffing levels, the Public Works department is unable to provide the regular necessary attention to the various parks, or city facility landscape areas around town. Public Works has utilized contract landscaping services to supplement staff resources in the past as an effective way to ensure regular maintenance activities are performed and not skipped when higher priority tasks arise.

The City recently entered into a multi-year agreement with Brightview Landscaping, Inc. for the maintenance of the Skypark soccer fields and Skypark subdivision greenbelts. Additionally, the City has several other landscape contractors who perform various tasks around the City, however, many of these agreements are expired, or are performed under month to month invoicing.

The purpose of this request for proposals (RFP) is to consolidate existing landscape maintenance agreements and to ensure regular maintenance activities occur in areas where existing agreements are not in place. The locations identified for landscape services include:

- Skypark Open Space Linear Trail
- Pinewood Estates meandering sidewalk and landscaping
- Medians island on Scotts Valley Drive and Mount Hermon Road
- Community Center
- Senior Center
- Library landscaping

The Skypark Open Space Linear Trail scope of work includes annual replacement of 200 feet of fencing, and a one-time refresh of the decomposed granite pathway in addition to the monthly activities of pruning, trimming, and other general landscape maintenance. It also includes annual placement of organic mulch to prohibit weed growth. A neighborhood meeting was held on May 25, to introduce the proposed contractor and the planned work activities in the upcoming year.

A key aspect of this RFP and the contract that follows is the City's new obligations to meet the requirements of SB 1383. The bill places new requirements on government agencies throughout the state regarding their organic waste collection and under the Bill, agencies are required to purchase a set tonnage of organic recovered material such as mulch or compost. The City of Scotts Valley is required to purchase 940-tons of material. The City can take credit for tonnage purchased through requirements placed on its contractors, and language was included to procure organic material for mulch that will be placed. By approving the proposed contract for landscape maintenance, the City will meet over half of the 940-ton requirement put in place by SB 1383.

This landscape maintenance contract is multifaceted and diverse. It will ensure that these City properties are well maintained and appealing while also ensuring we are meeting our environmental obligations and goals. With the residents of Scotts Valley being a priority, we want these City facilities to be well maintained for everyone's enjoyment, both present and future. In the past, these areas have been maintained by various contractors, by city staff, or received little to no maintenance. By implementing a new contract that includes the above City properties or rights of way, the maintenance will be performed regularly and not skipped for other emergencies. Additionally, with dedicated resources identified for these areas, Public Works staff will be able to focus park maintenance activities elsewhere.

The City issued the RFP on March 25, 2022, for Landscape Maintenance Services. Proposals were due on April 21, 2022. The City received four bids. Total annual values of work requested were as follows:

|                               |              |
|-------------------------------|--------------|
| K&D Landscape, Inc            | \$200,961.96 |
| Costal Evergreen              | \$259,950.00 |
| Brightview Landscape Services | \$304,749.48 |
| New Image Landscape Company   | \$531,164.00 |

K&D Landscape, Inc., was found to be the lowest responsible and responsive bidder. References of other public agencies where similar work was being performed were checked and no issues were identified. K&D most recently performed the restoration work on the Skypark soccer fields. Staff recommends proceeding with the award of the contract.

**FISCAL IMPACT**

By awarding the multi-year contract, the fiscal impact to the City would be up to \$200,961.96 a year. This cost would be split between the general fund operation budgets, special revenue funds, as well as the two special districts: Skypark assessment district and Pinewood estates assessment district.

Obligations under SB 1383 to purchase these organic materials represent a substantial portion of this contract total in the sum of \$106,641.55.

|                                                                 |               |
|-----------------------------------------------------------------|---------------|
| Skypark Open Space – Linear Trail (Skypark Assessment District) | \$ 37,656.09  |
| Pinewood Estates Assessment District                            | \$ 3,920.83   |
| Community Center – Special Revenue Fund                         | \$ 5,478.51   |
| Senior Center – Special Revenue Fund                            | \$ 3,083.89   |
| Library – Special Revenue Fund                                  | \$ 6,157.99   |
| Median Islands (PW-Street Maintenance)                          | \$ 18,023.10  |
| SB1383 Organic Mulch (PW-Parks Maintenance)                     | \$ 106,641.55 |
| Contingency (~10%)                                              | \$ 20,000.00  |
| <hr/>                                                           |               |
| Total Contract Value                                            | \$ 200,961.96 |

**STAFF RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to negotiate and execute a three-year contract with K&D Landscaping Inc., with options to extend up to two additional years in a form acceptable to the City Attorney.

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**K & D Landscaping, Inc.**  
**62-C Hanger Way**  
**Watsonville, CA 95076**  
**Phone: (831) 728-4018**  
**Fax: (831) 728-6544**  
**License Number: 664584**

**April 20, 2022**

## **STATEMENT OF QUALIFICATIONS**

Tyler Thomas  
The City of Scotts Valley

RE: RFP Landscape Maintenance Services

Dear Tyler, I would like to thank you for the opportunity to provide a Landscape Maintenance Proposal for the City of Scotts Valley.

I feel K&D Landscaping is well qualified to provide the specified services per the RFP. We have been in business for well over 30-years and we have the experience to provide professional landscape services for large sites including parks, school campuses and resorts.

K&D was founded on six core values that we live by daily; these core values are Professionalism, Teamwork, Humility, Hunger, Safety and Respect. Every K&D team member strives to meet or exceed goals and expectations, always keeping these core values in sharp focus. At K&D, excellence is our goal, and we will take the task of maintaining your grounds very seriously. We are a full-service company equipped to handle all your landscaping needs and we are excited to partner with you to make sure your landscaping reaches its full potential.

Our plan is to familiarize our staff with the expectations, specific needs, and goals of this property to ensure your landscaping is maintained in a way that meets and exceeds your expectations. We will partner with your team to ensure all requirements of quality, safety and appearance are met. Our experienced management team will provide the required oversight to ensure all challenges and expectations are handled in the most professional manner possible.

We provide ongoing training to ensure all team members are working efficiently & safely. We offer health insurance, profit sharing, matching 401-K plans and much more. Working collaboratively with our landscape construction, Irrigation, and horticulture teams we can deliver comprehensive service.

Please review our enclosed proposal at your earliest convenience and do not hesitate to reach out to me directly with any questions that may arise. I look forward to your response.

Sincerely,

Kendel White

President & founder  
K&D Landscaping Inc.  
kendel@kndlandscaping.com / (831) 728-4018

## License and Certifications

| Description .....                                | Number       |
|--------------------------------------------------|--------------|
| 1. Contractor's License C-27 .....               | #664584      |
| 2. I.A. Certified Irrigation Technician .....    | 115137       |
| 3. Pesticide Control Business License .....      | #36845       |
| 4. Qualified Pesticide Applicators License ..... | #140636      |
| 5. Dept. of Industrial Relations .....           | #10000003902 |
| 6. Dun & Bradstreet .....                        | #31-153-4405 |

### **We proudly support and are members of the following associations:**

1. California Landscape Contractors Association..... CLCA
2. Santa Cruz County Business Council ..... SCCBC
3. Santa Cruz Area Chamber of Commerce ..... SCCC
4. Pajaro Valley Chamber of Commerce & Agriculture ..... PVCC
5. Building Owners and Managers Association ..... BOMA
6. Educational Community of Homeowners..... ECHO
7. Pesticide Applicators Professional Association ..... PAPA
8. Irrigation Association ..... IA
9. Employee - Employer Assistance Program. .... EEAP Safety

## Relevant Property Experience

### **1. County of Monterey- Various Properties**

- a. Salinas
- b. Pajaro
- c. Seaside
- d. Marina

### **2. Seascape Resort -Aptos**

### **3. City of Watsonville Pinto Lake Park & Franich Field Park**

- a. K&D has maintained these (2) parks for the city of Watsonville
- b. Civic Center

### **4. City of Santa Cruz-Variuos properties and projects**

### **5. Westridge Business Park-Watsonville**

- a. This 30-acre business park is located at the corner of Green Valley Road & Highway 1
- b. K&D has provided professional, high quality landscaping services for the Westridge Business Park since 1989. With demanding clients such as West Marine, Golds Gym, Driscolls and many more we take pride in delivering excellent service 365 days a year.

# LINEAR TRAIL

| ITEM | DESCRIPTION                  | UNIT     | FREQUENCY<br>(# OF<br>ACCURANCES PER<br>YEAR) | UNIT<br>COST    | TOTAL<br>COST       |
|------|------------------------------|----------|-----------------------------------------------|-----------------|---------------------|
| 1    | Monthly Landscape Inspection | EA       | 12                                            | \$206.66        | \$2,480.00          |
| 2    | Spreading Mulch              | EA       | 1                                             | \$72,288.98     | \$72,288.98         |
| 3    | Fertilize                    | EA       | 1                                             | \$167.59        | \$167.59            |
| 4    | Cleaning Pathways            | EA       | 12                                            | \$266.62        | \$3,199.48          |
| 5    | Weed Trimming/Mowing         | EA       | 12                                            | \$266.62        | \$3,199.48          |
| 6    | Trim/Prune Trees & Shrubs    | EA       | 12                                            | \$266.62        | \$3,199.48          |
| 7    | Fence Installation           | EA       | 1                                             | \$13341.74      | \$13,341.74         |
| 8    | One time refresh of DG path  | One time |                                               | \$12068.52      | \$12,068.52         |
|      |                              |          |                                               | <b>SUBTOTAL</b> | <b>\$109,945.07</b> |

**CENTER MEDIANS**

| ITEM     | DESCRIPTION                                 | UNIT     | FREQUENCY<br>(# OF<br>ACCURANCES PER<br>YEAR) | UNIT<br>COST | TOTAL<br>COST |
|----------|---------------------------------------------|----------|-----------------------------------------------|--------------|---------------|
| 1        | Monthly Inspections<br>Irrigation/Landscape | EA       | 12                                            | \$97.33      | \$1,167.95    |
| 2        | Spreading Mulch                             | EA       | 1                                             | \$           | \$18,511.34   |
| 3        | Fertilize                                   | EA       | 1                                             | \$           | \$117.60      |
| 4        | Weed Trimming                               | EA       | 12                                            | \$599.90     | \$7,198.80    |
| 5        | Trim/Prune Trees &<br>Shrubs                | EA       | 12                                            | \$599.90     | \$7,198.80    |
| 6        | One time prep for<br>mulch on islands       | One time | 1                                             | \$           | \$2,339.94    |
| 7        | Irrigation repairs                          | Total    |                                               |              | \$5,000.00    |
| SUBTOTAL |                                             |          |                                               |              | \$41,535.43   |

**PINEWOOD ESTATES MEANDERING SIDEWALK**

| ITEM | DESCRIPTION                                 | UNIT  | FREQUENCY<br>(# OF<br>ACCURANCES PER<br>YEAR) | UNIT<br>COST | TOTAL<br>COST |
|------|---------------------------------------------|-------|-----------------------------------------------|--------------|---------------|
| 1    | Monthly Inspections<br>Irrigation/Landscape | EA    | 12                                            | \$37.87      | \$454.52      |
| 2    | Spreading Mulch                             | EA    | 1                                             | \$           | \$8530.31     |
| 3    | Fertilize                                   | EA    | 1                                             | \$           | \$167.59      |
| 4    | Weed Trimming                               | EA    | 12                                            | \$137.45     | \$1649.49     |
| 5    | Trim/Prune Trees &<br>Shrubs                | EA    | 12                                            | \$137.45     | \$1649.49     |
| 6    | Irrigation repairs                          | Total |                                               |              | \$3,000.00    |
|      |                                             |       |                                               | SUBTOTAL     | \$15,451.41   |

**SCOTTS VALLEY LIBRARY**

| ITEM | DESCRIPTION                             | UNIT  | FREQUENCY<br>(# OF<br>ACCURANCES PER<br>YEAR) | UNIT<br>COST    | TOTAL<br>COST      |
|------|-----------------------------------------|-------|-----------------------------------------------|-----------------|--------------------|
| 1    | Monthly Reports<br>Irrigation/Landscape | EA    | 12                                            | \$84.10         | \$1009.27          |
| 2    | Spread Mulch                            | EA    | 1                                             | \$3145.68       | \$3149.69          |
| 3    | Fertilize                               | EA    | 1                                             | \$108.79        | \$108.79           |
| 4    | Weed Trimming                           | EA    | 12                                            | \$140.00        | \$1680.00          |
| 5    | Trim/Prune Trees &<br>Shrubs            | EA    | 12                                            | \$140.00        | \$1680.00          |
| 6    | Cleaning Parking Lot                    | EA    | 12                                            | \$140.00        | \$1680.00          |
| 7    | Irrigation repairs                      | Total |                                               |                 | \$3,000.00         |
|      |                                         |       |                                               | <b>SUBTOTAL</b> | <b>\$12,303.75</b> |

**SCOTTS VALLEY SENIOR CENTER**

| ITEM     | DESCRIPTION                             | UNIT  | FREQUENCY<br>(# OF ACCURANCES<br>PER YEAR) | UNIT<br>COST | TOTAL<br>COST |
|----------|-----------------------------------------|-------|--------------------------------------------|--------------|---------------|
| 1        | Monthly Reports<br>Irrigation/Landscape | EA    | 12                                         | \$33.74      | \$404.88      |
| 2        | Spread Mulch                            | EA    | 1                                          | \$           | \$919.63      |
| 3        | Fertilize                               | EA    | 1                                          | \$           | \$79.39       |
| 4        | Weed Trimming                           | EA    | 12                                         | \$49.99      | \$599.95      |
| 5        | Trim/Prune Trees &<br>Shrubs            | EA    | 12                                         | \$49.99      | \$599.98      |
| 6        | Cleaning Parking Lot                    | EA    | 12                                         | \$49.99      | \$599.98      |
| 7        | One time prep of<br>beds for mulch      | EA    | 1                                          | \$           | \$799.98      |
| 8        | Irrigation repairs                      | Total |                                            |              | \$4,000.00    |
| SUBTOTAL |                                         |       |                                            |              | \$8,003.73    |

**SCOTTS VALLEY COMMUNITY CENTER**

| ITEM     | DESCRIPTION                                      | UNIT  | FREQUENCY<br>(# OF<br>ACCURANCES PER<br>YEAR) | UNIT<br>COST | TOTAL<br>COST |
|----------|--------------------------------------------------|-------|-----------------------------------------------|--------------|---------------|
| 1        | Monthly Reports<br>Irrigation/Landscape          | EA    | 12                                            | \$33.32      | \$399.84      |
| 2        | Spread Mulch/ Dig<br>beds down in<br>preparation | EA    | 1                                             | \$           | \$3245.61     |
| 3        | Fertilize                                        | EA    | 1                                             | \$           | \$79.39       |
| 4        | Weed Trimming                                    | EA    | 12                                            | \$99.98      | \$1199.79     |
| 5        | Trim/Prune Trees &<br>Shrubs                     | EA    | 12                                            | \$99.98      | \$1199.79     |
| 6        | Cleaning Parking Lot                             | EA    | 12                                            | \$99.98      | \$1199.79     |
| 7        | One time prep of<br>beds for mulch               | EA    | 1                                             | \$           | \$1400.00     |
| 8        | Irrigation repairs                               | Total |                                               |              | \$5,000.00    |
| SUBTOTAL |                                                  |       |                                               |              | \$13,724.21   |

### IRRIGATION

| ITEM | DESCRIPTION             | UNIT | UNIT COST |
|------|-------------------------|------|-----------|
| 1    | IRRIGATION REPAIR       | EA   | \$25.00   |
| 2    | IRRIGATION INSTALLATION | EA   | \$25.00   |

### LABOR AND EQUIPMENT

| ITEM | DESCRIPTION           | UNIT   | STRAIGHT TIME | OVERTIME |
|------|-----------------------|--------|---------------|----------|
| 1    | SUPERVISOR            | HOURLY | \$75.00       | \$112.50 |
| 2    | LEAD WORKER           | HOURLY | \$65.00       | \$97.50  |
| 3    | MAINTENANCE WORKER    | HOURLY | \$50.00       | \$75.00  |
| 4    | IRRIGATION SPECIALIST | HOURLY | \$85.00       | \$127.50 |
| 5    | PICKUP TRUCK          | HOURLY | \$15.00       | \$15.00  |
| 6    | EQUIPMENT *           | HOURLY | \$15.00       | \$15.00  |

\*Contractor may attach schedule of equipment and cost.

## City of Scotts Valley CITY COUNCIL STAFF REPORT

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Casey Estorga, Administrative Services Director

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT: UPDATE SALARY SCHEDULE FOR THE SENIOR PLANNER;  
SENIOR CIVIL ENGINEER; AND ASSOCIATE CIVIL ENGINEER**

### **SUMMARY OF ISSUE**

As the City of Scotts Valley emerges from the COVID-19 pandemic, City staff continues to develop operational plans for the current Fiscal Year while also preparing for the operational needs and service responsibilities into the future.

Staff conducted a comprehensive study to evaluate how total compensation for the City of Scotts Valley's Senior Planner, Senior Civil Engineer, and Associate Civil Engineer job classification compared with commensurate agencies. Staff also noted the status of the current labor market and the inordinately challenging recruitment realities that employers are facing, especially for jobs with specialized occupational qualifications.

Based on the information gathered from the compensation study, and to help ensure the City remains competitive to retain and/or recruit highly-skilled employees, staff is recommending amending the Senior Civil Engineer, Associate Civil Engineer, and Senior Planner salary schedules.

The proposed salary schedule for each respective position is shown below:

#### ***SENIOR CIVIL ENGINEER***

|                    | Step 1  | Step 2   | Step 3   | Step 4   | Step 5   | Step 6   | Step 7   |
|--------------------|---------|----------|----------|----------|----------|----------|----------|
| <b>Existing</b>    | \$8,417 | \$8,838  | \$9,280  | \$9,744  | \$10,231 | \$10,742 | \$11,280 |
| <b>Recommended</b> | \$9,742 | \$10,229 | \$10,741 | \$11,278 | \$11,841 | \$12,434 | \$13,055 |

#### ***ASSOCIATE CIVIL ENGINEER***

|                    | Step 1  | Step 2  | Step 3  | Step 4  | Step 5  | Step 6   | Step 7   |
|--------------------|---------|---------|---------|---------|---------|----------|----------|
| <b>Existing</b>    | \$6,426 | \$6,747 | \$7,085 | \$7,439 | \$7,811 | \$8,201  | \$8,612  |
| <b>Recommended</b> | \$8,016 | \$8,417 | \$8,838 | \$9,280 | \$9,743 | \$10,231 | \$10,742 |

**SENIOR PLANNER**

|             | Step 1  | Step 2  | Step 3  | Step 4  | Step 5  | Step 6  | Step 7   |
|-------------|---------|---------|---------|---------|---------|---------|----------|
| Existing    | \$6,933 | \$7,280 | \$7,644 | \$8,026 | \$8,427 | \$8,849 | \$9,291  |
| Recommended | \$7,803 | \$8,193 | \$8,603 | \$9,033 | \$9,485 | \$9,959 | \$10,457 |

Amending salary schedules for these positions, and thus creating a chance for the City to open competitive recruitments, will allow the City to embark on numerous projects, including capital projects, that staff historically could not undertake due to various capacity and/or general staffing limitations. This includes projects authorized in the FY 2021-22 Amended Budget and projects that will be recommended in the FY 2022-23 Proposed Budget.

The Senior Civil Engineer is currently in the Mid-Management Association and reports to the Public Works Director.

The Associate Civil Engineer is currently in the Mid-Management Association and reports to the Senior Civil Engineer.

The Senior Planner is currently in the Mid-Management Association and reports to the Community Development Director.

Staff's recommendation to update salaries for a collection of Planning and Public Works positions will provide flexibility for the Community Development Director and the Public Works Director when conducting recruitments to fill these positions. This will ensure the City attracts the best candidate across these levels, including by developing a team with skillsets that complement each other while meeting the City's dynamic need for services.

Once the salary schedules are approved by the City Council, the City Manager will direct staff to immediately commence recruitments.

**FISCAL IMPACT**

Costs for these positions have been included in the FY 2021-22 Amended Budget. Future costs will be included in subsequent budgets, subject to consideration and approval by the City Council during the annual budget process.

**STAFF RECOMMENDATION**

It is recommended that the City Council approve Resolution No. 1955.22 approving the Salary Schedules for the positions of Senior Planner, Senior Civil Engineer, and Associate Civil Engineer.

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**RESOLUTION NO. 1955.22**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY  
APPROVING THE SALARY SCHEDULE FOR THE SENIOR PLANNER;  
AND SENIOR CIVIL ENGINEER; AND ASSOCIATE CIVIL ENGINEER JOB  
CLASSIFICATIONS**

**WHEREAS**, the economic impacts of the COVID-19 pandemic have steadied and City staff have analyzed the organization's and community's evolving needs; and

**WHEREAS**, staff have identified the Senior Planner, Senior Civil Engineer, and Associate Civil Engineer as key positions to lead special projects and capital projects in the current Fiscal Year and in the future; and

**WHEREAS**, approving the salary schedule for these positions will provide the Community Development Director and Public Works director with staff to respond to the community's needs; and

**WHEREAS**, an amendment to the salary schedule for these positions is in the best interest of the City to recruit and retain top-tier talent; and

**WHEREAS**, City Council approval is needed to amend a Salary Schedule.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the City Council of the City of Scotts Valley that the Salary Schedule for the Senior Planner, Senior Civil Engineer, Associate Civil Engineer is hereby approved as follows:

***SENIOR PLANNER***

|                    | <b>Step 1</b> | <b>Step 2</b> | <b>Step 3</b> | <b>Step 4</b> | <b>Step 5</b> | <b>Step 6</b> | <b>Step 7</b> |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Recommended</b> | \$7,803       | \$8,193       | \$8,603       | \$9,033       | \$9,485       | \$9,959       | \$10,457      |

***SENIOR CIVIL ENGINEER***

|                    | <b>Step 1</b> | <b>Step 2</b> | <b>Step 3</b> | <b>Step 4</b> | <b>Step 5</b> | <b>Step 6</b> | <b>Step 7</b> |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Recommended</b> | \$9,742       | \$10,229      | \$10,741      | \$11,278      | \$11,841      | \$12,434      | \$13,055      |

***ASSOCIATE CIVIL ENGINEER***

|                    | <b>Step 1</b> | <b>Step 2</b> | <b>Step 3</b> | <b>Step 4</b> | <b>Step 5</b> | <b>Step 6</b> | <b>Step 7</b> |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Recommended</b> | \$8,016       | \$8,417       | \$8,838       | \$9,280       | \$9,743       | \$10,231      | \$10,742      |

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a meeting held on the 1st day of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: \_\_\_\_\_

Donna Lind,  
Mayor

Attest: \_\_\_\_\_

Cathie Simonovich,  
City Clerk

# SCOTTS VALLEY POLICE DEPARTMENT



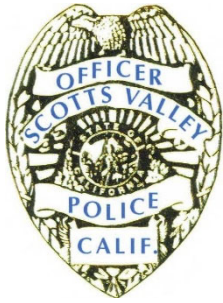
2021  
YEAR END REPORT

# SCOTTS VALLEY POLICE DEPARTMENT

## ACTIVITY REPORT - 2021

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## SCOTTS VALLEY POLICE DEPARTMENT

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

CHIEF OF POLICE  
STEVE WALPOLE

May 9, 2022

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

RE: 2021 Scotts Valley Police Department Activity Report

Dear Mayor and City Council Members:

It is my pleasure to present to each of you, the City Manager, and the citizens of Scotts Valley our Annual Activity Report for 2021. The many accomplishments contained in this report would not be possible without the dedication and hard work of our officers, dispatchers, support staff and dedicated volunteers.

Despite the challenges of a lingering pandemic, an uncertain economy, and a national spike in violent crime, the City of Scotts Valley continued to be one of the safest places to live in the State of California. Almost all serious crimes reported in our city decreased dramatically from the previous year and returned to their pre-COVID-19 norms. The police department received 6,033 calls for service and our officers self-initiated 12,965 events for a total of 18,998 police related incidents in 2021. Despite serious staffing issues at the beginning of the year, our average response time to all emergency calls remained under three minutes.

This past year will be remembered as a year of change for our department as we welcomed many new faces to the organization. In 2021, the department hired four new police officers, a police sergeant, and two new dispatchers. The increased hiring put a strain on our training staff as the number of new employees sometimes exceeded the number of trainers we had available in the department. I am proud to report our staff were able to successfully get every one of our new employees to perform up to the high standards we have come to expect from the members of the Scotts Valley Police Department.

There were many successes in 2021 for the Scotts Valley Police Department thanks to the hard work and dedication of our professional staff as well as the support from our City Council. My goals for 2022 include the continued hiring of police officers to fill existing vacancies and to fully return to our pre-pandemic life by hosting both our Junior Police Academy and our National Night Out this summer after a two-year hiatus.

In closing, I would like to once again thank my staff for their dedicated service, as well as the supportive community that we are privileged to serve and protect.

Sincerely,

A handwritten signature in black ink that reads "Steve Walpole".

Steve Walpole  
Chief of Police

## SCOTTS VALLEY CRIME STATISTICS YEAR TO YEAR COMPARISON 2017 TO 2021

| <b>DESCRIPTION</b>                          | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>% OF<br/>CHANGE FROM<br/>2020-2021</b> |
|---------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------------------------------------|
| <b>PART 1 CRIMES</b>                        |             |             |             |             |             |                                           |
| HOMICIDE                                    | 0           | 0           | 0           | 0           | 0           | 0%                                        |
| RAPE                                        | 7           | 6           | 2           | 7           | 6           | -14%                                      |
| ROBBERY                                     | 4           | 2           | 1           | 7           | 2           | -71%                                      |
| ASSAULT                                     | 65          | 62          | 66          | 48          | 57          | 19%                                       |
| BURGLARY                                    | 40          | 42          | 31          | 60          | 37          | -38%                                      |
| LARCENY                                     | 166         | 137         | 105         | 104         | 106         | 2%                                        |
| AUTO THEFT                                  | 20          | 12          | 8           | 21          | 11          | -48%                                      |
| ARSON                                       | 0           | 3           | 2           | 1           | 2           | 100%                                      |
| <b>TOTAL PART 1 CRIMES</b>                  | 302         | 264         | 215         | 248         | 221         | -11%                                      |
| <b>ALL OTHER CRIMES</b>                     | 550         | 675         | 542         | 407         | 503         | 24%                                       |
| <b>TOTAL CALLS FOR<br/>SERVICE</b>          | 6,679       | 6,433       | 6,477       | 6,439       | 6,033       | -6%                                       |
| <b>TOTAL OFFICER<br/>INITIATED ACTIVITY</b> | 8,785       | 13,130      | 14,530      | 12,192      | 12,965      | 6%                                        |
| <b>TOTAL CITATIONS</b>                      | 1,105       | 1,594       | 966         | 579         | 958         | 65%                                       |
| <b>NUMBER OF ARRESTS</b>                    | 491         | 703         | 486         | 374         | 425         | 14%                                       |
| INJURY ACCIDENT                             | 30          | 22          | 12          | 6           | 19          | 217%                                      |
| NON INJURY ACCIDENT                         | 144         | 133         | 149         | 107         | 137         | 28%                                       |
| FATALITY                                    | 0           | 0           | 0           | 1           | 0           | -100%                                     |
| HIT & RUN                                   | 41          | 31          | 32          | 22          | 21          | -5%                                       |
| <b>TOTAL ACCIDENTS</b>                      | 174*        | 155*        | 161*        | *114        | 156*        | 37%                                       |
| DOMESTIC VIOLENCE                           | 23          | 37          | 25          | 19          | 22          | 16%                                       |
| VANDALISM/GRAFFITI                          | 78          | 56          | 77          | 53          | 67          | 26%                                       |
| DRUG VIOLATIONS                             | 123         | 162         | 95          | 90          | 79          | -12%                                      |

\* Does not include Hit & Run collisions

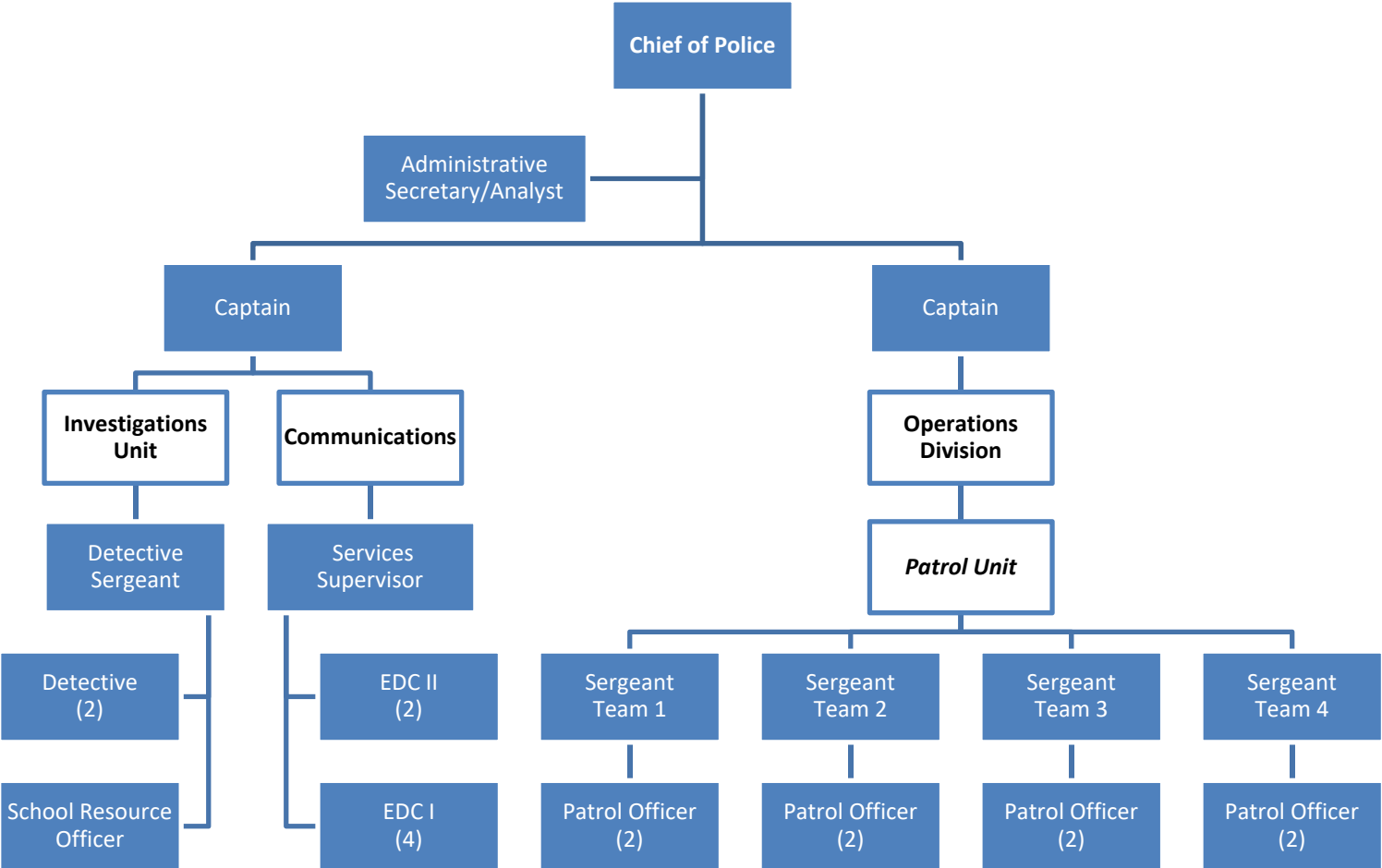
## SCOTTS VALLEY POLICE DEPARTMENT DATA DEMOGRAPHICS 2021

|                                      | Total        | Black          | White              | Hispanic         | Asian          | Other          | Male         | Female     |
|--------------------------------------|--------------|----------------|--------------------|------------------|----------------|----------------|--------------|------------|
| In Custody Arrest                    | 112          | 5 (4%)         | 74 (66%)           | 29 (26%)         | 0              | 4 (4%)         | 80           | 32         |
| Notice to Appear                     | 133          | 3 (2%)         | 87 (65%)           | 35 (27%)         | 4 (3%)         | 4 (3%)         | 85           | 48         |
| Written Notice to Correct Violation  | 179          | 5 (3%)         | 122 (68%)          | 48 (27%)         | 2 (1%)         | 2 (1%)         | 126          | 53         |
| Verbal Warning                       | 2,010        | 66 (3%)        | 1,425 (71%)        | 382 (19%)        | 72 (4%)        | 65 (3%)        | 1,309        | 701        |
| Public/Motorist Service              | 9            | 0              | 6 (67%)            | 2 (22%)          | 1 (11%)        | 0              | 9            | 0          |
| <b>Total:</b>                        | <b>2,443</b> | <b>79 (3%)</b> | <b>1,714 (70%)</b> | <b>496 (21%)</b> | <b>79 (3%)</b> | <b>75 (3%)</b> | <b>1,609</b> | <b>834</b> |
| % of City Population (2020 Census)   | 11,863       | 71 (1%)        | 9,251 (78%)        | 1,253 (11%)      | 854 (7%)       | 434 (3%)       | 5,880        | 5,983      |
| % of County Population (2020 Census) | 273,123      | 2,230 (1%)     | 154,075 (56%)      | 92,921 (34%)     | 13,699 (5%)    | 10,198 (4%)    | 135,168      | 137,955    |

### What Are Data Demographics?

Data demographics are compiled by the Scotts Valley Police Department during the course of a routine traffic stop. Upon the conclusion of the stop, information obtained from the Officer as well as the Driver's License is saved and used to track characteristics such as age, race, and gender. This information has been collected for many years for internal use, however this year we have included it for public review as some questions arose regarding who we were stopping. We will continue to provide this type of information in subsequent Annual Reports for greater transparency to the public.

# SCOTTS VALLEY POLICE DEPARTMENT



# POLICE ADMINISTRATION

The Scotts Valley Police Department Administration is responsible for the overall leadership, vision and management of the police department. Police Administration manages the Department's 5.3 million budget, as well as grant funds, equipment acquisitions and overall training needs.

Police Administration directs the hiring of new personnel, ensures that professional standards are met, and monitors compliance with all state and federal regulatory requirements. Police administrators participate in numerous city/county events, boards and meetings. They also work closely with elected officials, the city manager, local schools and community groups to ensure a positive and open line of communication.



Captain Jayson Rutherford

Chief Steve Walpole

Captain Mike Dean

# OPERATIONS DIVISION

---

Each year, law enforcement faces new challenges that redefine the profession. The term “business as usual” is never applicable in policing, as the landscape can change in an instant. Last year law enforcement saw protests and public cries to defund the police. The public wanted more police transparency, stricter hiring practices, police accountability and changes to use of force policies with more emphasis on de-escalation tactics. Police leaders today are called upon to not only provide leadership, but to build trust in our community and within our own agency. Those in a supervisory role must model ethical behavior both on and off duty, mentor and develop our newer officers, and guide internal change, all while handling countless other responsibilities.

Captain Mike Dean is in charge of the day to day operations of the police department. This position requires the management of four sergeants and eight patrol officers. Our patrol staff work twelve hour shifts on a three or four-day rotation. These shifts are normally covered by one patrol sergeant and two patrol officers with our daily minimum staffing for any particular shift being two officers. This past year brought staffing challenges to our department.

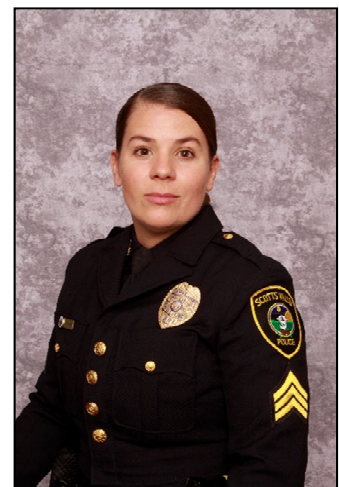
The Operations Division includes the Patrol Unit, Training Unit, K9 Unit, Traffic Unit, and the Reserve Unit. The Traffic Unit is comprised of officers who operate marked police vehicles and handle the bulk of the day-to-day calls for service. In any given moment, officers perform an array of duties from responding to emergency calls for service involving vehicle accidents to talking to our youth about drugs and alcohol prevention.

In addition to officers’ normal patrol duties, they are also required to attend regular training courses and make court appearances. These men and women also volunteer their own time in the community with Police Officer Association fundraisers. We are fortunate to have such a dedicated group of individuals working for the Scotts Valley Police Department.

## Patrol Supervisors:

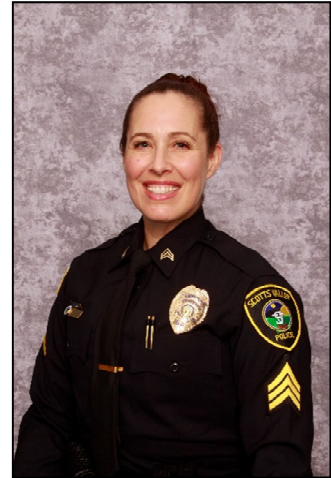
### Sergeant Meredith Roberts

Sergeant Meredith Roberts has served with the department since 2016. Beside managing a patrol shift, she also oversees our Reserve Officer Program, worked in our investigation’s unit, and is one of our Peer Support team members. Sergeant Roberts is in charge of maintaining department equipment and is working on starting up a bicycle patrol team.



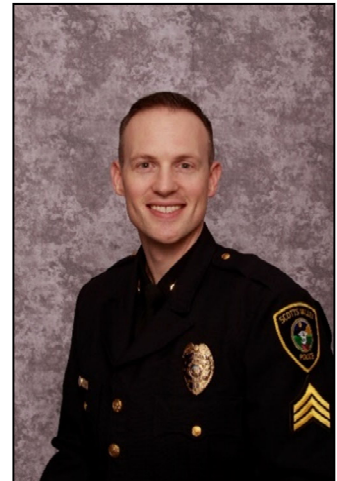
### **Sergeant Pascale Drozek**

Sergeant Pascale Drozek has served with the department since 2018. Besides managing a patrol shift, she supervises our Field Training Program for new officers. She coordinates with our department's field training officers to ensure that newly hired officers receive the best training possible. In addition, Sergeant Drozek is one of our department's firearms and defensive tactics instructors.



### **Sergeant Aaron Roberts**

Sergeant Aaron Roberts has served with the department since 2016. Besides managing a patrol shift, he is also one of our field training officers. He is in charge of our department's armory and is the administrator of our department's gas mask program. This program requires periodic fit tests with each officer to ensure that our agency is in compliance with Cal OSHA standards.



### **Sergeant Scott Garner**

Sergeant Scott Garner was hired by the Scotts Valley Police Department in September 2021. Besides managing a patrol shift, he also oversees the department's Traffic Unit. He is in charge of our vehicle abatement program, roadway traffic counts, speed surveys, and the placement of our speed awareness units. He maintains our fleet of BMW motorcycles, two Zero electric motorcycles, and one all-terrain vehicle. Sergeant Garner is also one of the department's firearms and Taser instructors.



# TRAINING UNIT

The training unit is supervised by Captain Jayson Rutherford who oversees the Department's in-house training for all full-time officers, reserve officers and police dispatchers. He is responsible for ensuring the department's training conforms to State and Federal guidelines. The State of California Peace Officer Standards and Training (POST) mandates that officers receive training in the following categories every two years: firearms, arrest control techniques, vehicle operations and pursuit driving, tactical communications, CPR/First Aid, and Active Shooter. Our department exceeds the State's minimum standards by training several times each year in each category, a standard that we set for ourselves and believe our citizens and community demand.

In addition to state mandated training, officers are also required to conduct monthly roll-call training. Roll-call training topics include: Sexual harassment, dispatch center operation, Use of Force and Pursuit policy review, blood borne pathogens, de-escalation strategies, bias and racial profiling, and Gun Violence Restraining Orders (GVRO). Officers are also tested monthly on department policies and procedures through Lexipol Daily Training Bulletins (DTBs).

Officers are often sent off-site to receive more specialized training. These courses are taught by approved content experts in topics such as sexual assault, robbery, burglary, accident, evidence collection, interviewing, impaired driving, leadership, emerging trends, and many other contemporary subjects. Modern municipal police work requires unique individuals who can blend law enforcement with social work.



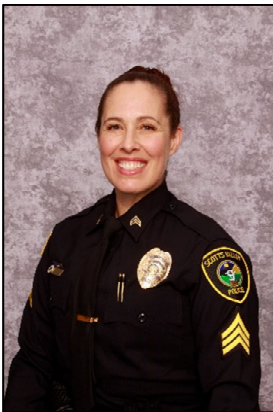
Our officers must be able to deal with an array of people in a wide variety of different situations. One moment officers may have to show empathy to someone who is a victim of a crime, and the next moment an officer might be dealing with a suicidal subject or someone who is under the influence of drugs or alcohol. Officers are often thrust into the complex web of societal issues surrounding race, class and poverty. For these reasons and more, training is a vital part of this department's professional development.

# FIELD TRAINING PROGRAM

The Field Training Program is the functional launching point of every police officer's career. It serves the critically important purpose of guiding and shaping the new police academy recruit into a safe, competent, knowledgeable, and effective solo patrol officer. The Field Training Officer (FTO) serves many roles, including that of teacher, role model, and quintessential leader. The FTO must not only be extremely well versed in the Department's policies, procedures, and values, but also be able to quickly understand each individual trainee's learning styles and be able to find the most effective way of imparting this knowledge and experience to that trainee.

The role of the FTO extends far beyond the mere sharing of information. The FTO helps the trainee understand the "why" behind the "how." The FTO also guides the trainee in truly understanding department policy and procedure, while providing a strong emphasis on utilizing sound judgment in their decision making and problem solving. The FTO understands the importance of helping the trainee develop their own style and approach, all within the expectations and vision set forth by the Chief of Police, and in accordance with the highest of standards. FTO's inspire, encourage, and lead by example. They are selected for their competence, core character, and commitment to the task at hand.

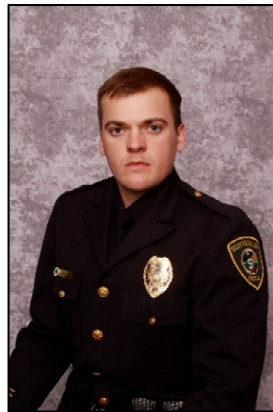
The FTO Program is managed by Sergeant Pascale Drozek, who was responsible for overseeing, scheduling, and training the most recruits ever in a single year at SVPD. The Scotts Valley Police Department had six trainees enter the FTO program in 2021, four of whom successfully completed the program and became solo beat Officers. This kept our hard-working FTO team exceptionally busy. Due to staffing shortages, and the historic number of new recruits, the FTO Program was supplemented by Captain Rutherford, Sergeant Meredith Roberts, and Sergeant Aaron Roberts who participated in training our new recruits. Our regularly assigned field training officers, consisting of Officer Ahrens, Officer Renn, and Officer Lipari, appreciated their assistance.



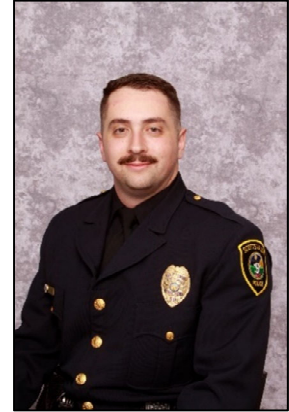
Sergeant Drozek



SRO Ahrens



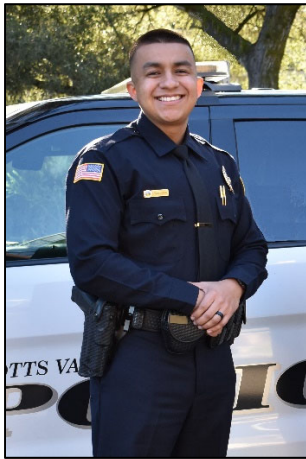
FTO Renn



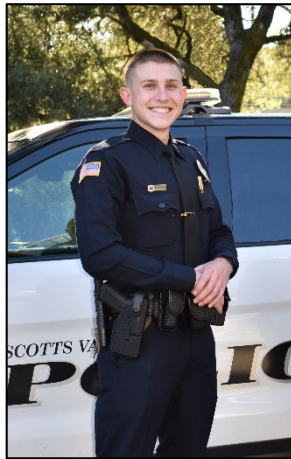
FTO Lipari

The Scotts Valley Police Department is incredibly grateful for the dedication of all of our staff who helped with training during what was an undeniably challenging year. Their commitment to the training program contributed greatly to the success of our newest Officers.

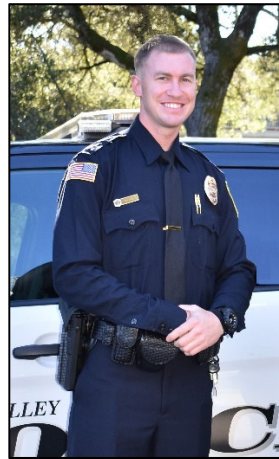
The Scotts Valley Police Department commends our four newest Officers who put in the time, effort and commitment towards successfully completing our rigorous FTO program. As such, we proudly welcomed Officer Edgar Larios, Officer Ben Standen, Officer Trevor Hutchison and Officer Forrest Brown to the SVPD family this year. Congratulations!



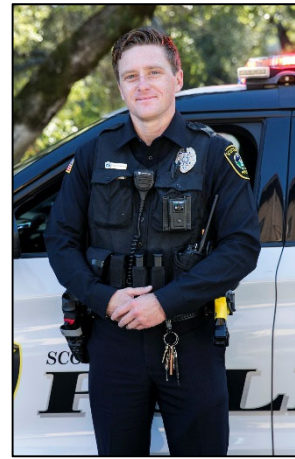
Officer Larios



Officer Standen



Officer Hutchison



Officer Brown



FTO Lipari showing Officer Larios and Officer Brown the ropes at Active Shooter Training.

# TRAFFIC UNIT

As part of the Scotts Valley Police Department's Operations Division, the Traffic Unit's mission is to reduce vehicular accidents and injuries, and to facilitate the safe and expeditious flow of vehicular and pedestrian traffic by encouraging the public's voluntary compliance with traffic regulations.

Our officers stopped a total of 2,557 vehicles in 2021 which resulted in 958 traffic citations. Despite the increase in educational stops and enforcement, the number of injury traffic accidents increased 33% year-over-year compared to 2020. We have identified the top injury collision locations and primary collision factors (Vehicle code violations) and are conducting targeted enforcement at these locations for these specific violations. Based on the Crime Statistics Year-to-Year Comparison it does not appear there is a pattern. This targeted enforcement will be the priority while maintaining a high visibility presence throughout the city.

The Traffic Supervisor will collaborate with the city engineers to discuss any geographical or structural opportunities for improvement.

## **COMMUNITY EDUCATION**

The Scotts Valley Police Department participates in multiple traffic safety campaigns to include:

- National Distracted Driving Awareness
- Motorcycle Safety Awareness Month
- National Bicycle Safety Month
- Click it or Ticket Seatbelt Campaign
- Child Passenger Safety Week
- Pedestrian Safety Month
- National Drunk & Drug-impaired Driving Month
- Driver Sober or Get Pulled Over

## **BADGES TRAFFIC ENFORCEMENT DETAIL**

For the past 20 plus years, members of our traffic unit have participated in the countywide joint traffic enforcement program, "BADGES" (Before Aggressive Driving Gets Everyone Stopped). Once a month, traffic officers from each Santa Cruz County Agency collaborate to target high collision areas, school zones, and other violations in selected jurisdictions around our county. This saturated traffic enforcement's main purpose is to bring educational awareness to the motoring public, combat road rage by targeting aggressive driving violations such as speeding, stop sign violations, red light violations, tailgating, and unsafe lane changes.



## **ABANDONED VEHICLE ABATEMENT PROGRAM**

In 2021, the Scotts Valley Police Department saw an increase in the number of large RV's and motorhomes parked or abandoned throughout the city. The Traffic Division kept busy during the year, issuing 113 vehicle storage citations, 47 abatement notices as well as hundreds of courtesy citations (written warnings) to violators. A total of 13 vehicles were towed for being left abandoned on our roadways. Officers also made regular contact with vehicle owners in order to prevent future violations.



## **NEW BEGINNINGS**



The Department hired Sgt. Scott Garner from the Santa Cruz Police Department in September of this year. Sgt. Garner has over 24 years of experience with 20 of those years specifically in traffic management with the Santa Cruz Police Department. Sgt. Garner is eager to restart the SVPD traffic program and has already begun working to prepare officers for both the eighty-hour motorcycle enforcement school and with collision investigations.

Sgt. Garner started working with officers and analysts to determine the top collision locations within the city and identify the primary collision factors causing those collisions. The traffic team will conduct focused enforcement campaigns at the identified locations for the specific violations. Sgt. Garner is working with city staff to identify environmental changes and engineering opportunities to reduce collisions and violations as well. It is our responsibility to educate and conduct enforcement to reduce all collisions with an emphasis on injury collision locations.



## **TRAFFIC COMPLAINTS & FOLLOW UP**

Our agency received 57 traffic complaints from concerned community members during the 2021 calendar year. These were mostly residential area concerns, school zone violations, and commute related complaints. Patrol officers are assigned to follow up on these complaints by working these areas during specific times and tracking their results. As a result of these 57 complaints, SVPD officers dedicated well over 150 hours of targeted enforcement campaigns resulting in hundreds of educational stops and dozens of citations. Most efforts resulted in an immediate reduction of violations and officers were mostly greeted with appreciation from the neighborhoods they were working.

### **SPEED TRAILER PROGRAM:**

SVPD Volunteers Konrad Baumert and Joe Bac are the backbone of the department speed trailer program. Konrad and Joe donate their personal time to move the speed trailer weekly to new locations to ensure it is being utilized throughout the city. The trailer is placed at a predetermined location and programmed to reflect the posted and surveyed safe speed of that section of roadway. Once a vehicle triggers the radar and is at or above the certified safe speed, the sign begins to flash red and displays, "SLOW DOWN".

The sign is specifically utilized at target locations during special events such as the 4<sup>th</sup> of July week. The sign is placed on Mt. Hermon Road and Scotts Valley Drive to educate visitors entering our city to enjoy our events. The sign is also used in residential neighborhoods such as The Vineyards, Skypark, and Granite Creek areas during Halloween.

The sign is a desired resource for our community and Volunteers Konrad and Joe fully support and run this program. Rain or shine, they deploy the sign. We would be unable to keep up with the demand without their due diligence and efforts.



## RESERVE OFFICER UNIT

The Scotts Valley Police Department is fortunate to be the only law enforcement agency in Santa Cruz County with an active Reserve Program. We have four very involved and committed Reserve Officers who logged in over 630 volunteer hours to help keep our city safe. Our staff consists of Reserve Officers Don Murray, Dave Bergman, John Hohmann and Michael Cummings. Reserve Officers Don Murray and Dave Bergman were awarded with congratulatory plaques for completing 25 years of service with the Scotts Valley Police Department!



Chief Walpole awards Reserve Officer Don Murray and Reserve Officer Dave Bergman.

The Reserves go out and patrol when our staffing is low, assist with park checks, commercial checks, traffic control, community events and transporting in-custody arrestees to County Jail. Reserve Officer Hohmann assists with vehicle abatement, DARE and Special Olympics fundraising events and Reserve Officer Cummings helps organize the Armory as well as service our patrol rifles. The Reserves' dedication to this Department and community is apparent in their day to day contacts with community members and local programs. Our Department runs more efficiently due to their continued assistance year after year.



Reserve Officer Hohmann

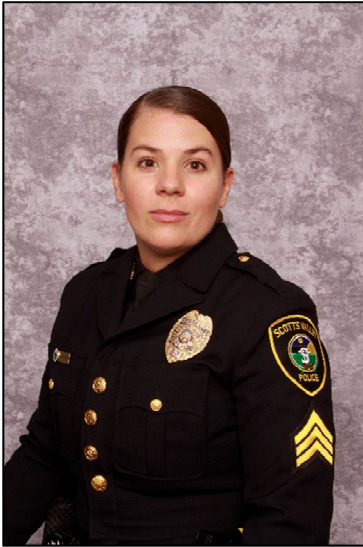


Reserve Officer Cummings

## ADMINISTRATIVE SERVICES DIVISION

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The Services Division is overseen by Captain Jayson Rutherford and is comprised of two units: Investigations and Communications. Detective Sergeant Meredith Roberts supervised the Investigations Unit in 2021, while Services Supervisor Amanda Robbins continues to manage the Communications Unit.



The Scotts Valley Police Department's Investigation Unit is normally comprised of two detectives, a school resource officer, and a detective sergeant. The detectives work weekdays, but are on call and available when a major incident unfolds. Detectives have specialized training in major crimes and follow up on complex cases. They also conduct proactive operations such as tobacco and alcohol stings and are responsible for our narcotic and sex registrant program.

The Scotts Valley Police Department is the only municipality which maintains its own 911 dispatch center. Our police dispatchers perform a wide variety of duties including answering emergency and business calls for service, dispatching officers on patrol, police report review and records management, producing our media bulletin, assisting with property and evidence, and helping members of the public who arrive in our lobby 24 hours a day.



# INVESTIGATIONS UNIT

The Investigations Unit has three areas of focus: Criminal Investigations, Personnel Recruitment, and Community Outreach for the department.



For the first few months of 2021, the department had no personnel available to staff our investigations unit. Toward the summer, however, Sergeant Meredith Roberts was reassigned from her role as a patrol sergeant to that of detective sergeant. This assignment included teaching DARE online to Brook Knoll Elementary 5<sup>th</sup> grade students, while Reserve Officer John Hohmann taught DARE in person to Vine Hill Elementary and Baymonte Christian School thus continuing our long tradition of teaching DARE to all of the fifth-grade classes.

Recently retired from the Los Gatos Police Department, Detective Kevin Elliott was hired and brought his years of experience to our department. He immediately started working cases, some of which were very complex and time consuming. Detective Elliott has been instrumental in making the unit run smoothly and getting prosecutable cases to the District Attorney.



In addition to Detective Elliott, we were very fortunate to secure the services of another long-time law enforcement professional, Retired Santa Cruz Sheriff's Lieutenant Shea Johnson, who joined our department as a part time Senior Management Analyst. She assists with many different administrative projects, hiring and recruitment, as well as some investigative case follow up. Having Analyst

## Drug Abuse Resistance Education (D.A.R.E.)



The Drug Abuse Resistance Education (D.A.R.E.) program is taught to all 5th grade students at Vine Hill Elementary, Brook Knoll Elementary and Baymonte Christian School.



Reserve Officer John Hohmann volunteered to teach DARE in person this year. Even though the students were required to wear masks, they were extremely grateful for the opportunity to learn amongst their peers.

The D.A.R.E. program consists of an evidence-based curriculum that teaches students good decision-making skills to help them lead safe and healthy lives. The D.A.R.E. vision is defined as a “world in which students everywhere are empowered to respect others and choose to lead lives free from violence, substance abuse, and other dangerous behaviors.”



## Special Olympics

The Scotts Valley Police Department has long supported the Special Olympics of Northern California. Reserve Officer John Hohmann coordinated public relation events that raise funds for Special Olympics of Northern California including the popular Police in Pursuit car races at Ocean Speedway, the Polar Plunge, Law Enforcement Torch Run, Tip-A-Cop and other related Special Olympics events.



In July 2021, the official “Flame of Hope” torch of the Special Olympics Northern California Summer Games was carried with a large contingent of runners through Scotts Valley.

Special Olympic events are supported by our agency because we believe in the importance of celebrating the heart and spirit of Special Olympic athletes and their families.

At the 2021 California Police Chiefs’ Association Annual Conference, Chief Walpole received the 2021 Special Olympics Northern California Award of Excellence for his continued support for Special Olympics events and fund raising.

The Special Olympics rely solely on fund raising and donations to operate and Chief Walpole’s support of this cause is worthy of recognition.



## COMMUNICATIONS/RECORDS UNIT



The Scotts Valley Police Department is one of three communications centers in the County of Santa Cruz and is proud to serve the residents of Scotts Valley. Scotts Valley Police Department is unique in that our lobby and dispatch center are open 24/7, allowing citizens and other customers to come in and speak face to face with someone at any time. Dispatchers answer 911 calls as well as business line calls and are a great source of information for the public.

The Communications/Records Unit is made up of Services Supervisor/Custodian of Records Amanda Robbins, Emergency Dispatcher Clerk II Chloe Gordon, Emergency Dispatcher Clerk II Hannah Carney, as well as four Emergency Dispatcher Clerk I's. While a large portion of the day involves call taking, the unit also handles all records in the department. These records include but are not limited to records requests, subpoenas, background checks, and report distribution.

In 2021, our dispatch center handled 4,293 emergency calls and 14,344 business line calls, which resulted in 6,033 calls for police service. Our average response time to emergency calls for service was 2.4 minutes.



Throughout the year, the records unit was busy attending trainings leading up to major changes in our crime reporting that was mandated by the Department of Justice and FBI. In addition to these changes, Services Supervisor Robbins successfully completed three routine triennial audits administered by the Department of Justice. It was a busy year for the Communications Unit while overcoming the departure of one of the Emergency Dispatcher Clerk I's after an out-of-state relocation.

While we were down two positions during 2021, we were happy to close out the year as a fully staffed unit after a great deal of the year was spent on recruitment efforts. Having received over 40 applications and conducting nearly 20 oral board interviews, we found two well-qualified candidates to join our team.



Chief Walpole and EDCI Taylor Raymond

In August of 2021, the department hired Taylor Raymond. EDCI Raymond completed the four-month communications training program and assumed her first solo shift in December, just prior to the holidays. EDCI Raymond was born and raised in Scotts Valley and is eager to serve the community.

Taylor Froling started with the department in December of 2021 and was previously working as a 911 dispatcher. EDCI Froling is currently in the communications training program and is on track to assume a solo shift in March of 2022. EDCI Froling is a lifelong resident of Santa Cruz County and we are happy to welcome her to the department.

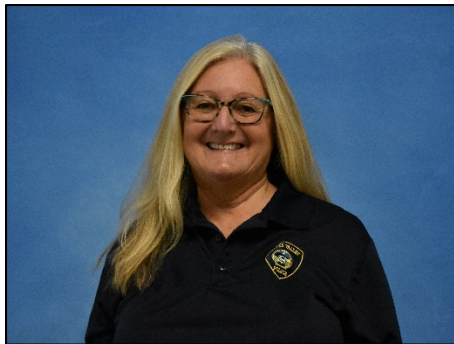


Chief Walpole and EDCI Taylor Froling

# VOLUNTEER UNIT

The Scotts Valley Police Department relies heavily on the support and assistance offered by our group of civilian volunteers, a unit that has been active since 1991. Our dedicated volunteers perform court deliveries, help with scheduling vehicle maintenance, clerical work, records reviews, training logistics, set up the speed awareness trailers, work in the armory, and support special events. Our group of volunteers have that “can-do attitude” of no task is too small or too big. Even though our department was in COVID lockdown for part of the year, our volunteers still managed to work a total of 161 hours in 2021.

In October of 2021, the members of our department honored all of our active volunteers at the Volunteer Recognition Dinner. It was the first time we were able to hold the event over the past two years due to COVID. Pictured left to right: Chief Walpole, Joe Bac, Gillian McGlaze, Captain Dean, Jim Kiehl, Terri Ritchie, Captain Rutherford and Konrad Baumert.



The police department welcomed newest volunteer Terri Ritchie in 2021. Terri and her family have been a fixture in our community for many years. Having a strong interest in law enforcement, she decided being a volunteer was the way to go. She hit the ground running, quickly learning how to do weekly court and distribution runs to various agencies around the county. Terri also has assisted Administration with various time-consuming tasks. Keep up the good work, Terri!

After more than 20 years of service with SVPD, our longest serving volunteer, Harvey Bustichi, decided to retire from the department. Chief Walpole and Captain Dean bestowed an honorary shadow box to Harvey to show our gratitude for the countless hours he donated to the department over the years. Harvey promised to keep busy as he still volunteers for his local church and the service clubs in our community.



# POLICE OFFICER ASSOCIATION

The Scotts Valley Police Officer Association (SVPOA) is committed to engaging with our residents and helping to raise funds for local charities and youth programs. Officer Timothy Renn (President) and Emergency Dispatch Clerk II Chloe Gordon (Vice President) were elected to run the association in June of 2021 and continue our long tradition of giving back to our community.



The SVPOA has sponsored the Northern California Special Olympics Torch Run every year in our city since 2008. In June of 2021, we were proud to run the torch through Scotts Valley with our fellow community members who also donated their time and treasure to this worthy cause.

Police in Pursuit is another fundraising event to raise money and awareness for the athletes of Special Olympics of Northern California. Law Enforcement Officers raise money to race their "hot-rod" patrol vehicles around the track at Ocean Speedway. In 2021, SVPOA sponsored a car which was driven by our association members.



The SVPOA, in partnership with the City of Scotts Valley, the Scotts Valley Exchange Club, Valley Churches United, Kiwanis Club, and many more community sponsors, created a magical Christmas tree lighting ceremony at the Community Center. Officers joined in the festive event and collected donations for Valley Churches United, passed out stickers, and took photos with a lot of families. It was an amazing turn out and a great event. It was an honor for the SVPOA to participate in such a family-oriented community event.

# DEPARTMENT HIGHLIGHTS

We handled 6,033 calls for service and 12,965 Officer Initiated Activity events in 2021. We responded to in-progress crimes, thefts and burglaries, domestic disputes, traffic collisions, DUIs, and major criminal investigations, in addition to calls related to ongoing COVID concerns. Our department also provided calls for service involving suspicious vehicles and people, residential and commercial alarms, various municipal code violations, and other quality of life issues. Some of the more notable incidents are summarized below:

## WINTER

During the winter holidays, driving under the influence arrests (DUI) tend to trend upward. Our department focuses on DUI enforcement year round, but specific attention is given to driver safety during this time of year.

This particular motorist was traveling at a high rate of speed on Bean Creek Road, with a Blood Alcohol Content of over three times the legal limit. The driver lost control of the vehicle and ended up crashing into a tree and a house!



At the beginning of every shift, officers patrol their "beat" to see if anything stands out as unusual or suspicious. This is known as "setting your beat." By doing this at the beginning of our shift, we know what vehicles or people have been in a certain location for long periods of time. In this incident, officers set their beat and noticed a van parked at a gas pump that appeared unusual and the owner of the vehicle had a suspended license.

Officers returned to the area an hour later and the vehicle was still parked at the pump. We contacted the driver and passenger of the vehicle. The driver had an arrest warrant and was taken into custody. The passenger was on probation and when we searched her, officers located a loaded handgun in her jacket. Both subjects were booked into the county jail.



## SPRING

There are very few things in our profession that give us more joy than helping someone get their stolen property back. This year we had several cases of large amounts of stolen property being recovered by our officers which led to the arrest of multiple suspects.

In early Spring, a local business owner informed us that a suspect entered their patio area and stole their outside space heaters. Fortunately, the business had surveillance video and we were able to quickly put the suspect's images on social media. Less than a week later, the vehicle was located abandoned in Felton. Our officers were able to recover the stolen heaters and return them to the business. The vehicle also contained numerous brand-new high value power tools, which also appeared stolen. Detectives got right on the case and located additional victim businesses, many of whom were unaware they had been victimized, and were able to return their stolen property.



Only a week later, officers found a suspicious vehicle parked outside a storage facility. When officers contacted the driver, they found he was on probation for theft related convictions. We searched his vehicle and located multiple items that had recently been stolen from several storage lockers that very day. Officers were able to arrest the driver, identify some of the property, and return the items to the rightful owners.

In one of the most **buzzzz-arre** cases, a man located an enormous bee hive which contained a large amount of honey comb inside an oak tree on city property. The suspect wanted to remove the bees for his own personal use and steal the honey comb. The suspect lit a small fire inside the tree in order to smoke the bees out of the hive. Unfortunately for him, the tree caught fire and SVFD had to respond to put it out. Officers quickly determined the identity of the suspect and arrested him shortly later for reckless arson and theft.



## **SUMMER**

Staff at a local hotel requested officers assist them with evicting several occupants of a room after they refused to leave. When officers arrived, they located several people still in the hotel room, which had piles of property strewn about. Two of the occupants were on probation and one had an active arrest warrant. When officers searched the messy room, they found methamphetamine, heroin, and a large amount of drug paraphernalia. Officers also discovered two stolen motorcycles parked next to the bed, multiple stolen credit cards, counterfeit personal identification, and a replica handgun. All three suspects were arrested for multiple criminal violations and booked at jail.



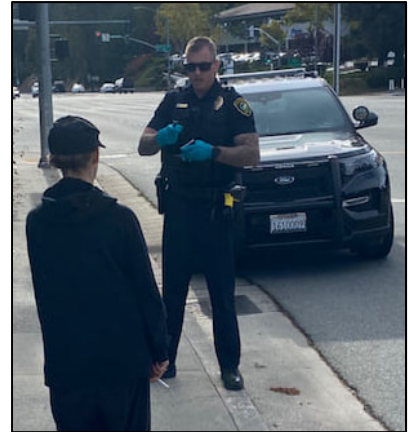
Detectives got a tip that there was a large amount of stolen property being held inside a storage locker in town. After hours of follow-up, detectives obtained a search warrant and entered the locker. They located literally truckloads of stolen property. Detectives then had the difficult task of identifying and locating all the victims. Ultimately, the majority of the property was returned to the grateful owners!

A juvenile suspect from out of the area attempted to rob a Scotts Valley High School student during the Homecoming Football game. The suspect brandished a knife and demanded the victim hand over items he had in his possession. The student refused and immediately notified school staff. Officers, who were already on scene to provide security at the game, immediately located and arrested the suspect. This incident highlighted the excellent working relationship we have with our school staff and our mutual goals of keeping kids safe.



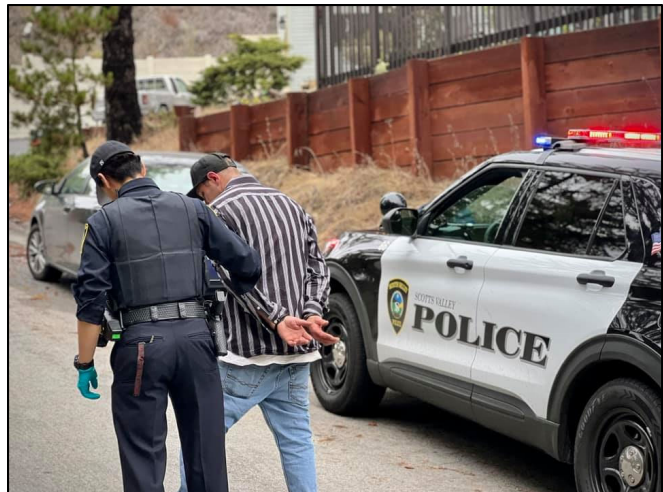
## **FALL**

Community members called 9-1-1 to report an attempted kidnapping. A grandfather was leaving a local business with his young granddaughter when an adult female approached him and tried to take the child from him. She claimed the child was hers and she was trying to rescue her. Officers responded and located the female that was clearly having mental health issues and delusions, as well as being under the influence of controlled substances. The female was convinced the child was hers, even after officers explained at length that she was not. The female was arrested for several different charges.



Officers responded to a report of an adult male and juvenile female involved in a physical domestic violence incident. Witnesses said the female was screaming for help and was being dragged into a vehicle by a male. The male half fled the scene prior to our arrival. The female suffered substantial injuries as a result of the altercation. When officers interviewed her, she admitted that her boyfriend had gotten angry at her and tried to prevent her from getting help. She also admitted that she had been raped by the male the previous night. The male was already facing attempted murder charges from an arrest in Watsonville. Detectives obtained an arrest warrant for the suspect and he was ultimately located and arrested in Capitola.

In October, our Officers responded to a report of an in-progress residential burglary where the suspect was being detained by the homeowner. Officers arrived on scene to find the resident, and a good Samaritan neighbor, had physically detained the suspect outside the house. The suspect had already stolen the resident's car from his garage and had returned to the house to take more items from inside when he was caught. Officers were able to safely take the suspect into custody and book him into jail for auto theft, residential burglary, and drug possession.



## STAFF RECOGNITION

The outstanding investigations, arrests, dispatching and community involvement of our staff does not go unnoticed.

### JANUARY

#### **Captain Jayson Rutherford**

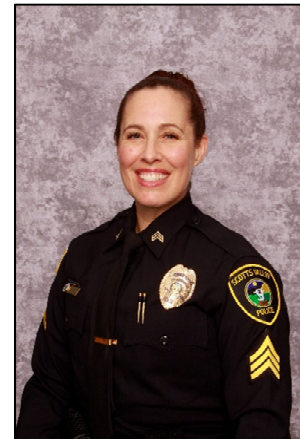
Captain Rutherford, still a sergeant at the beginning of 2021, was selected for his willingness to take on new assignments as our sworn staffing began to diminish. He took on the role of both the Training Manager and the Traffic Manager duties. Both assignments are critical to the continuing operations of the department. He was able to manage both of these new responsibilities and continue in his primary role as a patrol supervisor. His demonstrated project management skills played a big part in his promotion to Captain later in the year.



### FEBRUARY

#### **Sergeant Pascale Drozek**

Sergeant Drozek, who recently volunteered to be the FTO Supervisor, had the difficult task of managing four new police trainees. This was our largest group of officers to start the FTO program at the same time. This issue was compounded by a lack of current staff members who were available to mentor with the new trainees. Sergeant Drozek had to change the FTO schedule multiple times during the month to accommodate changes in department personnel.



### MARCH

#### **Officer Patrick Ahrens**

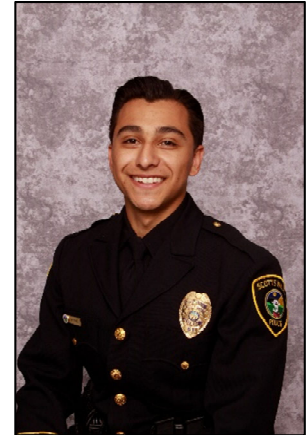
Officer Ahrens participated in a life-saving on March 15th when he was dispatched to a medical call on a report of a juvenile who was not conscious and not breathing. He began CPR and deployed the AED. Within a couple minutes, the subject regained a pulse, and after an administration of Narcan, he regained consciousness. The subject was transported to Dominican Hospital where he survived his deadly overdose.



## **APRIL**

### **Officer Eric Perez**

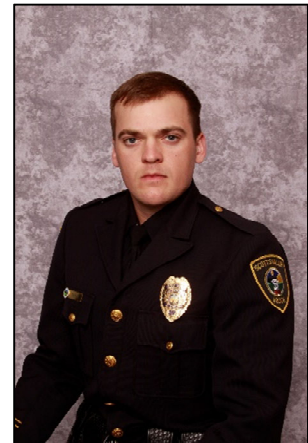
Officer Perez responded to a report of a subject who was threatening to shoot customers at Casa Nostra Restaurant. Officer Perez quickly arrived on scene and saw the suspect, who immediately decided to leave the area on foot. Officer Perez assessed the situation and managed to gain control of the suspect without incident. Officer Perez remained calm and composed afterward, detaining the suspect despite the suspect's open hostility towards law enforcement. Officer Perez showed solid judgment, common sense, and quick action during this volatile incident.



## **MAY**

### **Officer Tim Renn**

Officer Renn participated in a life-saving event when he responded to a report of a female who was unresponsive at a local self-storage facility. Officer Renn was the first to arrive on scene and quickly determined she was not breathing. Officer Renn relayed the proper information to police dispatch and began performing CPR. Scotts Valley Fire Department arrived shortly thereafter and continued performing life-saving measures, including administering Narcan. The female ultimately regained consciousness and was transported to Dominican Hospital.



## **JUNE**

### **Reserve Michael Cummings**

Reserve Cummings volunteered his time cleaning up, organizing, restocking, and setting up all the equipment in our Armory. He completed this impressive and time-consuming undertaking over the course of several months.

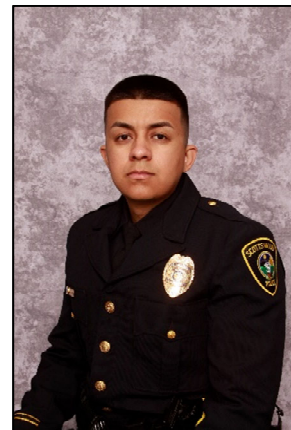
Reserve Cummings also spent a significant amount of time assisting with Active Shooter training, volunteering his time, his hard work ethic, and his skillset during this necessary and comprehensive training. The members of the UCSC Police Department who put on the event were impressed by the level of support they received by Reserve Cummings to make the training a success for all involved.



## **JULY**

### **Officer Edgar Larios**

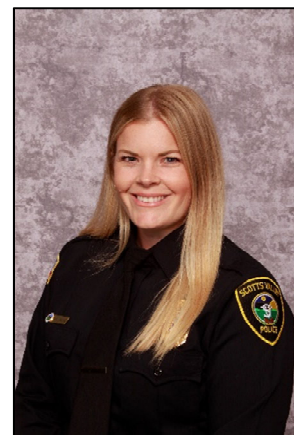
Officer Larios was on routine patrol on July 25th when he noticed a suspicious looking person sitting in his car next to a self-storage area. Officer Larios made a consensual contact and found the male subject was on probation for possession of stolen property. Officer Larios conducted a search of the vehicle and located stolen property inside. The suspect was arrested after it was determined the property had been recently stolen from a self-storage facility in the City of Santa Cruz. The rightful owner of the property responded to SVPD and was very happy to have their items recovered.



## **AUGUST**

### **Services Supervisor Amanda Robbins**

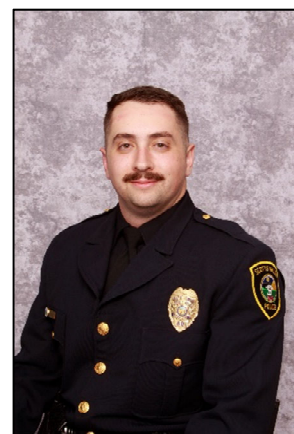
Services Supervisor Robbins manages our 911 center, where she schedules dispatch shifts, processes record requests, completes record reviews, and assists the public who come to our lobby. In addition to these regular duties, Services Supervisor Robbins completed three extensive audits for CJIS, CLETS, and DOJ in August. These audits were no easy task and required numerous hours of data research to ensure compliance with new mandated state and federal auditing requirements geared towards better protection of individuals' privacy by increasing safeguards on the data collected.



## **SEPTEMBER**

### **Officer Nick Lipari**

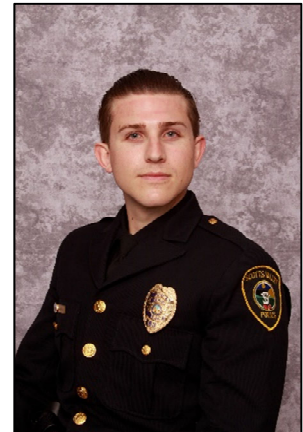
Officer Lipari is known for his proactive patrols late at night. The highlight of his proactivity occurred in October when he conducted a stop for a simple mechanical violation. He contacted the occupants who were both on probation and had suspended driver's licenses. A search of the vehicle located multiple catalytic converters which had been cut off using a Sawzall, which also happened to be found in the vehicle as well. The suspects claimed to have been gifted the items from an unknown friend, however, Officer Lipari wisely decided to keep the catalytic converters for safekeeping to determine the questionable authenticity of their story.



## **OCTOBER**

### **Officer Ben Standen**

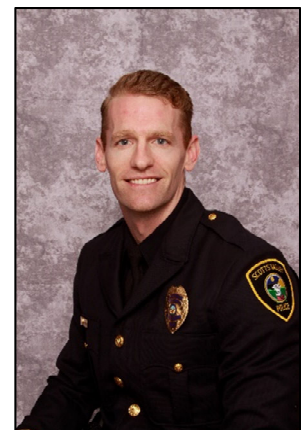
Officer Standen has been instrumental in cleaning up the abandoned Recreational Vehicles which have been increasingly piling up in our city. Officer Standen took on this assignment with fervor and worked hard to help alleviate the issue, especially in and around the El Pueblo Road area. Officer Standen wrote seventeen abatement citations on these unmoving parked eyesores and added another thirteen parking citations for other mechanical violations he witnessed on these dilapidated vehicles. His efforts resulted in a clear roadway on El Pueblo and a grateful citizenry whose businesses are located in that area.



## **NOVEMBER**

### **School Resource Officer Patrick Ahrens**

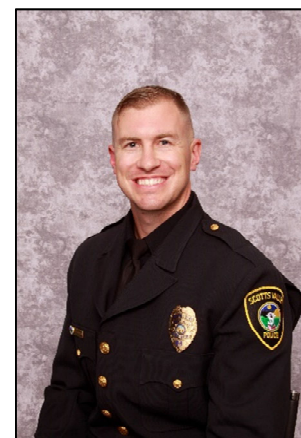
Officer Patrick Ahrens, who was reassigned to School Resource Officer (SRO) as staffing improved in the department, responded to six separate potential school threats incidents in November, which all involved separate unrelated students on campus. All the “threats” were investigated and each case was time consuming. SRO Ahrens’ assessment of each incident put teachers and students at ease when it was determined none of the people making the “threats” were deemed to be credible.



## **DECEMBER**

### **Officer Trevor Hutchison**

Officer Hutchison investigated a case where the victim alleged the suspect was continually harassing her and made violent threats against the victim with a handgun. Officer Hutchison completed multiple follow-up interviews and discovered the suspect was prohibited from possessing a firearm. He obtained enough evidence to seek a search warrant for the suspect’s place of business, which also doubled as his residence. Officer Hutchison completed a detailed Operation Order and served the search warrant with the help of most of our department’s sworn staff. During a search of the business, cocaine, methamphetamine, and narcotic paraphernalia were seized and the suspect was arrested.



## 2021 EXCHANGE CLUB OF SCOTTS VALLEY POLICE EMPLOYEE OF THE YEAR



School Resource Officer Patrick Ahrens was selected as the 2021 Exchange Club's Police Employee of the Year at their Annual Blue & Gold Dinner celebration. Officer Ahrens' was commended for his strong work ethic and positive attitude which distinguished him in his role as a Field Training Officer where he was responsible for training three new officers, resulting in several significant arrests and calls for service. One call in particular, if not for Officer Ahrens' life saving efforts, would likely have resulted in the death of a teenager. Officer Ahrens' willingness to take on the additional assignment as the School Resource Officer/Juvenile Detective has distinguished him as the sole full-time detective in the unit, taking on a major case involving a juvenile communicating with a sex registrant, and six separate potential school threat incidents which all involved separate unrelated students on campus, fortunately deemed not to be credible. Officer Ahrens' professionalism, positive attitude, dedication to our community and schools, and his many accomplishments make him more than deserving of the Exchange Club's Police Employee of the Year for 2021.

## **City of Scotts Valley CITY COUNCIL STAFF REPORT**

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Chris Lamm, Public Works Director/City Engineer

**APPROVED:** Mali LaGoe, 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 2022/23 assessment is \$219.74 per unit, which is the same as the FY 2021/22 assessment. 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 updated in July 2021. 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.

During the past year staff has met with concerned community members about the

expectations of the maintenance and condition of the Skypark assessment district. Staff has work on identifying contracted services that could support the improvement of the area. A neighborhood meeting was held via zoom on May 25, 2022 to hear concerns from residents and explain the plan of action moving forward.

In February of 2022, Council awarded a multi-year contract to Brightview Landscaping for the maintenance of the Skypark soccer fields and greenbelts. The cost of the greenbelt maintenance to be allocated to the assessment district is \$7,058.

In April, Public Works issued a request for proposals (RFP) for landscaping services throughout the City. Council action on June 1, 2022 would approve a multi-year contract with K&D Landscaping for landscape services on the Skypark Linear Trail including; annual fence replacement (200ft), annual mulching, monthly trimming, pruning, and general maintenance services, and a one-time refresh of the decomposed granite pathway. The cost of services for FY 2022/23 (excluding SB1383 mandated mulching) is \$37,656

The table below reflects the proposed FY 2022/23 budget, estimated year-end for FY 2021/22 and FY 2020/21 actuals:

|                                       | <b>Proposed<br/>FY 23/23</b> | <b>Estimated<br/>FY 21/22</b> | <b>Actual<br/>FY20/21</b> |
|---------------------------------------|------------------------------|-------------------------------|---------------------------|
| Assessments                           | \$41,751                     | \$41,751                      | \$41,751                  |
| Transfer from Insurance Fund          | \$0                          | \$12,000                      | \$12,000                  |
| <b>Total Revenue</b>                  | <b>\$41,751</b>              | <b>\$53,751</b>               | <b>\$53,751</b>           |
| Expenses                              |                              |                               |                           |
| Utilities                             | \$15,000                     | \$15,000                      | \$16,045.84               |
| Landscape Maintenance/Repairs*        | \$45,314                     | 26,614                        | \$52,397                  |
| <i>Expense Subtotal</i>               | <i>\$56,314</i>              | <i>\$40,614</i>               | <i>\$68,443</i>           |
| Self Insurance Fund – Slope Stability | \$0                          | \$13,137                      | \$0                       |
| <b>Total Expenses</b>                 | <b>\$60,314</b>              | <b>\$53,751</b>               | <b>\$68,443</b>           |

\*includes estimated city staff time and contracted services

The actual cost associated with the maintenance of the Skypark Open Space Linear trail and greenbelts exceed the assessment district revenue in the amount of \$18,563 to be funded through the Public Works – Park Maintenance operating budget.

As required, all 190 owners were notified of the June 1, 2022 public meeting and the June 15, 2022 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 15, 2022, 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 Resolution 1555-SP-34.

**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. Supplemental expenses of \$18,563 will be funded through the Public Works – Parks Maintenance operating budget.

**STAFF RECOMMENDATION**

It is recommended that Council accept testimony at the June 1, 2022 public meeting and hold a public hearing on June 15, 2022.

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**ENGINEER'S REPORT  
Fiscal Year 2022-2023**

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



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

**Donna Lind  
Mayor**

**Jim Reed  
Vice Mayor**

**Derek Timm  
Council Member**

**Randy Johnson  
Council Member**

**Jack Dilles  
Council Member**

**Mali LaGoe  
City Manager**

**Christopher Lamm RCE 82461  
Public Works Director / City Engineer**

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

## **ASSESSMENT**

**Fiscal Year 2022-2023**

**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, Christopher Lamm, RCE 82461, Public Works Director/City Engineer of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto; to be paid by the assessment district for the fiscal year 2022-2023 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 2022-2023 to the right of the parcel numbers and includes all of such parcels.

---

Date

---

Christopher Lamm, RCE 82461  
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 2022-2023

#### BENEFIT ASSESSMENT

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2022-2023 is as follows:

#### MAINTENANCE

|    |                                                |              |
|----|------------------------------------------------|--------------|
| 1. | Maintenance contract                           |              |
| a. | Linear Trail Open Space (K&D Landscaping)      | \$ 37,656.00 |
| b. | Greenbelt Maintenance (Brightview Landscaping) | \$ 7,058.00  |
| b. | Water Cost - Greenbelts                        | \$ 14,500.00 |
| c. | Utilities (PG&E)                               | \$ 500.00    |
|    | Subtotal                                       | \$ 59,714.00 |
|    | Total maintenance cost (12-month period)       |              |

#### INSURANCE

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

#### INCIDENTALS

|    |                                    |                     |
|----|------------------------------------|---------------------|
| 1. | Printing and advertising (notices) | \$ 600.00           |
|    | Subtotal                           | \$ 600.00           |
|    | Total Costs                        | \$ 60,314.00        |
|    | General Fund Contribution          | (\$ 18,563.40)      |
|    | <b>BALANCE TO ASSESSMENT</b>       | <b>\$ 41,750.60</b> |

## **RULES OF SPREADING ASSESSMENTS**

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

## Certificates

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

I, Christopher Lamm, Public Works Director / 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-034, duly adopted by said City Council on June 15, 2022.

\_\_\_\_\_  
Christopher Lamm, RCE 82461  
Public Works Director / City Engineer

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

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

Public Works Director / City Engineer  
Scotts Valley, Santa Cruz County, California  
  
By \_\_\_\_\_  
Christopher Lamm

# SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1

## ASSESSMENT ROLL

| Ass.<br>No. | Assessor's<br>Parcel No. | Property Owner                            | Assessment<br>Amount |
|-------------|--------------------------|-------------------------------------------|----------------------|
| 1001        | 22-691-01                | Mario Guerrero Magno & Marife Arcinas     | \$ 219.74            |
| 1002        | 22-691-02                | Jyri Virkki                               | \$ 219.74            |
| 1003        | 22-691-03                | Christopher & Dianne Wong                 | \$ 219.74            |
| 1006        | 22-691-06                | Anna Kesler-Diaz                          | \$ 219.74            |
| 1007        | 22-691-07                | Upendra Choudhary                         | \$ 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                      | \$ 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                        | \$ 219.74            |
| 1015        | 22-691-15                | Gillian McGlaze                           | \$ 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                | Jeanette E. Anderson                      | \$ 219.74            |
| 1146        | 22-692-03                | Jann L. Smart                             | \$ 219.74            |
| 1147        | 22-692-04                | Carl Gyllenhammer                         | \$ 219.74            |
| 1148        | 22-692-05                | Mark McWhinney                            | \$ 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                | Owen Ward                                 | \$ 219.74            |
| 1177        | 22-692-12                | Alexandra Michelle-Conway & Michael Lomas | \$ 219.74            |
| 1178        | 22-692-13                | Johnny Mon et al                          | \$ 219.74            |
| 1179        | 22-692-14                | Yuriko Yamasaki                           | \$ 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                | Sarah E. Christensen                      | \$ 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 | Vincent & Samantha Auvray              | \$ 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 | Brandon Charles & Nicole Sarah Finstad | \$ 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 Hudson Burroughs                | \$ 219.74 |
| 1141 | 22-693-09 | Sylvia P. Morrison                     | \$ 219.74 |
| 1142 | 22-693-10 | David and Josie Texidor                | \$ 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 | David R. & Cheryl R. Schneider         | \$ 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 | Andrew Jacob Ringer                    | \$ 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 A. Nicholson                   | \$ 219.74 |
| 1030 | 22-701-12 | Jason & Sandra Malone                  | \$ 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 | Sergey Kataev                          | \$ 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 | William Scholtz                        | \$ 219.74 |
| 1169 | 22-702-08 | Janet Elizabeth Barber                 | \$ 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 | Gayathri Balaji                        | \$ 219.74 |
| 1157 | 22-702-20 | Barry Young                            | \$ 219.74 |
| 1156 | 22-702-21 | James Ray Jr. & Heather Lewis Sebring  | \$ 219.74 |
| 1155 | 22-702-22 | Nathan & Jodie Fillhardt               | \$ 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 | Sadra Emami                            | \$ 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 G. & Susan Diane Morey         | \$ 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 | Jordan & Jessica 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 | Deant A. & Marina P. Earl              | \$ 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 | April N. & Stephen A. Clarke           | \$ 219.74 |
| 1092 | 22-711-22 | Steven & Kierstin L. Trefethen         | \$ 219.74 |
| 1091 | 22-711-23 | Gareth & Karen S. Egerton              | \$ 219.74 |
| 1090 | 22-711-24 | Srinivasan & Hemamalini Sathish        | \$ 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 | Ursula T. Christiansen                | \$ 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 Marhenke Peterson              | \$ 219.74 |
| 1103 | 22-711-42 | Kevin J. & Valerie W. 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 Trunecek                      | \$ 219.74 |
| 1076 | 22-711-46 | Todd & Michelle Riddle                | \$ 219.74 |
| 1077 | 22-711-47 | Jenny & Jefferson Delacruz            | \$ 219.74 |
| 1034 | 22-712-01 | Matthew A. & Gretchen K. Clark        | \$ 219.74 |
| 1035 | 22-712-02 | Claude H. & Cynthia M. Lopez          | \$ 219.74 |
| 1036 | 22-712-03 | Christopher W. Bensen & Tara Dalton   | \$ 219.74 |
| 1037 | 22-712-04 | Jeffrey L. Gee et al                  | \$ 219.74 |
| 1038 | 22-712-05 | Emir & Denise Gurer                   | \$ 219.74 |
| 1039 | 22-712-06 | Goran & Susan Domitrovic              | \$ 219.74 |
| 1040 | 22-712-07 | 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 | Tomas & Tereza Knappek                | \$ 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 | Carlos S & Roberta N Camilo Denilson  | \$ 219.74 |
| 1051 | 22-712-18 | The Salvation Army                    | \$ 219.74 |
| 1052 | 22-712-19 | Andrea Banzi & Amelia Louis e Jensen  | \$ 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 | John Roman Mueller               | \$ 219.74        |
| 1062 | 22-713-10 | Christine & Nicholas Hutton      | \$ 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 | Wilma M. Caldwell                | \$ 219.74        |
| 1056 | 22-713-16 | Mallory & Lance Walkup           | \$ 219.74        |
| 1055 | 22-713-17 | Matthew R. Hakimi Trustee        | <u>\$ 219.74</u> |

**TOTAL ASSESSMENTS**

**\$ 41,750.60**

## **City of Scotts Valley CITY COUNCIL STAFF REPORT**

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Chris Lamm, Public Works Director/City

**APPROVED:** Mali LaGoe, City Manager

**SUBJECT: PINWOOD ESTATES LANDSCAPE MAINTENANCE  
ASSESSMENT DISTRICT; 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 1, 2022 public meeting and the June 15, 2022 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 15, 2022, 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. 1213.36.

### **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 1, 2022 public meeting and hold a public hearing on June 15, 2022.

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**ANNUAL ENGINEER'S REPORT  
Fiscal Year 2022-2023**

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



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

**Donna Lind  
Mayor**

**Jim Reed  
Vice Mayor**

**Derek Timm  
Council Member**

**Randy Johnson  
Council Member**

**Jack Dilles  
Council Member**

**Mali LaGoe  
City Manager**

**Christopher Lamm, RCE 82461  
Public Works Director / City Engineer**

## **ASSESSMENT**

### **Fiscal Year 2022-2023**

**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**, Christopher Lamm, RCE 82461, Public Works Director/City Engineer of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2022-2023 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 2022-2023 to the right of the parcel numbers and includes all of such parcels.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Christopher Lamm, RCE 82461  
Public Works Director / 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 2022-2023

Engineer's Estimate (City Engineer)

#### **Maintenance Expenses**

|                           |             |
|---------------------------|-------------|
| Maintenance and servicing | \$ 3,920.00 |
| Irrigation and power      | \$ 1,500.00 |

|          |                    |
|----------|--------------------|
| Subtotal | <u>\$ 5,420.00</u> |
|----------|--------------------|

#### **Incidental Expenses**

|                     |           |
|---------------------|-----------|
| City administration | \$ 600.00 |
|---------------------|-----------|

|          |                  |
|----------|------------------|
| Subtotal | <u>\$ 600.00</u> |
|----------|------------------|

|                      |                    |
|----------------------|--------------------|
| Total Estimated Cost | <u>\$ 6,020.00</u> |
|----------------------|--------------------|

|                           |                    |
|---------------------------|--------------------|
| Net Amount to be Assessed | <b>\$ 6,000.00</b> |
|---------------------------|--------------------|

## **RULES OF SPREADING ASSESSMENTS**

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

## Certificates

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

I, Christopher Lamm, Public Works Director / City Engineer for the City of Scotts Valley, do hereby certify that the amounts set forth have been re-computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1213.36, duly adopted by said City Council on June 15, 2022.

\_\_\_\_\_  
Christopher Lamm, RCE 82461  
Public Works Director / City Engineer

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

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

\_\_\_\_\_  
Cathie Simonovich, City Clerk

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

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

By: \_\_\_\_\_  
Christopher Lamm

**City of Scotts Valley**

**PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT**

**ASSESSMENT ROLL**

**2022-2023**

| <b>Assessment<br/>Number</b> | <b>Assessor's<br/>Parcel No.</b> | <b>Property Owner</b>                                                 | <b>Assessment<br/>Amount</b> |
|------------------------------|----------------------------------|-----------------------------------------------------------------------|------------------------------|
| 1                            | 021-172-01                       | BIAN ZHIXI                                                            | \$240                        |
| 2                            | 021-172-02                       | MARINO RUSSELL J TRUSTEE                                              | \$240                        |
| 3                            | 021-172-03                       | MARTIN GEOFFREY & SUSAN H/W JT                                        | \$240                        |
| 4                            | 021-172-04                       | KELLER TERRY A & JULIE TRUSTEES                                       | \$240                        |
| 5                            | 021-172-05                       | EDWARDS ANDREA U/W<br>WOLF MARSHALL E & KRISTIA BURGESS               | \$240                        |
| 6                            | 021-172-06                       | TRUSTEES                                                              | \$240                        |
| 7                            | 021-172-07                       | HALL EUGENE J & JENNIFER M<br>O CONNOR MICHAEL CHARLES & SARAH WRIGHT | \$240                        |
| 8                            | 021-172-08                       | H/W CP R                                                              | \$240                        |
| 9                            | 021-172-09                       | ROBINSON CARLOS E H/W JT ETAL                                         | \$240                        |
| 10                           | 021-172-10                       | ROBERTS TRACY LEE                                                     | \$240                        |
| 11                           | 021-172-11                       | DUNN JOHN & JANINE H/W CP RS                                          | \$240                        |
| 12                           | 021-172-12                       | GONG QI H/W CP RS ETAL                                                | \$240                        |
| 13                           | 021-172-13                       | MC CONNELL MELVIN M & MIRIAM C H/W JT                                 | \$240                        |
| 14                           | 021-172-14                       | MCMULLEN AMY DEANNE & ROBERT WILLIAM                                  | \$240                        |
| 15                           | 021-301-01                       | LINN JOEL M & KARINA H/W CP RS                                        | \$240                        |
| 16                           | 021-301-02                       | SION VINICIO & KRISTY CO-TRUSTEES                                     | \$240                        |
| 17                           | 021-301-03                       | DAVIDSON MARK S & EVE M                                               | \$240                        |
| 18                           | 021-301-04                       | KEITH SETH                                                            | \$240                        |
| 19                           | 021-301-05                       | LEMMON CYNTHIA M TRUSTEE                                              | \$240                        |
| 20                           | 021-301-07                       | SUGGS JOHN B & LINDA L TRUSTEES                                       | \$240                        |
| 21                           | 021-301-08                       | NORDSTROM MARK JOHN TRUSTEE ETAL                                      | \$240                        |
| 22                           | 021-301-09                       | SPIEGEL JAMES D TRUSTEES ETAL                                         | \$240                        |
| 23                           | 021-301-10                       | MCELREA SIMON J S & KRISTIN L                                         | \$240                        |
| 24                           | 021-301-11                       | COX CLINT R                                                           | \$240                        |
| 25                           | 021-301-12                       | ROSS BRANDON J & KATHY C                                              | \$240                        |
| <b>TOTAL ASSESSMENTS:</b>    |                                  |                                                                       | <b>\$ 6,000</b>              |

## City of Scotts Valley CITY COUNCIL STAFF REPORT

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**PREPARED BY:** Casey Estorga, Administrative Services Director

**FROM:** Mali LaGoe, City Manager

**SUBJECT:** **FY 2022-23 PROPOSED BUDGET AND LONG-RANGE  
FINANCIAL FORECASTS**

### **SUMMARY OF ISSUE**

The FY 2022-23 Proposed Budget is attached for the City Council's consideration. This budget includes a long-range financial forecast, with detailed analysis on the City's General Fund.

To assist with the development of the FY 2022-23 Proposed Budget the City Council has provided policy and budget direction in the following ways:

- **FY 2020-21 Annual Comprehensive Financial Report (ACFR) and FY 2021-22 Mid-Year Budget Amendments:** In March, the City Council accepted the external auditor's review of FY 2020-21 and as a result, authorized recommended mid-year budget amendments by approving the existing FY 2021-22 Amended Budget.
- **STRATEGIC PLANNING GOALS:** In March and April, the City Council held two study sessions to review, analyze, and confirm the City's Strategic Planning Goals, all of which have been incorporated into the FY 2022-23 Proposed Budget.
- **GUIDING BUDGET PRINCIPLES:** In April, the City Council adopted annual Guiding Budget Principles to help shepherd the budget development process, including by noting that the General Fund unrestricted reserve levels should be a minimum of 17% with a goal of 30%.
- **FEE SCHEDULE:** In May, the City Council approved the FY 2022-23 Fee Schedule to assist with cost recovery associated with providing services to the community.
- **CAPITAL IMPROVEMENT PROJECT (CIP) PLAN:** In May, the City Council, Parks and Recreation Commission, and Planning Commission all reviewed and

provided feedback regarding the Five-Year Capital Improvement Project (CIP) Plan.

- **CITY COUNCIL BUDGET SUBCOMMITTEE:** In April and May, staff and financial consultants met with the City Council Budget Subcommittee, comprised of the Mayor and Vice Mayor, to review, in detail, all aspects of the FY 2022-23 Proposed Budget. These meetings involved representatives from every City department, discussing operational needs and service demands.

***Budget Document and Overview***

The attached budget document summarizes the FY 2022-23 Proposed Budget. The Proposed Budget continues to target service restoration and making strategic investments in Scotts Valley’s future, including by scheduling deferred or otherwise delayed maintenance, projects, or general restoration of services to pre-pandemic levels.

***Long-Range Financial Planning***

The FY 2022-23 Proposed Budget incorporates analysis on the overall financial health of the City, with great emphasis on the performance and future needs of the General Fund as the City’s largest funding source. The FY 2022-23 Proposed Budget is forward thinking and incorporates Council priorities, including by meeting reserve balance minimums in all funds. Furthermore, these day-to-day operational activities are accomplished while concurrently budgeting a General Fund set-aside of an unencumbered \$2.5 million to help address long-term liabilities like pension and retiree medical costs as well as a \$3.5 million transfer to cover costs of FY 2022-23 General Fund Capital Improvement Projects.

The long-range financial analysis concludes by highlighting that voter-adopted Measure Z is infusing necessary stability in the budget, with the City Council needing to schedule future conversations to strategically plan for Measure Z’s expiration in roughly 9 years, during FY 2031-32.

**FISCAL IMPACT**

There is no fiscal impact associated with the review of the FY 2022-23 Proposed Budget. Staff will incorporate any feedback and/or policy direction into the FY 2022-23 Annual Budget that is scheduled to be considered for adoption on June 15, 2022. Adoption of the FY 2022-23 Annual Budget will then establish the appropriations for the FY 2022-23.

**STAFF RECOMMENDATION**

Staff recommends the City Council provide feedback and policy direction associated with the FY 2022-23 Proposed Budget.

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# City of Scotts Valley

## Proposed Budget

### Fiscal Year 2022-23



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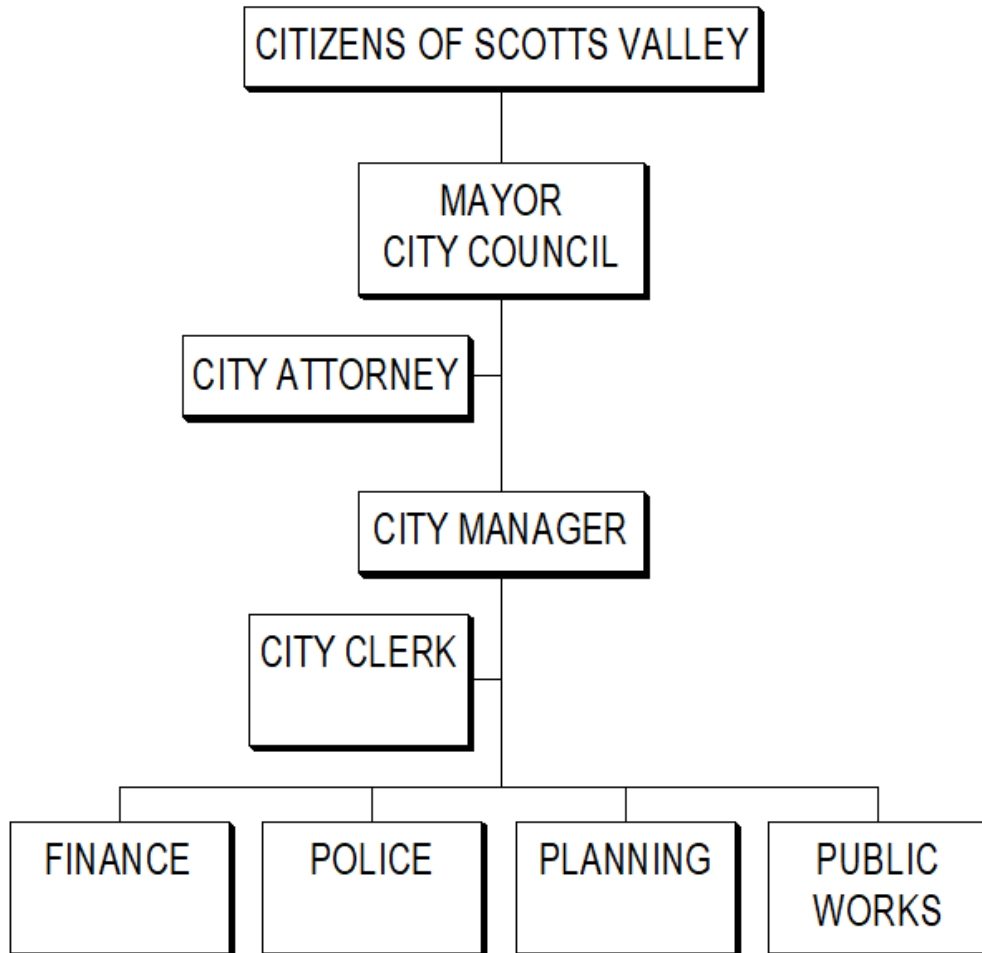
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## CITY OF SCOTTS VALLEY ORGANIZATION CHART



## **CITY MANAGER'S BUDGET MESSAGE**

Honorable Mayor and City Council,

I am pleased to present the City of Scotts Valley's Annual Budget for Fiscal Year (FY) 2022-23. The City continues to operate in extraordinary times where life has fundamentally changed for Scotts Valley residents, visitors, businesses, city employees, and all of our community partners. This Budget reflects a reinvestment in city services to address the needs of the Scotts Valley community as we continue to recover from the COVID-19 pandemic and rebuild for a bright future.

The City of Scotts Valley has continued its response to the pandemic by monitoring public health concerns and prioritizing the safety of city staff and all Scotts Valley residents. However, now that therapeutics are readily available, city staff and medical professionals throughout the region are optimistic that the toughest moments of the pandemic are behind us. The FY 2022-23 Annual Budget reflects this reality as many services and staffing levels start to return to pre-pandemic levels and revenue sources have rebounded quicker than expected.

While the economic conditions of the past two years have been unpredictable, the City of Scotts Valley fared relatively well. This was the direct result of early tough decisions made to minimize costs (including pausing programs, laying off staff and holding vacant positions unfilled), receiving one-time state and federal relief funding, and the crucial passage of Measure Z which bolstered Scotts Valley's tax base just as the pandemic started. I want to take this moment to extend thanks and appreciation to the entire Scotts Valley community who supported Measure Z and who pulled together to support their neighbors, family members, businesses, and service organizations during the pandemic.

Moving forward, I am pleased to recommend a budget that supports the Council's four strategic goals. Strategic investments are included to enhance the City's long term financial stability by addressing pension obligations; a new Economic Development budget within the City Manager's office was created to support the Town Center and continued economic recovery; meaningful investments in information technology infrastructure will enhance city services for years to come; and the return of recreation services and enhanced maintenance of city parks and other facilities will improve the quality of life for Scotts Valley residents.

This budget also addresses the primary needs of our streets with new paving, striping, and safety enhancements and continues to prioritize public safety and police services. The FY 2022-23 Annual Budget also incorporates several investments in Scotts Valley youth and restores funding for non-profit community organizations. This includes a partnership between the City of Scotts Valley and Scotts Valley School District to construct a new childcare facility at Vine Hill Elementary School. The City is also ecstatic to have the Scotts Valley Library reopen after an impressive renovation project funded by Measure S.



FY 2022-23 will be filled with opportunities for the City of Scotts Valley as we enjoy the long-awaited openings of businesses like Target and Faultline Brewery and the grand opening of the Community Theater next to the library, a new venue unlike anything else in Scotts Valley to celebrate arts, culture, and learning and belonging.

This budget includes an ambitious Capital Improvement Plan with an investment of over \$11 million to address aging infrastructure and various city facilities including those that support the community in a more “behind the scenes” manner. This includes the wastewater treatment plant, public works facility, police department, and City Hall. The CIP also invests in overdue cataloging of the City’s current infrastructure needs and projecting future needs for affordable housing, street improvements for all modes of travel, and modern, multiuse parks.

As City Manager, I will continue to prioritize recruitment and retention of a high performing workforce, a task that has shown to be especially challenging due to shifts in the labor market and increasing costs of living. The City’s investments in technology, facilities, training and development, coupled with competitive compensation packages will meet the needs and expectations of our workforce now and into the future. In addition, enhancing communication both within the city organization and with residents, businesses, and community partners will be a priority for me this year. This includes enhancing both the information we provide via the city’s website as well as opportunities for the community to provide feedback to the City about the services we provide.

The City of Scotts Valley is emerging from the economic and health crises of the last few years with strength and determination. City staff are poised to face the challenges and opportunities of rebuilding while also planning for the future. We proudly undertake the responsibility of making prudent decisions and being good stewards of public funds through maximizing the value of city services for the residents, businesses, and visitors of Scotts Valley.

In closing, I’d like to thank the team that worked to prepare this document, specifically Casey Estorga, Selina Andrews, Amanda Long, Steve Toler, Chris Lamm, Stephen Walpole, Taylor Bateman, and Amanda Armstrong. I also want to thank the Budget Subcommittee, Mayor Lind and Vice Mayor Reed, for their generous commitment of time reviewing budgets with careful analysis, thoughtful questions and good humor.

On behalf of all staff that enthusiastically serve the Scotts Valley community, I respectfully thank the Honorable Mayor and City Council for supporting the initiatives included in the City of Scotts Valley’s FY 2022-23 Annual Budget.

Sincerely,



**Mali LaGoe**  
City Manager

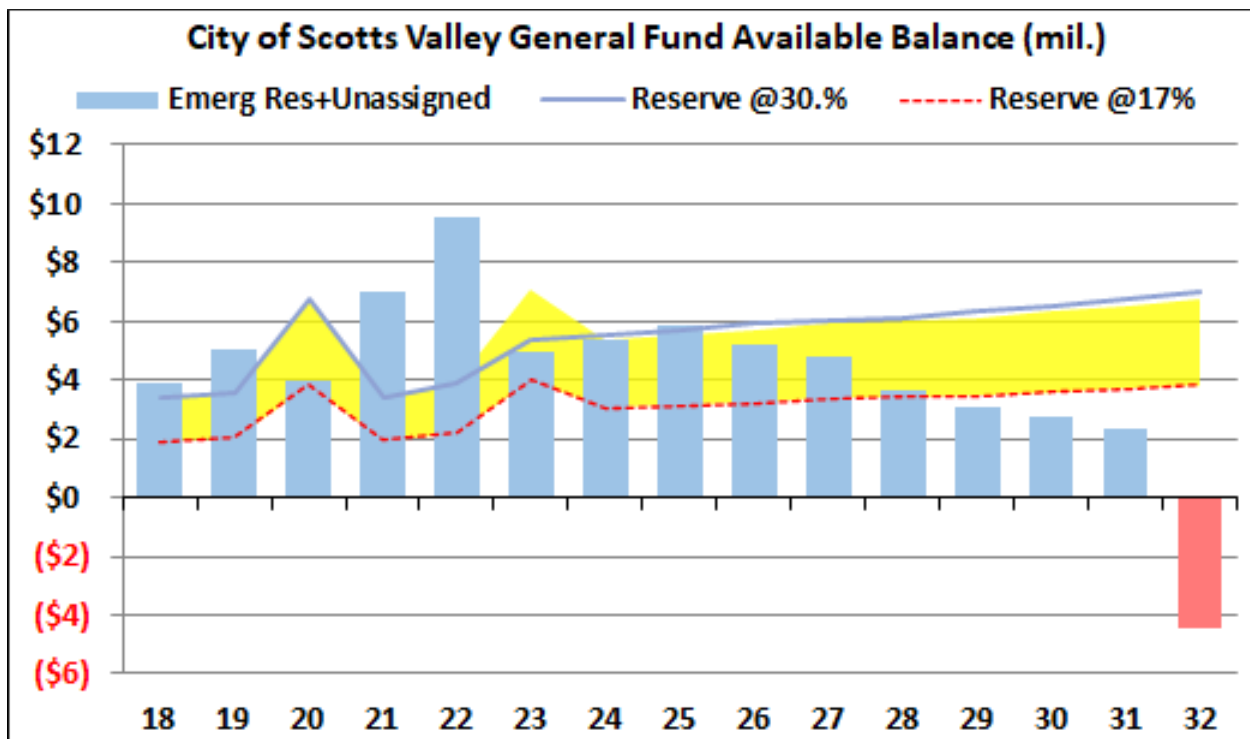


## LONG-RANGE FINANCIAL FORECAST

The City prepares a long-range financial forecast for all funds. These forecasts are not intended to accurately predict the outcome of future financial operations in fine detail. Rather, financial forecasts are used as planning tools to identify future trends and issues that require policy direction relative to capital improvement expenditures funding, providing, and maintaining service levels to the community, and to identify if there are any fiscal challenges that lay ahead that may require revenue enhancements to maintain desired service levels, or expenditure cuts in order to protect the city's fiscal resources.

The key in preparing any forecast is to start with a reasonably accurate assessment of the current status of fund balance reserves, current revenue projections and trends, developing an expenditure plan that is reflective of current service levels, and incorporating a capital expenditure plan that identifies the priorities for maintaining city infrastructure.

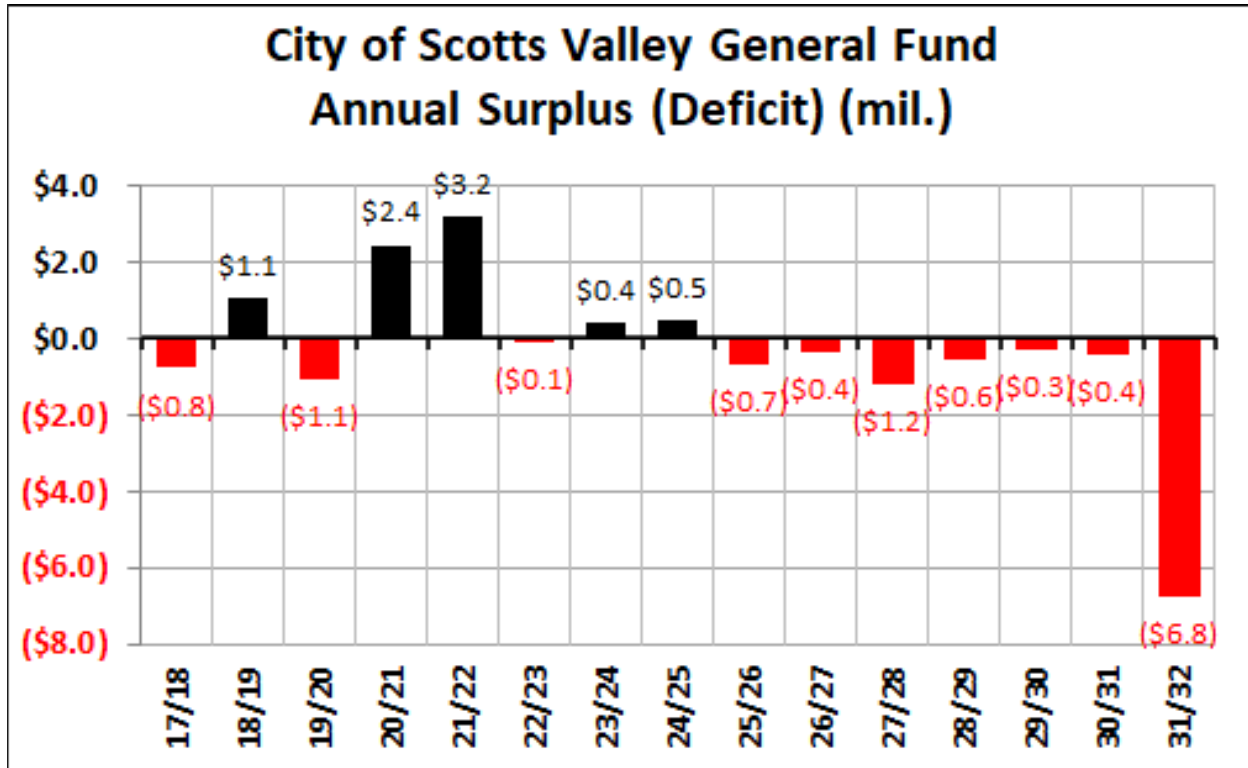
The chart below shows the projected General Fund Available Balance through FY 2031-32. The General Fund is highlighted as part of the long-range financial forecast because the majority of the City's total expenditures are found within the General Fund. This chart includes the most up-to-date budget data, including the activities included in the FY 2022-23 Proposed Budget and references a General Fund reserve minimum at 17% and General Fund reserve goal of 30%.



Additionally, the long-range analysis evaluated the annual General Fund surplus or deficit based on numerous financial variables include anticipated projected revenues, increase in costs to



provide services, increase in costs to long-term liabilities, and an assumption that a recession will hit in approximately 2027/2028. Most notably, the analysis highlights FY 2031/32 and the expiration of Measure Z and an important variable to consider when planning for the future stability of the General Fund. However, based on a prudent FY 2022/23 Proposed Budget, and assumptions about the post-pandemic economic recovery, the City's General Fund is forecasted to be healthy and stable for the relative future.



The baseline ten-year financial forecast for the General Fund indicates that the City has reached a level of fiscal sustainability based on current service and staffing levels. The approval of Measure Z, the local 1.25% transactions and use (sales) tax measure approved by voters in March 2020, is expected to generate over \$4 million per year in FY 2022/23 and will continue to grow.

Moving forward, the City has secured a team of financial consultants to help assess the City's long-term financial position, including to help the City Council develop debt management strategies to accommodate a comprehensive and contemporary long-range financial plan. The financial consultants will conduct an analysis on the City's financial health during FY 2022-23 and will meet with the City Council and Scotts Valley community to propose options on how to best prepare for the City's future. Based on that discussion and policy direction from the City Council, the City's long-range financial forecasts will be updated to reflect those scenarios.



## **SUMMARY OF FINANCIAL RESOURCES**

The chart below summarizes all funds in the City's budget. These calculations include projected Fund Balance projections as of July 1, 2022. Those details will be updated during the FY 2022-23 mid-year budget review, expected to occur early in calendar year 2023, after the official close of the FY 2021-22 books via the auditor's Annual Comprehensive Financial Report (ACFR).

Notably, the beginning fund balance in City's General Fund will help support the necessary transfers-out to cover applicable costs as itemized in the chart below. This includes transferring funds to supplement the cost recovery variance in the Recreation Fund, Special Revenue Fund, and supporting necessary projects listed in the General Capital Improvements Projects Plan.

City staff referenced all available data to understand projected revenues and expenses, including by referencing data from Santa Cruz County and HDL, the City's sales tax consultant.

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**FY 2022-23 Proposed Budget**

|      |                                                        | Estimated<br>Beginning<br>Fund Balance<br>7/1/2022 | Estimated<br>Revenues<br>FY 2022-23 | Transfers<br>In (Out) | Estimated Total<br>Funds Available<br>FY 2022-23 | Proposed<br>Budget<br>Expenditures FY<br>2022/23 | Projected<br>Ending Fund<br>Balance<br>06/30/2023 |
|------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------|-----------------------|--------------------------------------------------|--------------------------------------------------|---------------------------------------------------|
| Fund | Description                                            |                                                    |                                     |                       |                                                  |                                                  |                                                   |
| 1    | General Fund                                           | \$ 9,030,350                                       | \$ 19,003,869                       | \$ (3,899,183)        | \$ 24,135,035                                    | \$ 19,773,430                                    | \$ 4,361,606                                      |
| 6    | Equipment Replacement Reserve                          | \$ 536,568                                         | \$ 34,429                           | \$ -                  | \$ 570,998                                       | \$ -                                             | \$ 570,998                                        |
|      | <b>Subtotal General Funds</b>                          | <b>\$ 9,566,918</b>                                | <b>\$ 19,038,298</b>                | <b>\$ (3,899,183)</b> | <b>\$ 24,706,033</b>                             | <b>\$ 19,773,430</b>                             | <b>\$ 4,932,603</b>                               |
| 150  | <b>General Capital Improvements</b>                    | <b>\$ 677,804</b>                                  | <b>\$ 1,430,000</b>                 | <b>\$ 3,500,000</b>   | <b>\$ 5,607,804</b>                              | <b>\$ 4,521,900</b>                              | <b>\$ 1,085,904</b>                               |
| 7    | Drainage Construction Impact Fees                      | \$ 78,922                                          | \$ 37,977                           | \$ -                  | \$ 116,899                                       | \$ 25,000                                        | \$ 91,899                                         |
| 8    | Traffic Impact Mitigation Fees                         | \$ 942,172                                         | \$ 285,210                          | \$ -                  | \$ 1,227,381                                     | \$ 365,000                                       | \$ 862,381                                        |
| 9    | Park & Recreation Facilities Impact Fees               | \$ 1,510,273                                       | \$ 483,622                          | \$ -                  | \$ 1,993,895                                     | \$ 459,000                                       | \$ 1,534,895                                      |
| 21   | General Facility Impact Fees                           | \$ (25,229)                                        | \$ 23,143                           | \$ -                  | \$ (2,086)                                       | \$ -                                             | \$ (2,086)                                        |
| 27   | Police Facility Building Impact Fees                   | \$ 288,531                                         | \$ 55,501                           | \$ -                  | \$ 344,032                                       | \$ 245,000                                       | \$ 99,032                                         |
| 51   | Mt. Hermon Traffic Mitigation                          | \$ 189,227                                         | \$ 275                              | \$ -                  | \$ 189,502                                       | \$ -                                             | \$ 189,502                                        |
| 86   | Library Impact Fees                                    | \$ 404,649                                         | \$ 43,912                           | \$ -                  | \$ 448,561                                       | \$ 1,000                                         | \$ 447,561                                        |
| 315  | Police Development Fees                                | \$ 66,834                                          | \$ 97                               | \$ -                  | \$ 66,931                                        | \$ 50,000                                        | \$ 16,931                                         |
|      | <b>Special Revenue Funds - Development Impact Fees</b> | <b>\$ 3,455,380</b>                                | <b>\$ 929,736</b>                   | <b>\$ -</b>           | <b>\$ 4,385,116</b>                              | <b>\$ 1,145,000</b>                              | <b>\$ 3,240,116</b>                               |
| 2    | Recycling/Environment                                  | \$ (245,200)                                       | \$ 6,180                            | \$ -                  | \$ (239,020)                                     | \$ 100,000                                       | \$ (339,020)                                      |
| 3    | Gas Tax                                                | \$ 718,671                                         | \$ 601,260                          | \$ -                  | \$ 1,319,931                                     | \$ 449,800                                       | \$ 870,131                                        |
| 5    | SMIP Fees                                              | \$ 10,288                                          | \$ 7,473                            | \$ -                  | \$ 17,760                                        | \$ 5,000                                         | \$ 12,760                                         |
| 19   | Affordable Housing                                     | \$ 2,870,278                                       | \$ 369,848                          | \$ -                  | \$ 3,240,125                                     | \$ 180,000                                       | \$ 3,060,125                                      |
| 24   | Lennar Funds                                           | \$ 716,150                                         | \$ -                                | \$ -                  | \$ 716,150                                       | \$ 136,300                                       | \$ 579,850                                        |
| 28   | Senior Center Operations                               | \$ (80,890)                                        | \$ 13,842                           | \$ -                  | \$ (67,048)                                      | \$ 103,663                                       | \$ (170,711)                                      |
| 31   | STP Exchange Projects                                  | \$ 358,717                                         | \$ 900,528                          | \$ -                  | \$ 1,259,244                                     | \$ 900,000                                       | \$ 359,244                                        |
| 33   | Tree Replacement                                       | \$ 39,345                                          | \$ 2,131                            | \$ -                  | \$ 41,477                                        | \$ 10,000                                        | \$ 31,477                                         |
| 35   | Green Building Funding                                 | \$ 550,503                                         | \$ 104,361                          | \$ -                  | \$ 654,864                                       | \$ 6,000                                         | \$ 648,864                                        |
| 36   | Disability Compliance                                  | \$ 20,869                                          | \$ 1,785                            | \$ -                  | \$ 22,654                                        | \$ 6,000                                         | \$ 16,654                                         |
| 50   | Pinewood Estates Maintenance District                  | \$ 94                                              | \$ 6,000                            | \$ -                  | \$ 6,094                                         | \$ 6,000                                         | \$ 94                                             |
| 77   | Skypark Landscape Maintenance District                 | \$ 40,010                                          | \$ 42,011                           | \$ -                  | \$ 82,021                                        | \$ 52,000                                        | \$ 30,021                                         |
| 78   | Skypark Landscape Maintenance District Insurance       | \$ 554,522                                         | \$ 782                              | \$ -                  | \$ 555,304                                       | \$ -                                             | \$ 555,304                                        |
| 88   | Library Facilities Improvements (Measure S)            | \$ 1,162,192                                       | \$ 900,782                          | \$ -                  | \$ 2,062,974                                     | \$ 1,400,000                                     | \$ 662,974                                        |
| 89   | Library - Cty MOE Excess Distribution                  | \$ 362,844                                         | \$ 859                              | \$ -                  | \$ 363,703                                       | \$ 1,000                                         | \$ 362,703                                        |
| 123  | Community Facility Center Operations                   | \$ 238,238                                         | \$ 176,371                          | \$ -                  | \$ 414,609                                       | \$ 78,970                                        | \$ 335,639                                        |
| 155  | Measure D Sales Tax for Transportation                 | \$ 123,712                                         | \$ 313,309                          | \$ -                  | \$ 437,021                                       | \$ 1,039,100                                     | \$ (602,079)                                      |
| 178  | CalTRANS - Get Everyone Moving Grant                   | \$ 131                                             | \$ 153                              | \$ -                  | \$ 283                                           | \$ -                                             | \$ 283                                            |
| 268  | Prop 68 Parks/Water Bond Act                           | \$ -                                               | \$ -                                | \$ -                  | \$ -                                             | \$ 178,000                                       | \$ (178,000)                                      |
| 306  | Supplemental Law Enforcement Services                  | \$ 239,740                                         | \$ 99,084                           | \$ -                  | \$ 338,824                                       | \$ -                                             | \$ 338,824                                        |
| 309  | Police Prop 56 Tobacco Prevention                      | \$ 29,668                                          | \$ 189,002                          | \$ -                  | \$ 218,670                                       | \$ 170,770                                       | \$ 47,900                                         |
| 312  | Police Budget Act 2016                                 | \$ 19,947                                          | \$ 29                               | \$ -                  | \$ 19,976                                        | \$ -                                             | \$ 19,976                                         |
| 316  | Homeland Security Grant                                | \$ 1,477                                           | \$ 2                                | \$ -                  | \$ 1,479                                         | \$ -                                             | \$ 1,479                                          |
| 317  | EDG Revolving Loan                                     | \$ 207,402                                         | \$ 394,457                          | \$ 183,333            | \$ 785,192                                       | \$ 183,333                                       | \$ 601,859                                        |
|      | <b>Special Revenue Funds - Other</b>                   | <b>\$ 7,938,705</b>                                | <b>\$ 4,130,248</b>                 | <b>\$ 183,333</b>     | <b>\$ 12,252,287</b>                             | <b>\$ 5,005,936</b>                              | <b>\$ 7,246,351</b>                               |
| 26   | Pension Obligation Bond                                | \$ (2,494)                                         | \$ -                                | \$ -                  | \$ -                                             | \$ 400,000                                       | \$ (400,000)                                      |
| 66   | COP Debt Service Reserve                               | \$ 994,598                                         | \$ -                                | \$ -                  | \$ 994,598                                       |                                                  | \$ 994,598                                        |
|      | <b>Debt Service Funds</b>                              | <b>\$ 992,104</b>                                  | <b>\$ -</b>                         | <b>\$ -</b>           | <b>\$ 994,598</b>                                | <b>\$ 400,000</b>                                | <b>\$ 594,598</b>                                 |
|      | <b>Recreation Enterprise Funds</b>                     | <b>\$ 104</b>                                      | <b>\$ 610,684</b>                   | <b>\$ 215,850</b>     | <b>\$ 826,742</b>                                | <b>\$ 826,638</b>                                | <b>\$ -</b>                                       |
| 10   | Wastewater Operations                                  | \$ 2,180,011                                       | \$ 3,463,729                        | \$ -                  | \$ 5,643,741                                     | \$ 3,545,867                                     | \$ 2,097,874                                      |
| 11   | Tertiary Operating                                     | \$ 146,949                                         | \$ 120,000                          | \$ -                  | \$ 266,949                                       | \$ 222,717                                       | \$ 44,232                                         |
| 12   | Wastewater Capital Reserve                             | \$ 153,990                                         | \$ 304,044                          | \$ -                  | \$ 458,034                                       | \$ 2,640,000                                     | \$ (2,181,966)                                    |
| 14   | Wastewater Equipment Replacement                       | \$ 122,560                                         | \$ 178                              | \$ -                  | \$ 122,738                                       | \$ -                                             | \$ 122,738                                        |
| 15   | TTP District Reserve                                   | \$ 3,363                                           | \$ 27                               | \$ -                  | \$ 3,390                                         | \$ -                                             | \$ 3,390                                          |
|      | <b>Wastewater Enterprise Funds</b>                     | <b>\$ 2,606,873</b>                                | <b>\$ 3,887,978</b>                 | <b>\$ -</b>           | <b>\$ 6,494,851</b>                              | <b>\$ 6,408,584</b>                              | <b>\$ 86,267</b>                                  |
|      | <b>Internal Service Fund - Dental Insurance</b>        | <b>\$ 25,572</b>                                   | <b>\$ 38,772</b>                    | <b>\$ -</b>           | <b>\$ 64,344</b>                                 | <b>\$ 60,000</b>                                 | <b>\$ 4,344</b>                                   |
|      | <b>TOTAL - All Funds</b>                               | <b>\$ 25,263,460</b>                               | <b>\$ 30,065,716</b>                | <b>\$ -</b>           | <b>\$ 55,331,774</b>                             | <b>\$ 38,141,487</b>                             | <b>\$ 17,190,183</b>                              |



## SUMMARY OF GENERAL FUND EXPENDITURES BY DEPARTMENT

The chart below summarizes General Fund activity, starting with prior year actuals in FY 2018-19, the FY 2021-22 Amended Budget, and the FY 2022-23 Proposed Budget. It is important to note that the FY 2021-22 Amended Budget reflected the realities of a challenging year for the City, including struggles resulting from the global pandemic, the regional economy (including challenges with filling vacant positions and challenges implementing projects due to general shortages in labor and materials). The net impact of these challenges resulted in lower-than-normal costs as shown in the FY 2021-22 Amended Budget.

Moving forward, the FY 2022-23 Proposed Budget reflects a recovering budget, with an expectation that labor markets stabilize, the availability of materials normalizes, and several deferred projects will come to fruition. The FY 2022-23 Proposed Budget also includes an unencumbered set-aside of \$2.5 million dollars, included in the General Government line item, to provide the City Council with flexibility to make a policy decision based on recommendations from City staff and the City's financial consultants about long-term debt strategies, including alternatives on how to address the City's pension and retiree medical liabilities.

| General Funds                             |                                              | FY 2018-19<br>Audited<br>Actuals | FY 2019-20<br>Audited<br>Actuals | FY 2020-21<br>Audited<br>Actuals | FY 2021-22<br>Amended<br>Budget | FY 2022-23<br>Proposed<br>Budget |
|-------------------------------------------|----------------------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|
| <b>General Fund (001)</b>                 |                                              |                                  |                                  |                                  |                                 |                                  |
| 41                                        | Legislative                                  | \$ 246,355                       | \$ 248,186                       | \$ 400,293                       | \$ 358,827                      | \$ 370,895                       |
| 42                                        | City Attorney                                | \$ 160,975                       | \$ 249,577                       | \$ 279,171                       | \$ 253,500                      | \$ 300,000                       |
| 43                                        | General Government                           | \$ 515,041                       | \$ 10,496,349                    | \$ 619,115                       | \$ 698,000                      | \$ 3,082,000                     |
| 44                                        | City Manager's Office                        | \$ 443,306                       | \$ 491,369                       | \$ 460,846                       | \$ 655,915                      | \$ 1,253,621                     |
| 45                                        | Admin Services - Finance                     | \$ 602,446                       | \$ 659,489                       | \$ 707,222                       | \$ 895,637                      | \$ 1,279,166                     |
| 46                                        | Admin Services - Human Resources             | \$ 34,203                        | \$ 146,773                       | \$ 46,251                        | \$ 147,950                      | \$ 236,107                       |
| 47                                        | Admin Services - Information Technology      | \$ 135,743                       | \$ 126,889                       | \$ 157,052                       | \$ 430,500                      | \$ 484,884                       |
| 48                                        | Admin Services - Risk Management             | \$ 263,043                       | \$ 424,517                       | \$ 351,059                       | \$ 527,481                      | \$ 825,000                       |
| 51                                        | Police                                       | \$ 4,985,219                     | \$ 5,388,515                     | \$ 4,895,386                     | \$ 5,223,577                    | \$ 6,041,813                     |
| 52                                        | Animal Control                               | \$ 116,790                       | \$ 116,070                       | \$ 97,595                        | \$ 105,000                      | \$ 150,000                       |
| 53                                        | Emergency Services                           | \$ 98,382                        | \$ 108,914                       | \$ 65,206                        | \$ 48,350                       | \$ 51,500                        |
| 61                                        | Community Development - Planning             | \$ 596,150                       | \$ 656,448                       | \$ 662,976                       | \$ 717,379                      | \$ 831,471                       |
| 62                                        | Community Development - Building             | \$ 506,865                       | \$ 493,375                       | \$ 560,994                       | \$ 447,438                      | \$ 817,970                       |
| 71                                        | Public Works - Engineering                   | \$ 598,064                       | \$ 657,553                       | \$ 639,459                       | \$ 722,000                      | \$ 1,036,093                     |
| 72                                        | Public Works - Streets                       | \$ 392,403                       | \$ 369,709                       | \$ 316,179                       | \$ 355,800                      | \$ 745,838                       |
| 73                                        | Public Works - Vehicle/Equipment Maintenance | \$ 112,384                       | \$ 21,658                        | \$ 10,209                        | \$ 130,043                      | \$ 175,776                       |
| 75                                        | Public Works - Parks                         | \$ 283,878                       | \$ 309,920                       | \$ 326,870                       | \$ 517,677                      | \$ 660,779                       |
| 76                                        | Public Works - Building Maintenance          | \$ 254,975                       | \$ 208,240                       | \$ 153,027                       | \$ 241,472                      | \$ 500,517                       |
| Debt Service:                             |                                              |                                  |                                  |                                  |                                 |                                  |
|                                           | Principal                                    | \$ 290,000                       | \$ 515,000                       | \$ 450,000                       | \$ 480,000                      | \$ 555,000                       |
|                                           | Interest and Fiscal Charges                  | \$ 251,158                       | \$ 180,130                       | \$ 266,878                       | \$ 252,325                      | \$ 375,000                       |
| <b>SubTotal General Fund (001)</b>        |                                              | <b>\$ 10,887,379</b>             | <b>\$ 21,868,680</b>             | <b>\$ 11,465,788</b>             | <b>\$ 13,208,870</b>            | <b>\$ 19,773,430</b>             |
| <b>Capital Outlay Fund (006)</b>          |                                              |                                  |                                  |                                  |                                 |                                  |
| 6                                         | Equipment Replacement Fund                   | \$ 1,985                         | \$ 1,414                         | \$ -                             | \$ 300,000                      | \$ -                             |
| <b>SubTotal Capital Outlay Fund (006)</b> |                                              | <b>\$ 1,985</b>                  | <b>\$ 1,414</b>                  | <b>\$ -</b>                      | <b>\$ 300,000</b>               | <b>\$ -</b>                      |
| <b>Total General Funds</b>                |                                              | <b>\$ 10,889,364</b>             | <b>\$ 21,870,094</b>             | <b>\$ 11,465,788</b>             | <b>\$ 13,508,870</b>            | <b>\$ 19,773,430</b>             |



# GENERAL FUND DEPARTMENTS OPERATIONAL BUDGETS

## City Council

### FUND / ACCOUNT NUMBER

001.41

### OVERVIEW

The City Council is elected by voters of Scotts Valley to provide policy-level decisions and general direction to City staff through the City Manager. The City Council strives for the continued orderly growth and development of the City by ensuring that all matters related to health, safety, and general welfare are addressed consistent with the law and the will of the residents of Scotts Valley.

### DEPARTMENT GOALS AND WORKPLAN

During the COVID-19 pandemic, the City Council focused its efforts on supporting the safety and well-being of the Scotts Valley community, assisting businesses to weather mandated closures and operational limitations, and implementing strategies to bolster the City's long-term economic stability. The pandemic will continue its reach into FY 2022/23, but the City has already started to re-position itself for post-pandemic recovery.

The City Council continues with its core priorities for FY 2022/23, with implementing projects to be identified and funded through the budget process:

- 1. Ensure Long-Term Financial Stability**
- 2. Encourage Business Development and Expand the City's Economic Base**
- 3. Implement Operational Initiatives and Enhance City Services**
- 4. Maintain Quality of Life for Residents**

### STAFFING SUMMARY

| Dept.        | Division    | Position      | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|-------------|---------------|------------------------|------------------------|
| City Council | Legislative | Councilmember | 5.00                   | 5.00                   |
| City Council | Legislative | City Clerk*   | 0.50                   | 0.50                   |
|              |             | <b>TOTAL</b>  | <b>5.50</b>            | <b>5.50</b>            |

\*The City Clerk position is allocated 50% to the City Council and 50% to the City Manager



**DEPARTMENT BUDGET**

| <b>Dept.</b> | <b>Division</b> | <b>Account Description</b> | <b>FY 2021-22 Approved</b> | <b>FY 2022-23 Proposed</b> |
|--------------|-----------------|----------------------------|----------------------------|----------------------------|
| City Council | Legislative     | Salaries & Benefits        | \$323,017                  | \$266,395                  |
| City Council | Legislative     | Svcs & Supplies            | \$35,810                   | \$104,500                  |
|              |                 | <b>TOTAL</b>               | <b>\$358,827</b>           | <b>\$370,895</b>           |



## City Attorney

### FUND / ACCOUNT NUMBER

001.42

### OVERVIEW

The City Attorney is responsible for the administration of all legal affairs of the City. In addition, the City Attorney serves as Agency Counsel for the Successor Agency of the Redevelopment Agency. The City Attorney advises the City Council and staff on all matters of general and municipal law.

The City Attorney is responsible for:

- Representing the City in litigation, administrative hearings, and other legal matters.
- Preparing or reviewing all ordinances, contracts, and other legal documents.
- Rendering legal advice and opinions to the City Council, Successor Agency, City and Agency Boards and Commissions, and City staff.
- Overseeing all work done by outside counsel on behalf of the City.

### DEPARTMENT GOALS AND WORKPLAN

The City Attorney supports other departments in the implementation of their work plans. The City Attorney also responds to claims and litigation and projects adopted by the Council that require participation by the City Attorney. The City Attorney's workplan for FY 2022/23 includes the following:

- **Support Policy Changes:** Advise and draft workplace, land use and administrative policies and regulations.
- **Development Projects and General Plan Update:** Provide legal guidance for General Plan Update process and on development projects under consideration by the City.
- **Update Ordinances:** Update the City's ordinances to comply with changing State laws.
- **Review Contracts:** Review contracts as necessary to comply with State law.

### STAFFING SUMMARY

| Dept.         | Division       | Position       | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|---------------|----------------|----------------|------------------------|------------------------|
| City Attorney | Administration | City Attorney* | 0.00                   | 0.00                   |
|               |                | <b>TOTAL</b>   | <b>0.00</b>            | <b>0.00</b>            |

\*The City Attorney is a contract position with the firm of Logan & Powell, LLP.



**DEPARTMENT BUDGET**

| <b>Dept.</b>  | <b>Division</b> | <b>Account Description</b> | <b>FY 2021-22 Approved</b> | <b>FY 2022-23 Proposed</b> |
|---------------|-----------------|----------------------------|----------------------------|----------------------------|
| City Attorney | Administration  | Salaries & Benefits        | \$0                        | \$0                        |
| City Attorney | Administration  | Svcs & Supplies            | \$253,500                  | \$300,000                  |
|               |                 | <b>TOTAL</b>               | <b>\$253,500</b>           | <b>\$300,000</b>           |



## ***City Manager and City Clerk***

### **FUND / ACCOUNT NUMBER**

001.44

### **OVERVIEW**

The City Manager is the Chief Executive Officer (CEO) for the City of Scotts Valley and provides administrative and legislative/policy support to the City Council and general oversight of all operations provided through the operating departments of the City. The City Manager is directly responsible for the City's economic development initiatives and activities of the Successor Agency of the City's former redevelopment agency. Specific oversight is provided to other administrative departments, including the City Clerk and Administrative Services, which include such functions as legislative records management, financial services, budget, human resources, and risk management.

The City Clerk performs various professional and managerial duties according to Scotts Valley Municipal Code and state law. The City Clerk facilitates the execution of official City legislative processes and is the custodian of City records and records the official actions of City government, documents the proceedings of meetings, and retains legal and historical records, such as City Council, Successor Agency, and Oversight Board agendas and minutes, ordinances, resolutions, contracts, deeds, and subdivision maps. The City Clerk also accepts and processes requests in accordance with the California Public Records Act, coordinates City board, commission, and committee member recruitment activities, and accepts and processes claims against the City and other legal documents. Last, the City Clerk serves as the City's elections official and administers the election process and oaths of office. The City Clerk also acts as the filing officer for conflict-of-interest statements filed by City elected and appointed officials and candidate and officeholder campaign filings.

### **DEPARTMENT GOALS AND WORKPLAN**

The workplan for the City Manager is driven primarily by City Council goals and policy direction, while the workplan for the rest of the administration department is based upon emerging issues that relate to City Council action, workforce changes, and the needs of the operating departments.

For FY 2022/23, the City Manager's Office will lead the organization's continued recovery from the COVID-19 pandemic. This will take many forms, from hundreds of operational shifts across the City to resume normal operations—with modifications to incorporate lessons learned for improved customer service in our fast-tracked contactless pivot last spring—to restoring our Recreation services that were devastating to lose. The City Manager will continue work to do



safeguard the City's financial recovery while also meeting dynamic community needs for contemporary services.

The City Manager's Office will lead the implementation of the the City's Strategic Goals:

- 1. Ensure Long-Term Financial Stability**
- 2. Encourage Business Development and Expand the City's Economic Base**
- 3. Implement Operational Initiatives and Enhance City Services**
- 4. Maintain Quality of Life for Residents**

In addition to providing a variety of highly specialized professional responsibilities in the area of agenda and records management, elections, and public records coordination, the City Clerk provides managerial and administrative support in the area of human resources, public information, and risk management. The City Manager's Office will also welcome an Assistant to the City Manager position in FY 2022/23, a role that will help provide high-level analytical and project management support to the City.

#### **STAFFING SUMMARY**

| Department   | Division       | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|----------------|---------------------|------------------------|------------------------|
| City Manager | Administration | City Manager        | 1.00                   | 1.00                   |
| City Manager | Administration | Asst. to City Mgr   | 1.00                   | 1.00                   |
| City Manager | City Clerk     | City Clerk*         | 0.50                   | 0.50                   |
| City Manager | City Clerk     | Deputy City Clerk** | 0.50                   | 0.50                   |
|              |                | <b>TOTAL</b>        | <b>3.00</b>            | <b>3.00</b>            |

\*The City Clerk position is allocated 50% to the City Council and 50% to the City Manager

\*\*The Deputy City Clerk position is allocated 50% to the City Manager, 25% to Community Development, and 25% to Administrative Services.

#### **DEPARTMENT BUDGET**

| Dept.        | Division       | Account<br>Description | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|----------------|------------------------|------------------------|------------------------|
| City Manager | Administration | Salaries & Benefits    | \$598,890              | \$807,621              |
| City Manager | Administration | Svcs & Supplies        | \$57,025               | \$121,000              |
| City Manager | Economic Dev   | Svcs & Supplies        | \$0*                   | \$325,000*             |
|              |                | <b>TOTAL</b>           | <b>\$655,915</b>       | <b>\$1,253,621</b>     |

\*Economic Development costs were incorporated in the general Services and Supplies accounts in FY 2021-22. However, Economic Development costs are being itemized separately in FY 2022-23



## ***Administrative Services Department***

### **FUND / ACCOUNT NUMBER**

001.45 and 001.46 and 001.47 and 001.48

### **OVERVIEW**

The Administrative Services Department provides the following functions under the direction of an Administrative Services Director:

- ***Finance:*** Receives all income, prepares checks for payment of all expenses, and is responsible for investing City surplus funds; processes grant records and claims, sewer service fees, business license fees and other miscellaneous billings; handles payroll and accounts payable functions for the City; maintains records of all income and expenditures for all funds; and, prepares the City's Comprehensive Annual Financial Report and other financial reports as necessary for operating departments, the City Council, and local, state and federal agencies; accounts for all activities associated with the City of Scotts Valley Successor Agency, and prepares the necessary reports for the review and approval of the Successor Agency's oversight board and the California Department of Finance; and, participates in preparing the budget for recommendation to the City Council under the direction of the City Manager.
- ***Human Resources:*** Provides support to the City Manager for human resources management, including: labor relations; classification, compensation and benefits programs; updating personnel rules and policies to ensure compliance with State and Federal employment laws and regulations; oversight and support for recruiting functions administered by operating departments; consultation and advice regarding employee disciplinary and employment liability issues; and the employee assistance program.
- ***Information Technology:*** Provides overall strategic direction and implementation of the City's use of information technology tools; manages the contract with a technology support vendor for help desk support and network, telecommunications, server, and systems administration.
- ***Risk Management:*** Supports the City Manager in managing the City's risk management programs, including workers compensation, liability, and property insurance through the Monterey Bay Area Self-Insurance Authority (MBASIA) risk management JPA.



## **DEPARTMENT GOALS AND WORKPLAN**

The Department's workload includes a variety of tasks and projects, some that are recurring activities consistent from year to year, and others that are project-based work that vary. Recurring activities such as payroll processing, accounts payable, financial reporting, benefits administration, server maintenance and updating the assets covered through risk management activities are assumed in the baseline activities of the department. Forces that may impact the department's workplan include changes in policy direction and needs of the City Council and the City's operating departments, changes in regulations that impact how financial activities are tracked and reported, and impacts from state legislation.

The Department's workplan for FY 2022/23 includes the following:

- Annual Comprehensive Financial Report (ACFR) Preparation and Audit: Upon closing and reconciling the City's general ledger, the department will prepare the City's ACFR and will coordinate the audit of the ACFR through an independent certified public accountant. The department will work with the City's CPA firm to ensure the proper accounting and disclosure of financial information is presented in the ACFR.
- Fiscal Sustainability Plan Implementation: Working under the direction of the City Manager, the department will assist the City Manager to provide guidance to operating departments and prepare fiscal analyses in implementing budget strategies directed by Council to provide fiscal sustainability to the City and its General Fund.
  - o Update the long-range financial forecast and monitor trends to determine long-term fiscal sustainability for the General Fund.
  - o Refine revenue forecasts and possible future options to increase the hotel tax (TOT) or modernize utility users tax (UUT).
  - o Explore OPEB and PERS obligation reduction strategies.
  - o Implement the cost allocation framework.
- Annual Budget Preparation and Implementation: Working under the direction of the City Manager, the department will further the implementation of the budget process by coordinating budget preparation in a collaborative fashion with operating departments, culminating in public hearings and the ultimate approval of the FY 2022/23 annual budget.
- Technology Initiatives: The City Council has approved agreements to support the transition to modernized financial and payroll systems. This includes introducing new technologies and processes that will digitize records related to timecards, payroll, Accounts Payable, Accounts Receivable, budget development and budget monitoring, financial analysis, and reporting. The City will also look to complete projects in the Council Chambers, at City Hall, in the Police Department, and at Public Works to generally modernize technology and improve operational efficiencies.



- **IT Managed Service Provider:** The City will launch an RFP to find a new IT managed service provider to support the City's extensive needs for operational efficiencies and cybersecurity.
- **Debt Management:** The City will work with a financial advisor to develop a plan to strategically address long-term debts like pensions and retiree medical costs. This analysis will also consider how to manage existing debt while concurrently considering the prudence of future debt as part of the City's comprehensive debt management strategies.
- **Compensation Study:** The City will utilize a professional consultant to perform a compensation study at the tail end of FY 2022-23. This will help the City better understand the regional labor market and how to be recruit and retain high-quality staff through negotiated labor agreements and other techniques.
- **HR Training:** The City's Human Resources team will lead the organization through a series of training, including mandated trainings, but also important discretionary trainings on topics like supervisory and leadership skills, effective communications, and Diversity, Equity, and Inclusion (DEI).

### **STAFFING SUMMARY**

| <b>Dept.</b> | <b>Division</b> | <b>Position</b>     | <b>FY 2021-22<br/>Approved</b> | <b>FY 2022-23<br/>Proposed</b> |
|--------------|-----------------|---------------------|--------------------------------|--------------------------------|
| Admin Svcs   | Finance         | Admin Services Dir. | 1.00                           | 0.50                           |
| Admin Svcs   | Finance         | Deputy City Clerk*  | 0.25                           | 0.25                           |
| Admin Svcs   | Finance         | Finance Manager     | 1.00                           | 1.00                           |
| Admin Svcs   | Finance         | Accountant II/III** | 0.85                           | 0.85                           |
| Admin Svcs   | Finance         | HR Manager          | 1.00                           | 0.50                           |
|              |                 | <b>Subtotal</b>     | <b>4.10</b>                    | <b>3.10</b>                    |
| Admin Svcs   | HR              | Admin Services Dir. | 0.00                           | 0.25                           |
| Admin Svcs   | HR              | HR Manager          | 0.00                           | 0.50                           |
|              |                 | <b>Subtotal</b>     | <b>0.00</b>                    | <b>0.75</b>                    |
| Admin Svcs   | IT              | Admin Services Dir. | 0.00                           | 0.25                           |
| Admin Svcs   | IT              | Contracted Services | 0.00                           | 0.00                           |
|              |                 | <b>Subtotal</b>     | <b>0.00</b>                    | <b>0.25</b>                    |
|              |                 | <b>TOTAL</b>        | <b>4.10</b>                    | <b>4.10</b>                    |

\* The Deputy City Clerk position is allocated 50% to the City Manager, 25% to Community Development, and 25% to Administrative Services.



\*\* A portion of the Accountant II/III position is charged to the Wastewater Division of the Public Works Department for the staff time spent associated with utility billing.

**DEPARTMENT BUDGET (Administrative Services)**

| Dept.      | Division | Account Description | FY 2021-22 Approved | FY 2022-23 Proposed |
|------------|----------|---------------------|---------------------|---------------------|
| Admin Svcs | Finance  | Salaries & Benefits | \$755,984           | \$502,666           |
| Admin Svcs | Finance  | Svcs & Supplies     | \$139,653           | \$776,500           |
|            |          | <b>Subtotal</b>     | <b>\$895,637</b>    | <b>\$1,279,166</b>  |
| Admin Svcs | HR       | Salaries & Benefits | \$80,450            | \$118,607           |
| Admin Svcs | HR       | Svcs & Supplies     | \$67,500            | \$117,500           |
|            |          | <b>Subtotal</b>     | <b>\$147,950</b>    | <b>\$236,107</b>    |
| Admin Svcs | IT       | Salaries & Benefits | \$0                 | \$52,884            |
| Admin Svcs | IT       | Svcs & Supplies     | \$430,500           | \$432,000           |
|            |          | <b>Subtotal</b>     | <b>\$430,500</b>    | <b>\$484,884</b>    |
|            |          | <b>TOTAL</b>        | <b>\$1,474,087</b>  | <b>\$2,000,157</b>  |

**DEPARTMENT BUDGET (001.48 – Risk Management)**

| Dept.      | Division  | Account Description | FY 2021-22 Approved | FY 2022-23 Proposed |
|------------|-----------|---------------------|---------------------|---------------------|
| Admin Svcs | Risk Mgmt | Salaries & Benefits | \$0                 | \$0                 |
| Admin Svcs | Risk Mgmt | Svcs & Supplies     | \$527,481           | \$825,000           |
|            |           | <b>TOTAL</b>        | <b>\$527,481</b>    | <b>\$825,000</b>    |



## ***Police Department***

### **FUND / ACCOUNT NUMBER**

001.51 and 001.52 and 001.53

### **OVERVIEW**

The Police Department provides public safety for the Scotts Valley community through community partnerships, proactive law enforcement and professionalism. Under the Office of the Police Chief, the department is organized into two divisions: Operations and Services. Operations encompass uniformed patrol services, whereas the Services division is comprised of the Investigation Unit and Communications/Records.

The department employs crime prevention strategies that include community awareness and education, proactive targeted enforcement of problem areas, and community-oriented policing. Connecting to the community and building public trust is paramount. The department facilitates this connection through daily interactions, teaching DARE in schools, police department tours, neighborhood watch programs, foot patrols, social media, and many other community outreach programs.

The department maintains a high level of training for its sworn and non-sworn employees. This is accomplished with departmental instructors, web-based training, and external training classes. The department also supports other city departments in their overall goals and objectives of making this a safe community to live and work.

### **DEPARTMENT GOALS AND WORKPLAN**

The Police Department's workload remains consistent from year to year. These typical recurring activities are assumed in the baseline activities of the department. Forces that may impact the department's workplan include changes in laws and policies, new technology, work force levels, and personnel development.

The Police Department's workplan for FY 2022-23 includes the following:

**Patrol Operations** – This is the department's largest commitment of resources and personnel. Through uniformed patrols, officers respond to calls for service and conduct self-initiated activities to bring safety and a high quality of life to citizens of Scotts Valley, including Scotts Valley schools. For FY 2022-23, the department will launch a bicycle patrol team for enhanced patrols of open space, trail systems, and commercial districts.

**Communications** – The department maintains an independent PSAP (Public Safety Answering Point), or dispatch center. Often the first point of contact for individuals in crisis, our



dispatchers triage priority and non-priority calls and dispatch officers accordingly.

Goal/Priority: Public safety communications; employee safety; emergency operations

**Community Outreach Programs** – The department will continue its outreach into the community by partnering with other Scotts Valley organizations, offering crime prevention education, and through social media. The department will continue to use social media, such as Facebook, Nixle and NextDoor to keep our community informed. The department’s Facebook page is the most followed governmental site in Scotts Valley.

The department’s personnel also organize and work annual charity events. Goal/Priority: Community engagement

**Recruitment and Retention** – The department will continue to seek highly-qualified officers and dispatchers. The department will continue its aggressive recruitment program to attract, hire, and retain the best possible employees for this department.

**Personnel Development** – The department will develop existing personnel for more responsibilities and advancement. The department will focus on outside training opportunities for existing personnel so they can develop their skills and prepare to take on more responsibilities. Additionally, the department will update its in-service training program and technology.

**Policy** – The department will update its department policy manual reflecting current case law and best practices.

**Emergency Operations Planning** – The department will update the Emergency Operations Plan addressing any changes to personnel and contact information. The department will conduct a city-wide Emergency Operations Center training and exercise to better prepare for potential major disasters, such as earthquakes.

### **STAFFING SUMMARY**

| Dept.  | Division       | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------|----------------|---------------------|------------------------|------------------------|
| Police | Administration | Admin Sec/Analyst   | 1.00                   | 1.00                   |
| Police | Administration | Police Captain      | 2.00                   | 2.00                   |
| Police | Administration | Police Chief        | 1.00                   | 1.00                   |
|        |                | <b>Subtotal</b>     | <b>4.00</b>            | <b>4.00</b>            |
| Police | Communications | EDC I               | 4.00                   | 4.00                   |
| Police | Communications | EDC II              | 2.00                   | 2.00                   |
| Police | Communications | Services Supervisor | 1.00                   | 1.00                   |
|        |                | <b>Subtotal</b>     | <b>7.00</b>            | <b>7.00</b>            |
| Police | Investigations | Police Officer      | 4.00                   | 4.00                   |



|        |                |                 |              |              |
|--------|----------------|-----------------|--------------|--------------|
| Police | Investigations | Police Sergeant | 1.00         | 1.00         |
|        |                | <b>Subtotal</b> | <b>5.00</b>  | <b>5.00</b>  |
| Police | Patrol         | Police Officer  | 8.00         | 8.00         |
| Police | Patrol         | Police Sergeant | 4.00         | 4.00         |
|        |                | <b>Subtotal</b> | <b>12.00</b> | <b>12.00</b> |
|        |                | <b>TOTAL</b>    | <b>28.00</b> | <b>28.00</b> |

**DEPARTMENT BUDGET**

| Dept.  | Division                 | Account Description | FY 2021-22 Approved | FY 2022-23 Proposed |
|--------|--------------------------|---------------------|---------------------|---------------------|
| Police | General Operating        | Salaries & Benefits | \$4,800,892         | \$5,662,083         |
| Police | General Operating        | Svcs & Supplies     | \$422,685           | \$379,730           |
|        | <b>General Operating</b> | <b>Subtotal</b>     | <b>\$5,223,577</b>  | <b>\$6,041,813</b>  |
| Police | Animal Control           | Salaries & Benefits | \$0                 | \$0                 |
| Police | Animal Control           | Svcs & Supplies     | \$105,000           | \$150,000           |
|        | <b>Animal Control</b>    | <b>Subtotal</b>     | <b>\$105,000</b>    | <b>\$150,000</b>    |
| Police | Emergency Svcs           | Salaries & Benefits | \$0                 | \$0                 |
| Police | Emergency Svcs           | Svcs & Supplies     | \$48,350            | \$51,500            |
|        | <b>Emergency Svcs</b>    | <b>Subtotal</b>     | <b>\$48,350</b>     | <b>\$51,500</b>     |
|        |                          | <b>TOTAL</b>        | <b>\$5,376,927</b>  | <b>\$6,243,313</b>  |



## ***Community Development Department***

### **FUND / ACCOUNT NUMBER**

001.61 and 001.62

### **OVERVIEW**

The Planning and Building Department plays a key role in shaping the future of urban development in the City of Scotts Valley. The Planning Department provides policy recommendations to the City Manager, Planning Commission and City Council. The Department develops guiding policies in the City's General Plan and reviews new construction through zoning, subdivision regulations, community design guidelines and review of building permits and code enforcement issues. Planning involves the complex interaction of individuals, neighborhood groups, business organizations, environmental groups, land developers and contractors.

The Building Division is responsible for overseeing all construction activities including compliance with the Building, Electrical and Plumbing Codes. The Building Division reviews proposed construction plans for conformance to code requirements and monitors construction activities on a continuing basis to ensure structural integrity and safety. The Division identifies violations and necessitates corrections. The Division also provides information, processing, issuance and administration of all building permits. Generating reports and providing data to various agencies is also an important function of the Building Division.

### **DEPARTMENT GOALS AND WORKPLAN**

Planning will continue to provide recurring land use and planning services to the general public, the department will also provide application processing for high priority economic development-based projects, as guided by the community leaders. These services include: Administrative, Current Planning, Comprehensive Planning and Planning Management Support.

Building will continue to interface with the public and assist citizens with questions regarding the use of their property and administer all of the Building Permit workflow including application submittal, routing plans, tracking comments, plan checking, calculate fees, issue permits, maintain historical records, conduct construction inspections, prepare inspection reports, write notices of violations and issue certificates of occupancy.

The Department's work plan for FY 2022-23 includes the following:

- **General Plan Update** – The City's General Plan is the citizens' "blueprint" for development; the guide to achieving Scotts Valley's vision. California law requires each local government to adopt a General Plan, which must contain at least seven elements:



Land Use, Transportation, Housing, Conservation, Noise, Open Space and Safety. This project requires hours of staff research, meetings, and public workshops. The comprehensive modernization of the General plan is estimated to be completed by the end 2022.

- **Accessory Dwelling Units (ADU)** – Complete Policy, Code and Program Revisions.
- **Development Standards** – Complete code and program revisions to implement Objective Design Standards for Mixed-Use Developments.
- **Affordable Housing** – Consider increasing the inclusionary housing boundary.
- **Permit Tracking System** – Continue implementation of permit tracking system for Planning and Building Activities.
- **Development Applications in-progress** – Continue processing development applications for Oak Creek Park, Valley Gardens, and Gateway South.
- **Housing Developments in-progress** – Monitoring, building permits and inspections from Planning and Building for: The Encore/16 Condominiums and Polo Ranch/40 homes.
- **Commercial buildings** – Continue work on the Target remodel, Scotts Valley Square Shopping Center and, The Hangar project on Mount Hermon Road.

#### **STAFFING SUMMARY**

| Dept.      | Division | Position             | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|------------|----------|----------------------|------------------------|------------------------|
| Comm. Dev. | Planning | Com. Dev. Director   | 1.00                   | 0.50                   |
| Comm. Dev. | Planning | Deputy City Clerk*   | 0.25                   | 0.25                   |
| Comm. Dev. | Planning | Assistant Planner    | 1.00                   | 1.00                   |
| Comm. Dev. | Planning | Senior Planner       | 1.00                   | 1.00                   |
|            |          | <b>Subtotal</b>      | <b>3.25</b>            | <b>2.75</b>            |
| Comm. Dev. | Building | Com. Dev. Director   | 0.00                   | 0.50                   |
| Comm. Dev. | Building | Building Permit Tech | 1.00                   | 1.00                   |
|            |          | <b>Subtotal</b>      | <b>1.00</b>            | <b>1.50</b>            |
|            |          | <b>TOTAL</b>         | <b>4.25</b>            | <b>4.25</b>            |



**DEPARTMENT BUDGET**

| <b>Dept.</b> | <b>Division</b> | <b>Position</b>     | <b>FY 2021-22<br/>Approved</b> | <b>FY 2022-23<br/>Proposed</b> |
|--------------|-----------------|---------------------|--------------------------------|--------------------------------|
| Comm. Dev.   | Planning        | Salaries & Benefits | \$472,679                      | \$496,171                      |
| Comm. Dev.   | Planning        | Svcs & Supplies     | \$244,700                      | \$335,300                      |
|              | Planning        | <b>Subtotal</b>     | <b>\$717,379</b>               | <b>\$831,471</b>               |
| Comm. Dev.   | Building        | Salaries & Benefits | \$55,138                       | \$314,770                      |
| Comm. Dev.   | Building        | Svcs & Supplies     | \$392,300                      | \$503,200                      |
|              | Building        | <b>Subtotal</b>     | <b>\$447,438</b>               | <b>\$817,970</b>               |
|              |                 | <b>TOTAL</b>        | <b>\$1,164,817</b>             | <b>\$1,649,440</b>             |



## ***Public Works Department***

### **FUND / ACCOUNT NUMBER**

001.71 and 001.72 and 001.73 and 001.75 and 001.76

### **OVERVIEW**

The Public Works Department oversees planning, design, construction, maintenance, repairs and operation services for City infrastructure. The department is also responsible for City cleanliness and manages the Solid Waste/Recycling Collection and Disposal Program. The department is represented by a professional, semi-professional and licensed disciplines working in Engineering, Maintenance, Parks and Recreation, and Wastewater Divisions.

The Engineering Division oversees and supports the planning, design, construction and inspection of improvements for all public works infrastructure projects including streets, storm facilities, curbs, gutters, sidewalks, landscaping, lighting and traffic control systems constructed within the City as part of the capital improvement program (CIP) or new development. The Division also provides ancillary support to other Departments through private development plan review.

The Maintenance Division is responsible for 35 miles of public streets, parking lots, storm drain systems, sidewalks, signage, striping, and street sweeping services. Maintaining and renovating Police, City Hall, Community Center, Senior Center and Recreation Buildings. Performing all park maintenance and operations activities for the City's park system.

The Wastewater Division operates and maintains over 40 miles of sewer main pipeline, seven (7) sewer lift stations, a laboratory, the 1.5 million gallon per day Scotts Valley Water Reclamation Facility (WRF) and monitors the Source Control Program.

The Parks and Recreation Division is comprised of five developed parks, eight athletic fields, six children's play areas, and one off-leash area. Other facilities include tennis courts, bocce courts, swimming pool, community center, senior center, open space and hiking trails. The Covid-19 pandemic has disrupted and forced the division to cancel all Recreation Activities in FY 2021-22. However, FY 2022-23 will see the restoration of many recreation services.

### **DEPARTMENT GOALS AND WORKPLAN**

The mission of the Public Works Department is to continually provide effective and efficient essential services to the public. This includes environmentally sound wastewater collection and treatment, storm water management, and accessible well managed streets, parks, and public facilities.



These typical recurring activities are assumed in the baseline activities of the department:

- Issue Public Works permits and inspection services
- Complete plan reviews
- Manage Capital Improvement Projects
- Participate in various regional committees
- Complete tasks to comply with the NPDES Phase II permit
- Manage City's Solid Waste/Recycling Franchise Agreement (2010-2022) with Green Waste Recovery and amend as needed to meet state mandates
- Monitor, inspect and service the City Collection System
- Monitor WRF operation to meet all regulatory monitoring and reporting requirements
- Complete work orders to repair potholes, clear storm drains, trim and remove street trees, replace signage, replace concrete, asphalt paving, weed abatement, and striping
- Complete work orders to repair irrigation, mark lines for sports programs, field repair, playground repair, and general park maintenance

FY 2021-22 continued to be an incredibly demanding year for the Public Works Department. However, with the pandemic reaching an end, the Department intends to resume a robust project schedule this year. The Public Works Department goals for FY 2022-23 includes the following highlights:

- **Wastewater Reclamation Facility Improvements:** The City's wastewater treatment facility is nearly 25 years old with a significant backlog of deferred maintenance and replacement. Similarly, the collection system, which collects and delivers wastewater from residences and businesses across the City is aged and in need of significant investment. FY 2022/23 will mark the second of five years of substantial investments in this critical utility, funded by a series of wastewater rate increases and strategic financial planning.
- **Library Facility Improvements:** This project consists of major improvements to the Scotts Valley branch. Improvements include seismic upgrades, roof overall and HVAC replacement and improvements to the interior and exterior of the building. Improvements are funded through Measure S funds and the Library is expected to reopen in summer 2022.
- **Parks and Roads Maintenance:** The City is anticipating a year of robust maintenance to the City's parks and roads. This includes catching-up on maintenance that had to be deferred due to the pandemic and limited staffing capacity and designing a comprehensive facility and maintenance plan for future years.
- **Recreation:** City staff will start the initial stages of implementing the Recreation Assessment and Restoration Plan as adopted by the City Council. This includes exploring a new staffing model, relaunching many recreation services that were paused during the



pandemic, and exploring partnerships for services like childcare and other recreation activities.

### **STAFFING SUMMARY**

| Dept.        | Division       | Position              | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|----------------|-----------------------|------------------------|------------------------|
| Public Works | Administration | Admin Secretary III   | 1.00                   | 1.00                   |
| Public Works | Administration | Pub Works Director    | 1.00                   | 1.00                   |
|              |                | <b>Subtotal</b>       | <b>2.00</b>            | <b>2.00</b>            |
| Public Works | Engineering    | Engineering Assoc.    | 2.00                   | 2.00                   |
| Public Works | Engineering    | Senior Civil Engineer | 0.00                   | 1.00                   |
|              |                | <b>Subtotal</b>       | <b>2.00</b>            | <b>3.00</b>            |
| Public Works | Maintenance    | Maint. Div. Mgr       | 1.00                   | 1.00                   |
|              | Maintenance    | Maint. Supervisor     | 1.00                   | 1.00                   |
| Public Works | Maintenance    | Maint. Wrkr I/II/III  | 4.00                   | 4.00                   |
|              |                | <b>Subtotal</b>       | <b>6.00</b>            | <b>6.00</b>            |
| Public Works | Recreation     | Rec. Division Mgr     | 1.00                   | 1.00                   |
| Public Works | Recreation     | Rec Coordinator       | 0.00                   | 1.00                   |
| Public Works | Recreation     | Admin Secretary III   | 1.00                   | 1.00                   |
|              |                | <b>Subtotal</b>       | <b>2.00</b>            | <b>3.00</b>            |
| Public Works | Wastewater     | Accountant II/III*    | 0.15                   | 0.15                   |
| Public Works | Wastewater     | Senior WW Plnt Oper   | 1.00                   | 1.00                   |
| Public Works | Wastewater     | WW Div Manager        | 1.00                   | 1.00                   |
| Public Works | Wastewater     | WW Lab Compl Mgr      | 1.00                   | 1.00                   |
| Public Works | Wastewater     | WW Oper OIT/I/II      | 4.00                   | 4.00                   |
|              |                | <b>Subtotal</b>       | <b>7.15</b>            | <b>7.15</b>            |
|              |                | <b>TOTAL</b>          | <b>19.15</b>           | <b>21.15</b>           |

### **DEPARTMENT BUDGET**

| Dept.        | Division       | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|----------------|---------------------|------------------------|------------------------|
| Public Works | Engineering    | Salaries & Benefits | \$521,500              | \$767,593              |
| Public Works | Engineering    | Svcs & Supplies     | \$200,500              | \$268,500              |
|              |                | <b>Subtotal</b>     | <b>\$722,000</b>       | <b>\$1,036,093</b>     |
| Public Works | Street Maint.  | Salaries & Benefits | \$141,500              | \$333,238              |
| Public Works | Street Maint.  | Svcs & Supplies     | \$214,300              | \$312,600              |
|              |                | <b>Subtotal</b>     | <b>\$355,800</b>       | <b>\$645,838</b>       |
| Public Works | Vehicle Maint. | Salaries & Benefits | \$10,743               | \$63,776               |
| Public Works | Vehicle Maint. | Svcs & Supplies     | \$119,300              | \$112,000              |



|                           |                 |                     |                    |                    |
|---------------------------|-----------------|---------------------|--------------------|--------------------|
|                           |                 | <b>Subtotal</b>     | <b>\$130,043</b>   | <b>\$175,776</b>   |
| Public Works              | Parks           | Salaries & Benefits | \$266,411          | \$268,179          |
| Public Works              | Parks           | Svcs & Supplies     | \$251,266          | \$292,600          |
|                           |                 |                     | <b>\$517,677</b>   | <b>\$560,779</b>   |
| Public Works              | Building Maint. | Salaries & Benefits | \$72,272           | \$241,917          |
| Public Works              | Building Maint. | Svcs & Supplies     | \$169,200          | \$183,600          |
|                           |                 |                     | <b>\$241,472</b>   | <b>\$425,517</b>   |
| <b>PUBLIC WORKS TOTAL</b> |                 |                     | <b>\$1,966,992</b> | <b>\$2,844,003</b> |

Note: The City's Wastewater budget is categorized separately in this document because it is an enterprise fund.



## **GENERAL FUND NON-DEPARTMENT FUNDS**

The General Fund incurs some expenditures that are not related to any one specific department. These costs are included in the two areas listed below:

### ***General Government Division (001.43)***

This cost center includes various expenditures such as debt service and regulatory compliance related to general obligation certificates of participation, funding other post-employment benefit obligations into an irrevocable trust, contributions to such agencies as the Scotts Valley Fire District Hazardous Materials program and the Santa Cruz Local Agency Formation Commission, and the City's membership in the League of California Cities. Expenditures related to risk management efforts (e.g., liability and property insurance) are included in the Administrative Services Department under the Risk Management division (General Fund Division #48). Expenditures related to workers compensation are allocated to each operating department based upon total personnel and risk-rating factors assigned to each employee based on classification.

### ***General Equipment Replacement Reserve (006)***

The City established this reserve fund for the purchase of equipment that is general in nature and does not relate to any one specific department. This fund is included as a subset of the General Fund. FY 2022-23 includes a project assessing overall City facility needs. It is expected that future projects resulting from this assessment will be budgeted in Fund 006 in the future.



## PARKS AND RECREATION DIVISION

### FUND / ACCOUNT NUMBER

004

### OVERVIEW

The Parks and Recreation Division (PRD) works with all residents to be good stewards of the environment, and to provide safe, welcoming opportunities to play, learn, contemplate, and build community awareness. The PRD is comprised of five developed parks, featuring eight athletic fields, six children's play areas, and one off-leash area. Other facilities include four outdoor tennis courts, two bocce courts, one outdoor swimming pool, two horseshoe pits, three half basketball courts, a community center, senior center, a one-mile paved trail, one hiking trail, and more. Countless area residents and visitors use the Parks and Recreation facilities to pursue their passions, from soccer to music, kite flying to baseball, swimming to community events. Division employees work hard to develop partnerships with park neighbors, volunteers, non-profits, local businesses, the Scotts Valley Chamber of Commerce and the Scotts Valley School District to effectively respond to increasing requests for use of Scotts Valley's parks and recreation facilities. One of the most significant partnerships is with the Scotts Valley Unified School District to provide childcare and recreation programs at Vine Hill and Brook Knoll Elementary Schools.

The PRD also supports and manages the Park and Recreation Commission, the Arts Commission, and the Senior Center Board. These organizations are made up of volunteer members and are an advisory committee to City Council and Parks and Recreation staff on recreation programming and facility maintenance which enables the Division to consistently offer incredible parks, quality childcare, and a wide range of recreation programs to the public.

### DEPARTMENT GOALS AND WORKPLAN

FY 2022-23 will be another year of recovery for the City's Parks and Recreation Division. In March 2020, the City was forced to pause its Recreation programming and facilities in response to public health restrictions to contain the transmission of the COVID-19 virus. In FY 2022-23, City staff will start implementing the Recreation Assessment and Restoration Plan as adopted by the City Council.

The PRD is a revenue-generating operation. However, revenues do not fully cover the costs of the PRD operation. As a result, the FY 2022-23 budget anticipates that cost recovery will be around 70% and will require a subsidy from the General Fund to balance Recreation Enterprise Fund. City staff have projected that the required General Fund subsidy will be approximately \$215,000 in FY 2022-23.



Staff does anticipate that cost recovery rates will increase from 70% to closer to 90% in future years; however, it is projected that there will be an ongoing and long-term need for the General Fund to subsidize the Recreation Enterprise Fund using the current operational model. As costs to provide PRD services increase in subsequent years, the size of the General Fund subsidy will also grow.

### **STAFFING SUMMARY**

The Parks and Recreation Division is part of the Public Works Department based on the supervisory structure of the operation.

| Dept.        | Division   | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|------------|---------------------|------------------------|------------------------|
| Public Works | Recreation | Rec. Division Mgr   | 1.00                   | 1.00                   |
| Public Works | Recreation | Rec Coordinator     | 0.00                   | 1.00                   |
| Public Works | Recreation | Admin Secretary III | 1.00                   | 1.00                   |
| <b>TOTAL</b> |            |                     | <b>2.00</b>            | <b>3.00</b>            |

### **DEPARTMENT BUDGET**

| Dept.                   | Division   | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|-------------------------|------------|---------------------|------------------------|------------------------|
| Public Works            | Recreation | Salaries & Benefits | \$351,103              | \$615,938              |
| Public Works            | Recreation | Svcs & Supplies     | \$121,446              | \$210,700              |
| <b>RECREATION TOTAL</b> |            |                     | <b>\$472,549</b>       | <b>\$826,638</b>       |



## WASTEWATER ENTERPRISE FUNDS

### FUND / ACCOUNT NUMBER

010 and 011 and 012 and 014 and 015

### OVERVIEW

The City provides wastewater services to the community through its wastewater collection and treatment plant operations. The City also provides tertiary water (recycled water) services through the treatment and distribution of nonpotable water to the Scotts Valley Water District. Wastewater services are provided under the Public Works Department. Please refer to the Public Works section for a more detailed description of the department and the services it provides, including information about wastewater services. Wastewater services are accounted for in a series of funds referred to as “Wastewater Enterprise Funds”. A description of these funds and the activities that are included in them follows.

### DEPARTMENT GOALS AND WORKPLAN

The Wastewater Division has a significant series of goals in FY 2022-23, including to accomplish the CIPs as identified in the City’s Five-Year CIP Plan. Notable projects in FY 2022-23 include the following: Wastewater Recovery Master Plan, Aeration Basin System Upgrade, Belt Press Conveyor Replacement, Collection System Pipeline Upgrades, and the purchase of a Sewer Vactor Truck.

NOTE: The City’s Wastewater Rate Study identified approximately \$4.5 million in debt being needed to fully satisfy the long-term needs of the Wastewater Division. During FY 2022-23, the City will work with its financial consultants to further discuss this proposed funding mechanism as part of the Wastewater Rate Study’s 10-year Capital Improvement Plan.

### STAFFING SUMMARY

The staffing summary for the Wastewater division has also been included as part of the Public Works Department staffing summary based on the supervisory structure of the operation.

| Dept.        | Division   | Position            | FY 2021-22<br>Approved | FY 2022-23<br>Proposed |
|--------------|------------|---------------------|------------------------|------------------------|
| Public Works | Wastewater | Accountant II/III*  | 0.15                   | 0.15                   |
| Public Works | Wastewater | Senior WW Plnt Oper | 1.00                   | 1.00                   |
| Public Works | Wastewater | WW Div Manager      | 1.00                   | 1.00                   |
| Public Works | Wastewater | WW Lab Compl Mgr    | 1.00                   | 1.00                   |
| Public Works | Wastewater | WW Oper OIT/I/II    | 4.00                   | 4.00                   |
|              |            | <b>TOTAL</b>        | <b>7.15</b>            | <b>7.15</b>            |



**DEPARTMENT BUDGET**

| <b>Dept.</b>                       | <b>Division</b> | <b>Position</b>     | <b>FY 2021-22<br/>Approved</b> | <b>FY 2022-23<br/>Proposed</b> |
|------------------------------------|-----------------|---------------------|--------------------------------|--------------------------------|
| Public Works                       | Wastewater Op   | Salaries & Benefits | \$1,245,333                    | \$1,205,167                    |
| Public Works                       | Wastewater Op   | Svcs & Supplies     | \$2,263,499                    | \$2,340,700                    |
| <b>WASTEWATER OPERATIONS TOTAL</b> |                 |                     | <b>\$3,508,832</b>             | <b>\$3,545,867</b>             |



## SPECIAL REVENUE FUNDS

The City has established separate funds based on funding source to account for resources that must be used for a specific project or use. These funds are known as “Special Revenue Funds”. One of the more significant group of Special Revenue Funds are those funds that the City collects from developers to fund public infrastructure that is required to meet the needs of the impact that those developments have on community resources. These Development Impact Fees are grouped in a separate section within this Annual Budget document. A brief overview of the other Special Revenue Funds that are not development related are indicated below.

### **Recycling/Environment Fund (002)**

This fund accounts for fees paid by solid waste companies and customers through the County of Santa Cruz for disposal of solid waste in County transfer facilities. A portion of these revenues are sent back to the City to help pay for recycling and environmental protection initiatives such as street sweeping, e-waste recycling, community training classes, and storm water protection and remediation.

### **Gas Tax Fund (003)**

The state of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations to dedicated transportation purposes. These allocations flow through the Highway Users Tax Account (HUTA), which are allocated to state and local agencies based primarily on population. These revenues are allocated to Scotts Valley and other cities based on the provisions in the California Streets & Highway Code §2103-2107.5

These funds are used to finance street maintenance activities performed by the Public Works Streets Maintenance Division and other roadway improvements where other funds (e.g., Measure D, transportation grants, etc.) might not otherwise be available.

### **SMIP Fees Fund (005)**

The City levies a Strong Motion and Instrumentation Program (SMIP) fee on every building permit where a building discipline inspector is required as part of the field inspection. This fee funds the California State Strong-Motion Instrumentation Program, administered by the California Department of Conservation, which funds the purchase, installation, maintenance, data collection and interpretation of information collected from seismic instrumentation placed in geographic environments throughout the state. These funds are remitted to the State as required by California Public Resources Code §2700-2709.1.



### **Affordable Housing Fund (019)**

Upon dissolution of the City's former redevelopment agency (RDA) in 2012, the City chose to become the successor housing agency to administer affordable housing programs in Scotts Valley. Funds were transferred from the former redevelopment agency upon dissolution to fund affordable housing programs that were enforceable obligations at the time of dissolution. On an ongoing basis, the City received rental income from affordable housing properties that were previously owned by the redevelopment agency and dedicated to the City as part of dissolution. The City also carries first-time homebuyer loans on the books that will be paid upon sale of those homes by their homeowners. The revenue is used to fund the ongoing administration of affordable housing properties owned by the City as successor housing agency, and used to help fund development of additional affordable housing stock in Scotts Valley through subsidies paid to developers.

### **Lennar Fund (025)**

In 2014, the City approved a first amendment to the development agreement between the City and Lennar Homes of California, Inc. for the development of homes on the property formerly known as Polo Ranch. Lennar paid the City \$1 million as required by the development agreement to be used for park and recreational opportunities in the City at the sole discretion of the City Council. These funds have been used to fund a variety of parks and recreational infrastructure improvements.

### **Senior Center Operations Fund (028)**

The City operates a Senior Center for the enjoyment of Scotts Valley's seniors, offering a variety of programs and activities and rental of the senior center facility by community members. Program and rental revenues are recorded in the fund to pay for the expenditures associated with the programs and activities offered.

### **STP Exchange Projects Fund (031)**

California's Department of Transportation administers the Regional Surface Transportation Program (RSTP, or STP), using Surface Transportation Block Grant Program funds provided under federal law, to provide flexible funding to address State and local transportation needs. The City has also applied for and received grants from the California Transportation Commission 2018 Local Partnership Program in the past. These grants fund various transportation related projects, and this fund accounts for the grant revenues and the associated capital project expenditures for approved projects

### **Tree Replacement Fund (033)**

The City levies a tree removal fee for property owners that wish to remove trees on their property. A higher fee is charged for what are considered "heritage trees". Fees collected are



used to fund tree planting maintenance efforts on City property to mitigate the environmental impact on tree removal by private property owners.

### **Green Building Fund (035)**

The City levies a green building fee in accordance with the provisions of Scotts Valley Municipal Code §17.51.080, on property development that is not otherwise exempt from the fee based on their proposed green building elements of the project. The fee is based on assessed valuation of improvements. Revenues collected from developers are used for program management, public educational purposes and local seminars on green building issues and programs.

### **Disability Compliance Fund (036)**

The City collects a four-dollar fee required by Senate Bill 1186 (2012) on any local business license registration or renewal, Ninety percent of this fee is retained by the City to fund training and retention of certified access specialists (CASPs) and activities or programs that facilitate accessibility compliance. The remaining ten percent is remitted to the California Department of General Services' Division of the State Architect on a quarterly basis. The fee will revert to one dollar on January 1, 2024.

### **Pinewood Estates Maintenance District (050)**

A landscape maintenance assessment district was established in 1987 for 25 parcels in the Pinewood Estates subdivision to maintain improvements consisting of ornamental landscaping, irrigation equipment, signs, fences and storm detention ponds. This fund accounts for the expenditures associated with those maintenance efforts that are paid for from assessments levied on the homeowners.

### **Skypark Landscape Maintenance District (077 and 078)**

An open space maintenance assessment district was established in 1995 to maintain a linear park and two greenbelt areas that are the responsibility of 190 parcel owners adjacent to Skypark. Maintenance efforts are accounted for in Fund #077 and include maintenance of landscape, irrigation systems, lighting, curbs, gutters, sidewalks and water/electricity utilities. The district also establishes a self-insurance fund in the event of a slope failure, which is accounted for in Fund 078. The assessments levied on the 190 parcel owners for maintenance and self-insurance are deposited into those respective funds.

### **Library Facilities Improvements (Measure S) Fund (088)**

The passage of countywide Measure S in June 2016 provides \$3.75 million in bond financing revenues for improvements to the Scotts Valley Library. The remaining balance is expected to



be drawn down in FY 2022-23 to pay for the renovation project which commenced in summer 2021 with completion scheduled for summer 2022. The renovation includes seismic upgrades, roof overlay, new HVAC system, youth and teen area redesigns, enclosure of the fireside room, acoustic improvements and refreshed furniture, carpet and paint throughout the library.

#### **Library County Maintenance of Effort (MOE) Excess Distribution Fund (089)**

The City participates in the Santa Cruz County Library Financing Authority for the provision of library services. The authority collects property taxes on properties located in Scotts Valley, which funds the City's portion of the countywide library system and operation of the Scotts Valley Branch library. This payment is called the Maintenance of Effort, or MOE. These funds are intended to be used for library improvements and are expected to be applied to the Library renovation project (Fund 088) as needed.

#### **Community Facility Center Operations Fund (123)**

The City operates a Community Center for the enjoyment of the community. The facility is available for rental to the public. Rental revenues are recorded in the fund to pay for the expenditures associated with the operation and maintenance of the Center.

#### **Measure D Sales Tax for Transportation (155)**

The passage of countywide Measure D in November 2016 provides nearly \$300,000 in annual sales tax revenues to the City to fund a variety of transportation projects that the City might not have otherwise been able to fund with existing revenues (a key stipulation in the measure). Projects are identified and approved by the Regional Transportation Commission on an annual basis.

#### **American Rescue Plan Act (172)**

The American Rescue Plan Act (ARPA), signed into law by the President on March 11, 2021, provided \$65 billion in aid to local governments across the country. Scotts Valley will receive over \$2.8 million starting in July 2021, split into equal payments 12 months apart. Uses must be in compliance with the provisions in the legislation and regulations issued by the US Treasury Department in May 2021.

#### **CALTRANS – Get Everyone Moving (178)**

The City entered into a restricted grant agreement with the California Department of Transportation to fund the development of the Scotts Valley Get Everyone Moving Plan. This plan will identify barriers to safe and frequent bicycling and walking and will guide future active transportation developments within the City of Scotts Valley. The City is identified as the authorized agency and is working in partnership with Ecology Action, Bike Santa Cruz, and the



Scotts Valley Active Transportation Group and an outside consultant to develop the Plan and meet the objectives of the grant. The total amount of the grant is \$175,000.

**Proposition 68 Parks/Water Bond Act (268)**

In 2018, California voters approved Proposition 68, the Parks, Environment, and Water Bond Act, which authorized \$4 billion in state general obligation bonds to fund various state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects. Funds are available through an annual grant application process based on various eligibility requirements.

**Supplemental Law Enforcement Services Fund (306)**

The State provides funding for local law enforcement pursuant to the provisions of California Government Code §30061 under the Citizens' Option for Public Safety program. These funds, known as "supplemental law enforcement services funds." (SLESF) are allocated to local agencies to provide "front-line law enforcement services", allocated based on population with a minimum grant of \$100,000 to each agency. Due to Scotts Valley's relative size within Santa Cruz County, the City receives only the minimum \$100,000.

These funds are eligible to be used for operating or capital law enforcement expenditures at the discretion of the agency. Scotts Valley has historically used these funds to finance capital acquisition of equipment and other capital needs for the Police Department.

**Police Proposition 56 Tobacco Prevention Funds (309)**

In 2021, the City was awarded a grant in the amount of \$567,000 by the California Department of Justice under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Prop 56) that provides funding for a dedicated School Resource Officer (SRO) for a three-year period starting in FY 2021-22. The focus of the position will be on youth education and prevention, tobacco retailer outreach and education, and retailer compliance and enforcement regarding the use of tobacco products in schools and the sale of tobacco products in Scotts Valley. No local match is required for the grant. The funds will pay for the SRO, administrative costs, and training/marketing materials on an annual basis through FY 2023-24.

**Police Budget Act of 2016 Fund (312)**

In 2017, the City received \$49,000 through the City of Watsonville from grants associated with the State's Budget Act of 2016 that appropriated funds for agencies employing 100 or fewer officers. The funds are required to be used to supplement existing funds for such areas as homeless outreach, gang resistance education and training, outreach to high-risk youth, and other similar programs. The police chiefs in Santa Cruz County agreed to split the grant equally among the cities of Watsonville, Capitola, Santa Cruz and Scotts Valley. The City intends to



expend an amount not to exceed \$15,000 each year in support of the DARE program until all funds are depleted.

**EDG Revolving Loan Fund (317)**

This loan fund was established to account for a notes receivable due from a developer that is secured by that property. The loan was provided from Community Development Block Grant funds and is payable upon the sale of the property.

In addition, the City is initiating a process in May 2021 and implemented in FY 2021/22 to distribute \$550,000 across three fiscal years (FY 2021/22, 2022/23 and FY 2023/24) through a CDBG-Program Income application process. The City's General Fund will advance the EDG Revolving Loan fund an amount of \$550,000 over a three-year period starting in FY 2021-22 (over \$183,000 annually) to reimburse the fund for the loan receivable which has not yet been paid by the developer. Once the developer has paid off the loan, the General Fund will be reimbursed for its advance.



## GENERAL CAPITAL IMPROVEMENT FUND

The City sets aside funds for future capital improvement projects that are not able to be funded, or fully funded, from other funding sources such as gas tax revenues, development impact fees, wastewater rates, or grant funds. This fund is called the General Capital Improvement Fund (150).

Typical items that may be funded through this fund may include accessibility improvements, technology upgrades, roof replacements, and major facility repairs/replacements. The funding sources available for such projects will typically come through transfers from the City's General Fund, or possible onetime revenue sources such as grants.

The following CIPs are budgeted at approximated \$4.5 million dollars and have been included in the FY 2022/23 budget as part of a comprehensive five-year CIP Plan:

- \$1,400,000 – Vine Hill Childcare Facility (includes federal funding)
- \$1,250,000 – Public Works Facility Replacement (includes federal funding)
- \$ 362,500 – Sunridge Drive Stormwater Repair
- \$ 300,000 – City Hall HVAC Replacement
- \$ 250,000 – City's Computerized Maintenance Management Software (CMMS)
- \$ 200,000 – Pinecone Drive Draining Improvements
- \$ 200,000 – City Council Chambers Technology Improvements
- \$ 125,000 – Storm Drain Trash Capture
- \$ 100,000 – Annual Citywide Street Striping and Signage
- \$ 82,000 – Skypark Play Structure
- \$ 75,000 – City Facilities Condition Assessment
- \$ 74,000 – Senior Center ADA Improvements – Phase 2
- \$ 73,400 – City Hall ADA Improvements – Phase 1
- \$ 30,000 – Police Department Fitness Facility

**\$4,521,900 – Total General Fund CIPs budgeted in Fund 150**



## **CAPITAL IMPROVEMENT AND CAPITAL PURCHASE PROGRAM**

The Capital Improvement and Capital Purchase Program (CIP) consists of projects to maintain and enhance the City's infrastructure related to its roads, parks, facilities and wastewater treatment plant for the benefit of the community. It also includes the capital outlay associated with equipment, vehicles and information technology hardware/software that support the City's operations. The primary objective of the CIP is to develop and implement projects to ensure continued reliable delivery of service to meet the City's needs.

The City prepares a five-year capital improvement project and capital outlay plan as part of its annual budget. The development of the CIP Plan is more complex than planning to purchase a piece of equipment that would be the subject of a capital outlay expenditure. FY 2022-23 CIP costs have been accounted for as part of the table in the Summary of Financial Resources section of this document. Current and future year CIP costs have also been incorporated as part of the City's Long-Range Forecast.

The chart below is a summary of FY 2022-23 CIPs as approved by the City Council. These CIPs are also presented to the City's Parks & Recreation Commission and Planning Commission to confirm their consistency with the City's General Plan.

**Note:** Several CIPs concurrently address needs identified in the City's Active Transportation Plan (ATP) as approved by the City Council in March 2021. The ATP is a comprehensive document, over 70 pages in length. To align with Government Finance Officers Association (GFOA) best practices by considering the file size of a budget document, for ease of use of the document by all audiences, including by linking to sections whenever appropriate, the full ATP can be found online on the City's website and by visiting the URL listed below:

<https://www.scottsvally.org/DocumentCenter/View/2800/SV-Active-Transportation-Plan>



## FY 2022-23 CIP Plan Summary

| CIP #       | Priority | Project Type       | Description                                                    | FY 2022-23        | Funding Source    | General Ledger                             |
|-------------|----------|--------------------|----------------------------------------------------------------|-------------------|-------------------|--------------------------------------------|
| 1           | A        | Wastewater         | Wastewater Recovery Master Plan                                | \$ 100,000        | WWTP-C            | 012.90.7402.313                            |
| 2           | A        | Wastewater         | PLC/SCADA Upgrades                                             | \$ 55,000         | WWTP-C            | 012.90.7405.904                            |
| 3           | A        | Wastewater         | Clarifier Superstructure & Walkways                            | \$ 150,000        | WWTP-C            | 012.90.XXXX.904                            |
| 5           | A        | Wastewater         | Upgrade Tertiary Treatment Pumps                               | \$ 340,000        | TTF               | 015.90.3340.904                            |
| 6           | A        | Wastewater         | Aeration Basin System Upgrade                                  | \$ 1,000,000      | WWTP-C            | 012.90.7412.904                            |
| 9           | B        | Wastewater         | Sewer Vactor Truck                                             | \$ 450,000        | WWTP-C            | 012.90.XXXX.904                            |
| 10          | B        | Wastewater         | Effluent Pump Replacement                                      | \$ 110,000        | WWTP-C            | 012.90.XXXX.904                            |
| 13          | A        | Wastewater         | Collection System Lift Stations                                | \$ 175,000        | WWTP-C            | 012.90.XXXX.904                            |
| 14          | A        | Wastewater         | Collection System Pipeline Upgrades                            | \$ 200,000        | WWTP-C            | 012.90.XXXX.904                            |
| 15          | A        | Wastewater         | Collection System Inspection & Monitoring                      | \$ 100,000        | WWTP-C            | 012.90.XXXX.904                            |
| 52          | A        | Wastewater         | <i>Belt Press Conveyor Replacement</i>                         | <i>\$ 300,000</i> | <i>WWTP-C</i>     | <i>012.90.XXXX.904</i>                     |
| 18          | A        | Transportation     | Bean Creek Road Pavement Rehab - Phase 1 <sup>1</sup>          | \$ 1,026,000      | Meas D/RSTPX/SB-1 | 031.90.4612.904 and 155.90.2040.904        |
| 19          | B        | Transportation     | Mt. Hermon Road Corridor Improvements <sup>1</sup>             | \$ 365,000        | TDIF              | 008.90.4557.904                            |
| 20          | A        | Transportation     | Janis Way Digout, Overlay, Sidewalk, Bike Lanes                | \$ 250,000        | Measure D         | 155.90.XXXX.904                            |
| 21          | A        | Transportation     | Scotts Valley Drive Crack Seal                                 | \$ 75,000         | Measure D         | 155.90.XXXX.904                            |
| 53          | A        | Transportation     | <i>Annual Citywide Street Striping and Signage<sup>1</sup></i> | <i>\$ 100,000</i> | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| 54          | A        | Transportation     | <i>Granite Creek Overcrossing Improvements<sup>1</sup></i>     | <i>\$ 608,800</i> | <i>RSTPX/GT</i>   | <i>031.90.XXXX.904 and 003.90.XXXX.904</i> |
| 27          | A        | Storm Drains       | Storm Drain Trash Capture System                               | \$ 125,000        | GF CIP            | 150.90.0000.904                            |
| 28          | B        | Storm Drains       | Storm Drain Master Plan Update                                 | \$ 25,000         | SD DIF            | 007.90.4420.313                            |
| 29          | B        | Storm Drains       | Pinecone Drive Draining Improvements                           | \$ 200,000        | GF CIP            | 150.90.0000.904                            |
| 30          | B        | Storm Drains       | Sunridge Drive Stormwater Repair                               | \$ 362,500        | GF CIP            | 150.90.0000.904                            |
| 31          | A        | Parks & Rec        | Parks ADA Improvements - Phase 1                               | \$ 116,300        | Lennar            | 024.90.4660.904                            |
| 33          | A        | Parks & Rec        | Senior Center ADA Improvements - Phase 2                       | \$ 74,000         | GF CIP            | 150.90.XXXX.904                            |
| 36          | B        | Parks & Rec        | Parks System Master Plan                                       | \$ 100,000        | GF CIP            | 150.90.XXXX.904                            |
| 37          | A        | Parks & Rec        | Skypark Play Structure Equipment                               | \$ 260,000        | P68, GF CIP       | 268.90.4424.905 and 150.90.4424.905        |
| 39          | A        | Parks & Rec        | Vine Hill Childcare Facilities                                 | \$ 1,400,000      | Federal           | 006.90.XXXX.905                            |
| 40          | C        | Parks & Rec        | Skypark Tennis Area Improvements                               | \$ 50,000         | Parks DIF, Lennar | 009.90.4677.904 and 024.90.4677.904        |
| 55          | A        | Parks & Rec        | <i>Siltanen Park Irrigation System Replacement</i>             | <i>\$ 255,000</i> | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| 42          | A        | General Facilities | HVAC Replacement at City Hall                                  | \$ 300,000        | GF CIP            | 006.90.4045.905                            |
| 43          | A        | General Facilities | City Facility ADA Improvements - Phase 1                       | \$ 73,400         | GF CIP            | 150.90.XXXX.904                            |
| 46          | A        | General Facilities | Public Works Facility Improvements                             | \$ 1,250,000      | ARPA/CIP          | 150.90.4171.903                            |
| 56          | A        | General Facilities | <i>City Hall Roof Replacement</i>                              | <i>\$ 285,000</i> | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| 57          | A        | General Facilities | <i>City Facilities Condition Assessment</i>                    | <i>\$ 75,000</i>  | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| 49          | A        | Police             | Police Department Locker Room                                  | \$ 125,000        | Police DIF        | 027.90.4055.904                            |
| 50          | C        | Police             | Police Department Armory                                       | \$ 70,000         | Police DIF        | 027.90.4055.904                            |
| 58          | A        | Police             | <i>Police Department Fitness Facility Upgrades</i>             | <i>\$ 30,000</i>  | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| 59          | A        | Police             | <i>Universal Power Supply</i>                                  | <i>\$ 50,000</i>  | <i>Police DIF</i> | <i>027.90.4055.904</i>                     |
| 51          | A        | IT                 | Citywide Network Infrastructure Upgrades                       | \$ 250,000        | ARPA              | 150.90.4404.910                            |
| 60          | A        | IT                 | <i>Finance ERP System Upgrade</i>                              | <i>\$ 400,000</i> | <i>ARPA</i>       | <i>001.45.0000.313 and 001.45.0000.904</i> |
| 61          | A        | IT                 | <i>Computerized Maintenance Mgmt Software</i>                  | <i>\$ 250,000</i> | <i>GF CIP</i>     | <i>150.90.XXXX.904</i>                     |
| GRAND TOTAL |          |                    |                                                                | \$ • 11,531,000   |                   |                                            |



## ***CIP PROJECT DESCRIPTIONS***

This section is being reserved for detailed descriptions of each CIP, including the Project Description, Project Priority, Funding Source, and Estimated Schedule. All of these details are known and were incorporated during the development of CIP Plan as approved by the City Council and the FY 2022-23 Proposed Budget.

This section will be included as part of the FY 2022-23 budget document as part of the agenda packet for the June 15, 2022, City Council meeting.



## City of Scotts Valley INTEROFFICE MEMORANDUM

**DATE:** June 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Mali LaGoe, City Manager

**SUBJECT:** **FLAG POLICY**

### **SUMMARY OF ISSUE**

At the September 1, 2021, and May 18, 2022, City Council meetings, Council Member Timm requested staff bring forward a policy on the display of flags at City of Scotts Valley ("City") owned properties for City Council's consideration. Staff has prepared two versions of the policy. Specifically, one memorializes the current practice of only allowing federal and state flags ("Policy 1") and the other allows for the display of commemorative flags at the City Council's sole direction ("Policy 2").

Flags and flagpoles owned or maintained by the City of Scotts Valley are not intended to serve as a forum for free expression by the public, but rather are a non-public forum. The City has had a longstanding practice, but not a formal policy, of only allowing federal and state flags. A Flag Policy would outline an official policy for the display of any flag by the City and create an objective standard going forward.

The term "commemorative flag" is the commonly used term to define any non-governmental flag (meaning not formally recognized nationally and congressionally as a governmental flag or associated with a local government). Policy 1 would apply to City-owned properties that are leased to third parties while Policy 2 would not apply to leased or licensed properties, leaving the decision up to the leaser.

#### **Policy 1- Memorializes Past Practice**

Historically, the U.S. Flag and the California State Flag have been displayed on the flagpoles at City Hall (both indoors and outdoors), as well as on other flagpoles located at other City owned properties, such as at the Community Center, Library and on Mount Herman Road south of Scotts Valley Drive. This is consistent with both federal and state law (United States Code, Title 4, Ch. 1, et seq., and California Government Code sections 430 et seq.). Policy 1 memorializes this past practice.

#### **Policy 2- Allows "Commemorative Flags"**

The proposed Policy 2 mirrors Policy 1 for all City owned properties and allows commemorative flags. The City Council can elect to display a commemorative flag in

the position of lowest honor to the U.S. Flag and California State Flag consistent with the policy. The policy complies with state and federal laws and is structured in a manner that treats commemorative flags as government speech.

The policy prohibits third-party requests for commemorative flag displays and only allows for the display of commemorative flags when the request is brought forth by a member of the City Council to place the consideration of a specific commemorative flag on a future agenda. The decision to display the commemorative flag must then be authorized by a majority vote of the City Council at a duly noticed regular or special City Council meeting, as an expression of the City Council's official sentiments.

Policy 2 also provides that any commemorative flag being considered must be consistent with the current City Council recognized goals and priorities and City strategic plan. Consistent with Federal and State law, Policy 2 makes clear that the following are not allowed as commemorative flags and will not be considered by the City Council:

- i. Flags of a particular religious movement or creed, to avoid the appearance of City government endorsing religion or a particular religious movement or creed;
- ii. Flags of a political party, to avoid the appearance of City government endorsing a political party; and
- iii. Flags advocating a certain outcome in an election.

Policy 2 also makes clear that the City must obtain the commemorative flag itself.

Further, at the May 18, 2022 City Council meeting, Councilmember Timm requested to add to the June 1, 2022 agenda an item to consider flying the Pride flag during Pride month (June). If the Council approves Policy 2 at tonight's meeting, allowing commemorative flags, the Council could then also consider approving the Pride flag to be displayed in accordance with the approved Flag Policy. The Pride flag, in representing the diversity of the LGBTQ community, is consistent with the discussion the Council had during the Strategic Plan Study Session on April 7, 2022 where "Inclusivity" was identified as a contributing factor to the Council's Strategic Goal of Maintaining the Quality of Life of Scotts Valley residents. It is further consistent with the City's FY 2021-22 Strategic Goals Work Plan Objective #11 including promoting an inclusive work place and enhancing the City's efforts in diversity, equity and inclusion.

### **FISCAL IMPACT**

Adoption of Policy 1 will have no fiscal impact, as only legally required and governmentally recognized flags will be flown, and the costs of such flags are already provided for in the approved budget.

Adoption of Policy 2 will have a minimal fiscal impact associated with the City obtaining any authorized commemorative flag. The costs are wholly dependent on the number of commemorative flags authorized by City Council.

**STAFF RECOMMENDATION**

It is recommended that City Council consider the proposed flag policies and vote to adopt Policy 1 or Policy 2 as to form or amended, or direct staff to take further action if neither policy is acceptable to the Council.

Should the Council vote to adopt Policy 2, it is recommended that the Council further consider approval to fly the Pride flag from June 2<sup>nd</sup> to June 30<sup>th</sup> to commemorate Pride Month, as requested by Councilmember Timm at the May 18<sup>th</sup> Council meeting.

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**RESOLUTION NO. 2014**

**ADOPTING A CITY OF SCOTTS VALLEY POLICY ON DISPLAY OF FLAGS**

**WHEREAS**, the City of Scotts Valley currently displays, as required by existing law, the United States Flag and the State of California Flag; and

**WHEREAS**, the City of Scotts Valley does not have a formal policy regarding the display of flags; and

**WHEREAS**, the City Council desires to establish a policy that provides guidance and standards for the indoor and outdoor display of flags at City of Scotts Valley owned properties; and

**WHEREAS**, in adopting this Policy on Display of Flags, the City Council declares that flags and flagpoles owned or maintained by the City of Scotts Valley are not intended to serve as a forum for free expression by the public, but rather as a nonpublic forum for the display of flags outlined in the Policy on Display of Flags, as an expression of the City Council's official sentiments (government speech).

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Scotts Valley approves the Policy on Display of Flags, attached and incorporated hereto as Exhibit A.

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 1<sup>st</sup> day of June, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: \_\_\_\_\_  
Donna Lind, Mayor

Attest: \_\_\_\_\_  
Cathie Simonovich, City Clerk

Policy 1- no commemorative flags

**CITY OF SCOTTS VALLEY POLICY ON DISPLAY OF  
FLAGS**

The Scotts Valley City Council (hereinafter “City Council”) desires to establish a “Policy on Display of Flags” (hereinafter “Policy”). In adopting this Policy, the City Council declares that the City of Scotts Valley’s flagpoles are not intended to serve as a forum for free expression of the public, but rather for the display of Federal and State flags, consistent with applicable law and past practice.

**I. Purpose**

- A. The purpose of this Policy is to establish clear guidance from the City Council regarding the indoor and outdoor display of flags at City of Scotts Valley (hereinafter “City”) owned properties.
- B. In adopting this Policy, the City Council desires to memorialize the past practice of displaying only nationally and congressionally recognized flags, consistent with required law.
- C. In adopting this Policy, the City Council declares that flagpoles owned or maintained by the City are not intended to serve as a forum for free expression by the public. Rather, such flagpoles are a non-public forum for the display of Federal and State flags, as authorized by this Policy, as an expression of the City Council's official sentiments (government speech).
- D. The City will not display a commemorative flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

**II. Policy**

- A. Conformance with Federal and State Regulations. Flags shall be displayed in accordance with all Federal and State statutes and regulations, including, but not limited to United States Code, Title 4, Chapter 1, et seq., and California Government Code sections 430 et seq., as may be amended from time to time, and this Policy.
- B. For all City owned properties (including parks). If there is an outside flagpole, the United States Flag may be displayed and the State of California Flag may be displayed, as described in section II(A) above. If flags are displayed indoors, those flags are limited to the United States Flag and the State of California Flag. Commemorative flags may not be displayed.

If such City owned property is leased or licensed to a third party, that third party shall be bound by this Policy.

### III. **Procedures**

- A. Consistent with section II(A), no other flag shall be placed above the United States Flag and no other flag shall be larger than the United States Flag.
- B. Flags should be hoisted briskly and lowered ceremoniously. The United States Flag should be hoisted first and lowered last.
- C. Flags shall be displayed during operating hours on all days on which the City is open for business, and on national and state holidays. Flags may be displayed twenty-four (24) hours a day as long as they are illuminated during darkness.
- D. Flags shall not be displayed during inclement weather, unless all- weather flags are used and are illuminated during darkness.
- E. When flags are displayed on a single pole, the order from top to bottom shall be: the United States Flag and the California State Flag.

## Policy 2- commemorative flags

### **CITY OF SCOTTS VALLEY POLICY ON DISPLAY OF FLAGS**

The Scotts Valley City Council (hereinafter “City Council”) desires to establish a “Policy on Display of Flags at City Facilities” (hereinafter “Policy”). In adopting this Policy, the City Council declares that the City of Scott Valley’s flagpoles are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, and City of Scotts Valley flags, and any “commemorative flag” as may be authorized by this Policy and the City Council as an expression of the City Council’s official sentiments.

#### **I. Purpose**

- A. The purpose of this Policy is to establish clear guidance from the City Council regarding the indoor and outdoor display of flags at City of Scotts Valley (hereinafter “City”) facilities.
- B. In adopting this Policy, the City Council declares that flagpoles owned or maintained by the City are not intended to serve as a forum for free expression by the public. Rather, such flagpoles are a non-public forum for the display of Federal, State, and City of Scotts Valley flags, and any commemorative flag (as defined by section II(C)(1) below), as authorized by the City Council and this Policy as an expression of the City Council's official sentiments (government speech).
- C. The City will not display a commemorative flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

#### **II. Policy**

- A. Conformance with Federal and State Regulations. Flags shall be displayed in accordance with all Federal and State statutes and regulations, including, but not limited to, United States Code, Title 4, Chapter 1, et seq., and California Government Code sections 430 et seq., as may be amended from time to time, and this Policy.
- B. For all City owned properties (including parks), other than the Civic Center, located at One Civic Center Drive, Scotts Valley. If there is an outside flagpole, the United States Flag may be displayed and the State of California Flag may be displayed, as described in section II(A) above. If flags are displayed indoors, those flags are limited to the United States Flag and State of California Flag. Commemorative flags may not be displayed.

If such City owned property is leased and/or licensed to a third party, that third party shall not be bound by this Policy, but must comply with any Federal, State, or local laws related to display of flags.

C. Civic Center, located at One Civic Center Drive, Scotts Valley. Regarding the flagpole outside of City Hall, the United States Flag shall be displayed and the State of California Flag shall be displayed, as described in section II(A) above, as well as a “commemorative flag” (as defined by section II(C)(1)). If flags are displayed indoors of the Civic Center, those flags are limited to the United States Flag and State of California Flag.

1. Commemorative Flag

- a. As expression of the City’s official government speech, the City Council may authorize the display of a “commemorative flag” to be displayed below any other flags on the Civic Center flagpole, located at City Hall. Only commemorative flags that comply with this Policy may be displayed.
- b. A commemorative flag is any flag that is consistent with this Policy and not the United States Flag or State of California Flag.
- c. The City Council shall only consider a request to display such a commemorative flag if the request is made by a member of the City Council to place the discussion on the agenda for a regular or special City Council meeting. Requests to display a commemorative flag by members of the public will not be considered.
- d. A majority of the City Council must agree to display the commemorative flag as part of an official City Council action at a duly noticed, Ralph M. Brown Act compliant, regular or special City Council meeting.
- e. Commemorative flags shall be displayed for a period of time that is reasonable or customary for the subject that is to be commemorated, but no longer than thirty-one (31) continuous days.
- f. If any other flag is displayed at half-staff, the commemorative flag will also be displayed at half-staff, height limits permitting.
- g. A commemorative flag will only be considered by the City Council if it is commonly identified with, and consistent with, the current City Council recognized goals and priorities and City strategic plan. The following are not allowed as commemorative flags and will not be considered by the City Council:
  - i. Flags of a particular religious movement or creed, to avoid the

appearance of City government endorsing religion or a particular religious movement or creed;

ii. Flags of a political party, to avoid the appearance of City government endorsing a political party; and

iii. Flags advocating a certain outcome in an election.

h. Any approved commemorative flag will be obtained by the City.

### III. **Procedures**

A. Consistent with section II(A), no other flag shall be placed above the United States Flag and no other flag shall be larger than the United States Flag.

B. Flags should be hoisted briskly and lowered ceremoniously. The United States Flag should be hoisted first and lowered last.

C. Flags shall be displayed during operating hours on all days on which the City is open for business, and on national and state holidays. Flags may be displayed twenty-four (24) hours a day as long as they are illuminated during darkness.

D. Flags shall not be displayed during inclement weather, unless all- weather flags are used and are illuminated during darkness.

E. When flags are displayed on a single pole, the order from top to bottom shall be: the United States Flag, the California State Flag, and if displayed and allowed by this Policy, the commemorative flag.