A G E N D A

Meeting of the
Scotts Valley City Council
REMOTE ACCESS ONLY
Date: June 15, 2022
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Videoconference https://us02web.zoom.us/j/85157111058 *See information below for how to participate.*	The agenda was posted 06-10-2022 at City Hall and on the Internet at www.scottsvalley.org.

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 No. 2007.9 on June 1, 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/85157111058
- Or One tap mobile:
  +16699009128,,85157111058# or +12532158782,,85157111058#
  Or join by phone:
  Dial (for higher quality, dial a number based on your current location):
  US+1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656

Webinar ID: 851 5711 1058

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.
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 Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	Mali LaGoe, City Manager Casey Estorga, Administrative Services Director Kirsten Powell, City Attorney Steve Walpole, Chief of Police Taylor Bateman, Community Development Director Chris Lamm, Public Works Director 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/85157111058

CALL TO ORDER 6:00 PM

MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTERS

Presentation of Mayor's Proclamation honoring Captain Michael Dean for 30 years of dedicated service to the City of Scotts Valley.

Central Coast Community Energy annual member agency presentation.

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 06-01-2022

B. Approve check registers dated 06-03-2022 and 06-09-2022

C. Statewide General Election Resolutions:
   (1) Resolution No. 2015 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and
   (2) Resolution No. 2015.1 calling for a Statewide General Election for the election of members of the City Council, determining that costs of Candidate's Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will be opened and closed

D. Approve Resolution No. 1139.26 approving the Investment Policy for the City of Scotts Valley

E. Approve Resolution No. 1007.35 making certain findings including the selection of the two factors stated in the Fiscal Impact section above and adopting the 2022-2022 appropriations limit of $236,658,200

F. Approve the following FY 2022-23 Annual Budget resolutions:
   (1) Resolution No. 630.42 approving the final FY 2022-23 Annual Budget and making appropriations for the amounts budgeted.
   (2) Resolution No. 1501.29 approving the continued collection of the Utility Users' Tax for FY 2022-23.
   (3) Resolution No. 1932.3 approving a minimum reserve policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds (Council Policy No. 04-17).

G. Approve Siltanen Community Pool resurfacing project change orders

H. Approve Landlord Incentive Program Agreement

I. Approve Hinderliter De Llamas (HDL) Services Agreement

J. Approve amended Cyber Assend Technologies Agreement

K. Second reading and adoption of the Scotts Valley Municipal Code Regulations regarding smoking and tobacco products

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

1. PUBLIC HEARING: Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-034; Annual Engineer's Report Skypark (Public Works Director Lamm)

   - Open public hearing
   - Close public hearing
   - Approve Resolution No. 1555-SP-034

2. PUBLIC HEARING: Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.36; Annual Engineer's Report Pinewood Estates (Public Works Director Lamm)

   - Open public hearing
   - Close public hearing
   - Approve Resolution No. 1213.36

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

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

1. Theater Guild Lease Agreement

2. Approve Fee Deferral Agreement between CRDSV, LLC dba Residence Inn Scotts Valley and the City of Scotts Valley

3. Strategic Plan update

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

ADJOURNMENT

ADA NOTICE

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

PROCEDURAL INFORMATION FOR THE PUBLIC

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

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

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

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

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

Unless otherwise determined by the presiding officer of the meeting:

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

❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖

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City of Scotts Valley
Mayor's Proclamation

WHEREAS, *Mike Dean is a 30-year veteran of the Scotts Valley Police Department, having served the last three years at the rank of Captain. He started with the Scotts Valley Police Department as a Reserve Officer in 1991, and was hired full time in 1992. Over the years he worked his way through the ranks, serving as a Filed Training Officer, Detective, Patrol Sergeant, Detective Sergeant, Lieutenant, and was appointed Captain on April 20, 2019; and*

WHEREAS, *Captain Dean's early career focused on helping others in the department and the community. He became the department's First Aid Instructor and volunteered to be the department's lead hostage negotiator. Captain Dean excelled in both of those roles as the theme of his career was keep his fellow officers, and members of the community, safe; and*

WHEREAS, *In 1995 Captain Dean was selected as the SVPD's first CAPE Officer (Criminal Abatement through Patrol and Education). In his role as a CAPE Officer it was his job to work with local business owners, and members of the community, to combat retail theft and fraud. He accomplished this through educational meetings and proactive enforcement. He successfully built relationships between local business owners and the police department which still last today; and*

WHEREAS, *Captain Dean has been our go-to person on organizing many of our public relations events. These included our Junior Police Academies, the DARE Golf Fundraiser, Red Ribbon Week, Retiree BBQ, "Cops N' Rodders" Charity, and Neighborhood Watch programs. Captain Dean not only participated in each of these events, he was often the driving force and reason that the events were successful; and*

WHEREAS, *Later in his career Captain Dean was assigned to oversee all of the department's hiring and recruiting. Captain Dean's personality and work ethic were perfectly suited to the role. In one particular year, when the department was shorthanded, Captain Dean personally reviewed over one hundred applications and interviewed 75 candidates. His hard work resulted in the hiring of ten new employees into the Police Department in less than twelve months. Captain Dean's impact in the department will have a lasting legacy as he has had a direct hand in hiring every single current department employee working today; and*

WHEREAS, *In 2020 Police Captain Mike Dean repeatedly answered the call of service when the CZU Fire threatened Scotts Valley and forced the evacuation of the city. Captain Dean imbedded himself in the CAL Fire CZU Basecamp to provide liaison and logistical support to provide protection to Scotts Valley through the wildfire event; during the evacuation he worked 16-hour days for ten days straight; and*

WHEREAS, *During his distinguished career with the Scotts Valley Police Department, Captain Dean has received numerous Employee of the Month Awards, Commendations and letters of thanks from the community. He was the recipient of the Officer of the Year award in 1998 and 2014. He was also selected by then Mayor Johnson as the City of Scotts Valley Employee of the Year in 2020.*

WHEREAS, NOW, THEREFORE, *I, Donna Lind, Mayor of the City of Scotts Valley, on behalf of the entire City Council and citizens of Scotts Valley, do hereby thank and honor Captain Michael Dean for his 30 years of dedicated service to the City of Scotts Valley.*

Donna Lind, Mayor

Signed and sealed this 15th day of June 2022

SPECIAL SET MATTER 2
DATE: 06-15-2022

ANNUAL MEMBER AGENCY UPDATE

City of Scotts Valley

June 15th, 2022

Central Coast Community Energy

Did You Know?

California's Community Choice Aggregation (CCA) Community

- **Serves 11 million electricity customers**
- **Supports equity, choice and renewable energy**
- **Is a positive force in 200+ communities**

POWERED BY COMMUNITY CHOICE

Who powers you?

cal-cca.org/powered

Central Coast Community Energy

CLEAN ENERGY. LOCAL CONTROL.

CALCCA

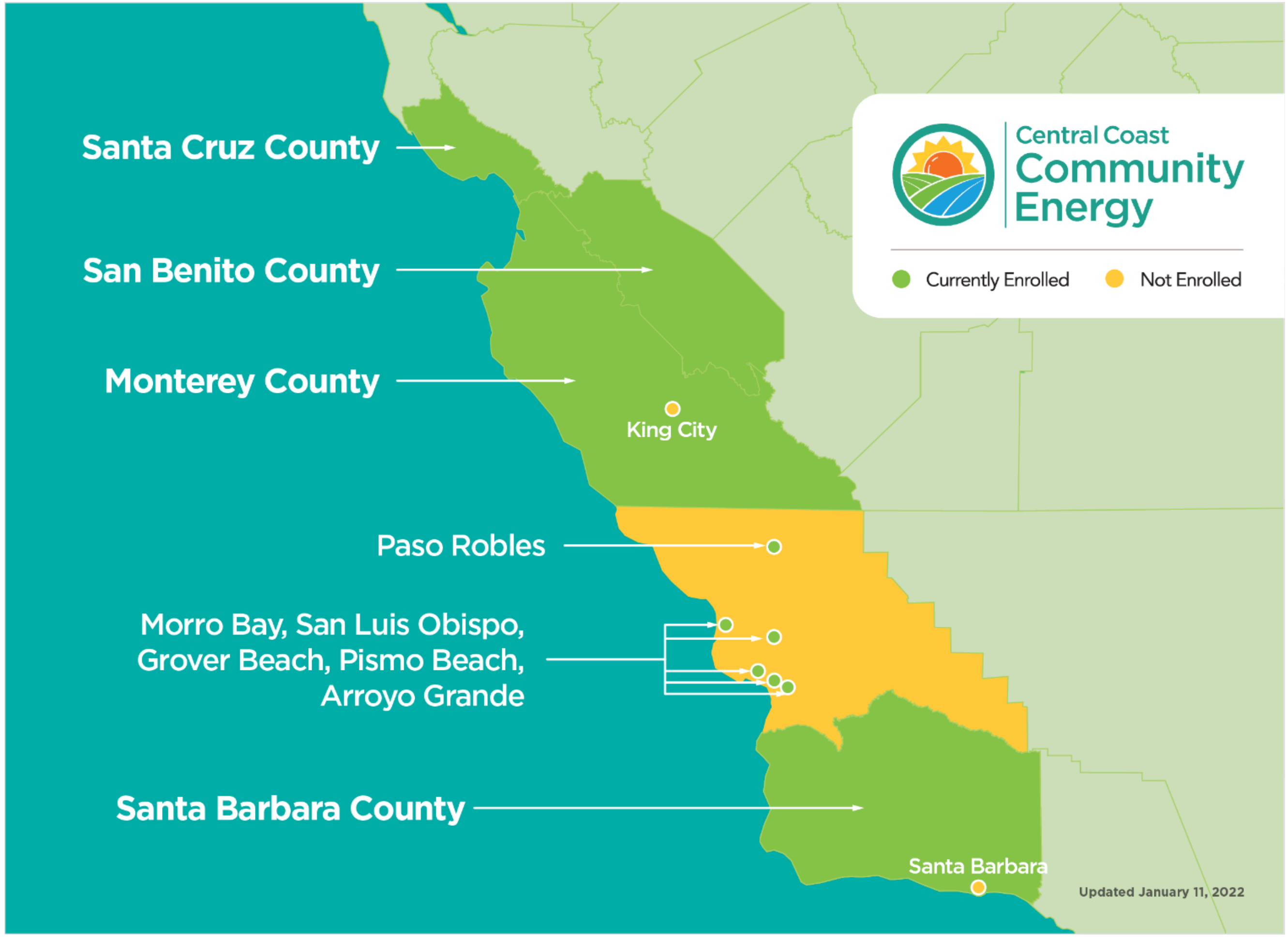
ADVANCING LOCAL ENERGY CHOICE

How Does Community Choice Aggregation Work?

A partnership to support shared customers

Central Coast Community Energy

SERVICE AREA 33 COMMUNITIES, FIVE COUNTIES & 8,000 + SQ MILES



CCCE GOVERNANCE

County of Santa Cruz | City of Santa Cruz | City of Watsonville | County of Monterey | City of Salinas | County of San Benito | County of Santa Barbara | City of Santa Maria

Coastal Cities
Marina
Sand City*
Seaside
Del Rey Oaks

Peninsula Cities
Carmel
Monterey
Pacific* Grove

Salinas Cities
Greenfield
Gonzales
Soledad*

San Benito Cities
Hollister*
San Juan Bautista

Santa Cruz Cities
Capitola*
Scotts Valley

San Luis Obispo Cities
San Luis Obispo*
Morro Bay
Paso Robles

South County Cities
Arroyo Grande
Grover Beach
Pismo* Beach

SB County Cities
Guadalupe
Solvang*
Buellton

SB County Cities
Goleta
Carpinteria*

Policy Board: Meets 4 Times Annually

Operations Board: Meets 10 Times Annually

Community Advisory Council: Meets 7 Times Annually

*City representative currently serving in a shared seat.

Central Coast Community Energy

ACCOMPLISHMENTS

LOCAL CHOICE

3Cchoice-clean and renewable offering
94% enrollment
Largest CCA service area

ECONOMIC VITALITY

$27 million – Energy programs
Est. $50 million – Customer savings
$25 million – Resiliency Fund

LOCAL SUPPORT

$1 million in Local Vendor Contracts
38 full-time employees
2 offices – Monterey & San Luis Obispo

CLEAN ENERGY

889 MWs of Renewables – solar, wind, geothermal
261 MWs of battery storage
Pathway to 100% clean and renewable

FINANCIAL STABILITY

Received "A" Rating from S&P
Over $140 Million in Rate Stabilization Fund
Service and Loans Paid Off

Central Coast Community Energy

CCCE's Pathway to 100% Clean and Renewable by 2030

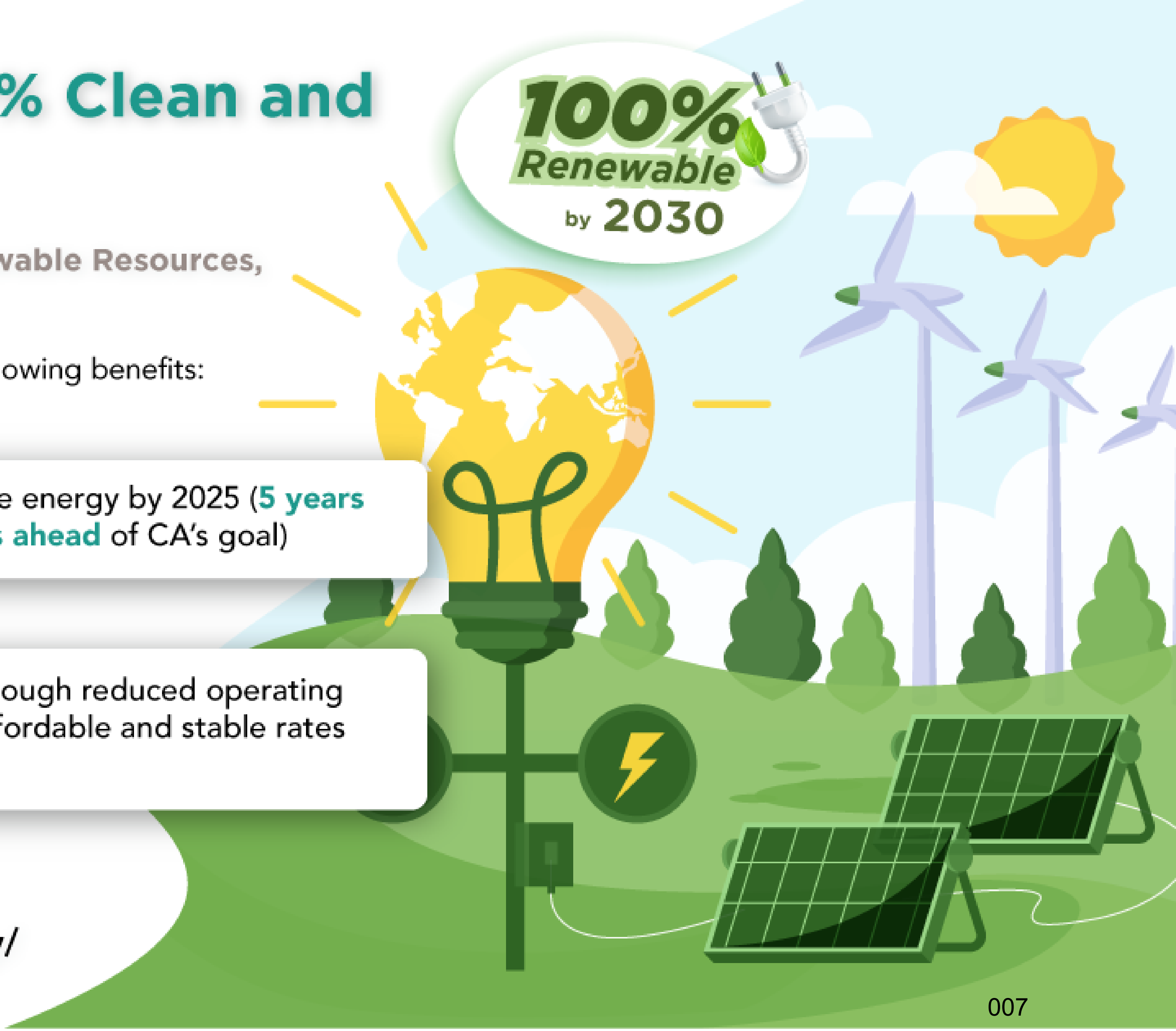
Supporting Affordable Rates, Increasing Renewable Resources, and Accelerating Greenhouse Gas Reduction

CCCE's new energy-supply strategy will provide the folllowing benefits:

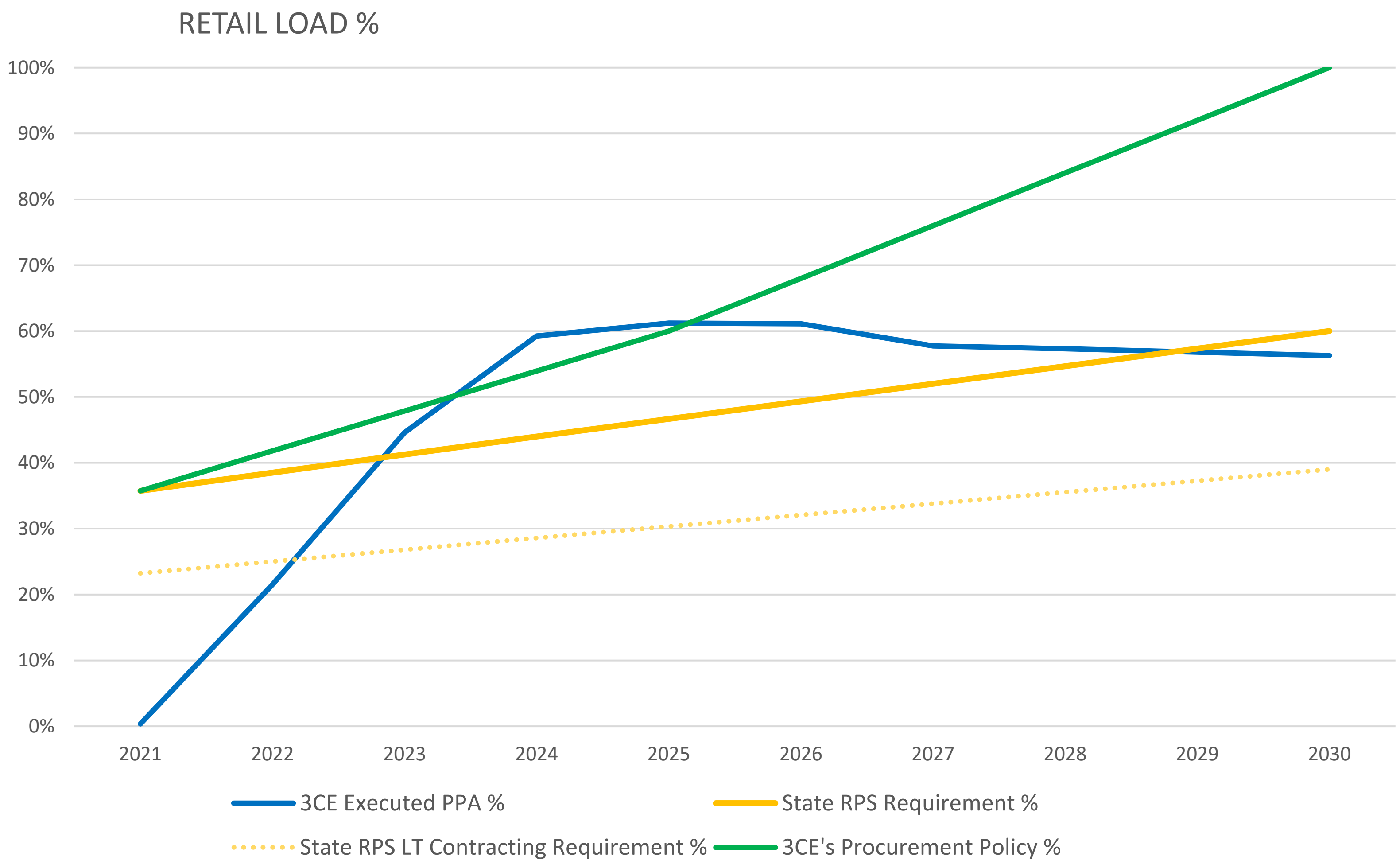
- CCCE's goal is to reach 60% clean and renewable energy by 2025 (**5 years ahead** of CA's goal) and 100% by 2030 (**15 years ahead** of CA's goal)

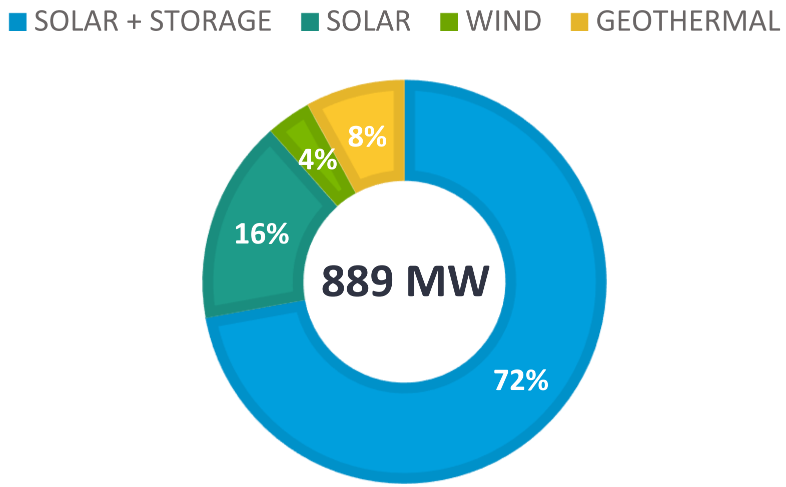
- Financially beneficial to customers and CCCE through reduced operating costs of **$8-15 million/year** allowing for more affordable and stable rates while supporting economic development

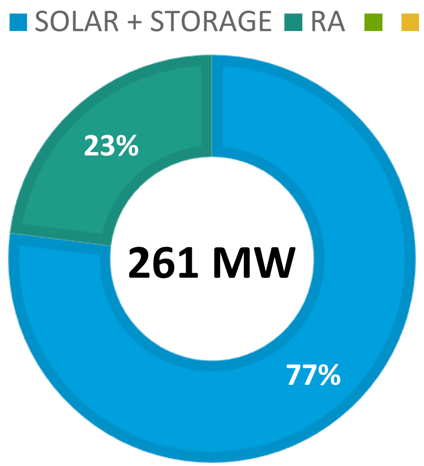
Learn more at 3cenergy.org/understanding-clean-energy/



FAST TRACKING NEW ENERGY DEVELOPMENT







In 2025, these projects will serve about 61% of CCCE's retail load

Central Coast Community Energy

2022 CCCE SERVICE OFFERINGS

Long-term rate adoption increases predictability and rate stability

Customer choices and transparency improve with simplified customer classes

Rates increase customer rate equity throughout customer segments

Rate structure maintains competitive rates across all customer segments

https://3cenergy.org/2022-energy-choices/

Central Coast Community Energy

CITY OF SCOTTS VALLEY

96.6% Enrollment

5,116 **TOTAL ENROLLED CUSTOMERS**

- 4,212 - Residential
- 900 - Commercial
- 0 - Agricultural
- 15 - 3C Prime

ENERGY PROGRAM FUNDS

Electrify Your Ride $57,355

Central Coast Community Energy

ENERGY PROGRAMS

$1.3 million FY 18/19

$5.4 million FY 19/20

$6.2 million FY 20/21

$14.1 million FY 21/22

FY 21/22 dedicates 4% of operating revenue

FY 21/22 Energy Programs

- Electrify Your Ride - $2.8 million – NOVEMBER 2021
- School Bus Electrification - $1 million - OCTOBER 2021
- Agriculture Electrification - $600k - OCTOBER 2021
- Residential Electrification - $1.6 million
- New Construction Electrification - $1.5 million – OCYOBER 2021
- Reach Code - $60k
- Battery Energy Storage Pilot - $350k
- Summer Readiness - $400k
- Energy Education, Workforce Development and Innovation Grants - $1 million
- Greenhouse Gas Inventory - $64k

Central Coast Community Energy

CLEAN ENERGY. LOCAL CONTROL.

ELECTRIFY YOUR RIDE

on Electric Vehicles and Chargers

REDUCE EMISSIONS

Reducing emissions, getting more electric vehicles (EVs) on the road and building more charging stations will increase local and regional adoption rates to meet state and regional climate action goals

EQUITABLE ACCESS

Providing extra funding for disadvantaged communities and low-income customers will tighten up gaps in equitable access to clean-energy resources

ELECTRIC VEHICLE REBATES

$2,000 - $4,000 in rebates available for purchase or lease of new or used electric vehicles, including motorcycles and e-bikes. Additional stackable funds available, including up to $15,000 for income-qualified customers

EV CHARGER REBATES

$2,400 - $10,000 available for Level 2 electric vehicle chargers at home or workplace. Includes the labor and material costs for installation, including electrical panel upgrades or replacments

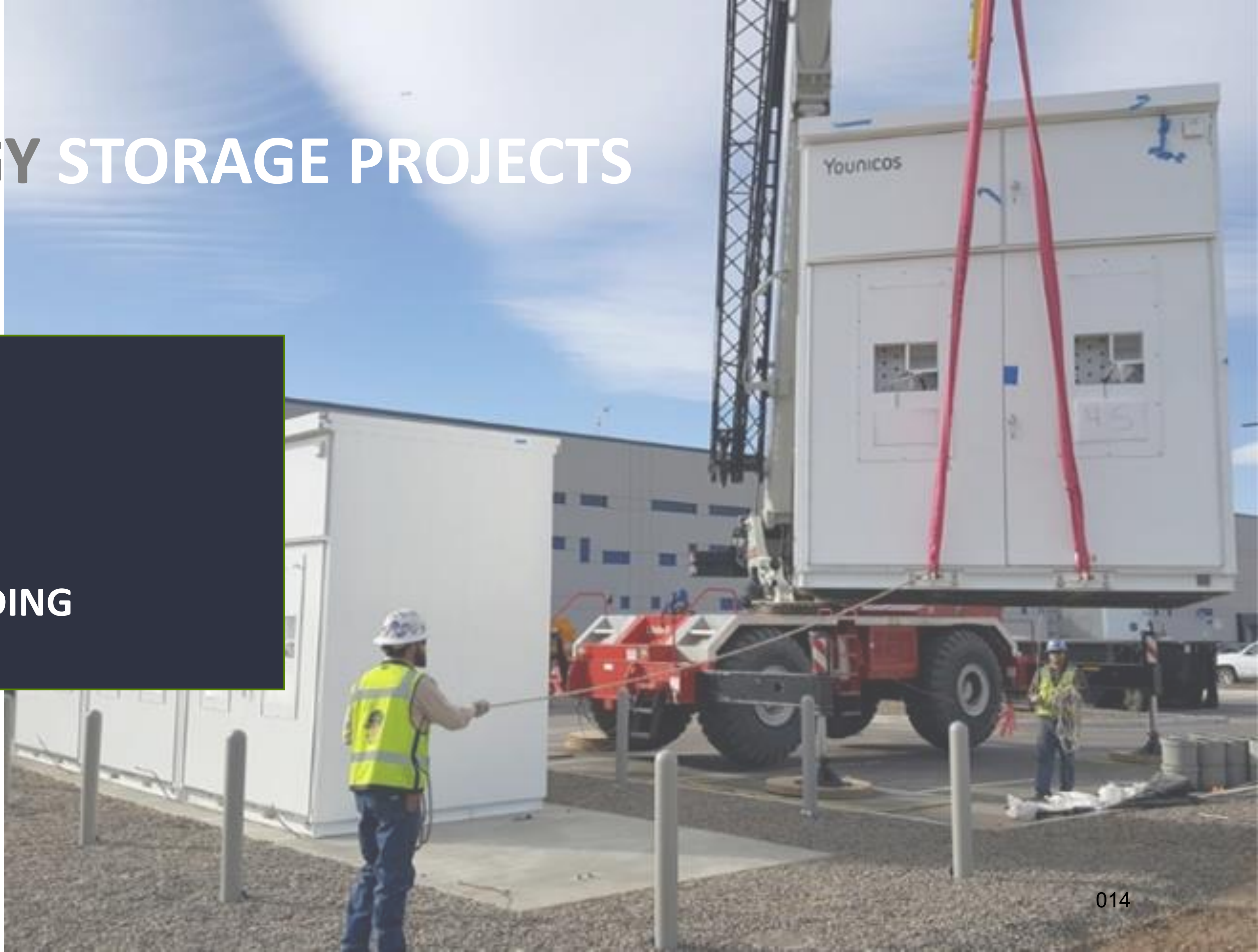
Learn more and apply at 3cenergy.org/electrify-your-ride-program

ALL-ELECTRIC AFFORDABLE HOUSING FUNDED BY CCCE

Central Coast Community Energy
CLEAN ENERGY. LOCAL CONTROL.

LOCAL ENERGY STORAGE PROJECTS

RATE STABILITY
GRID STABILITY
REDUCED GHGS
LOCAL JOBS
MICROGRID ISLANDING



MEDIUM AND HEAVY-DUTY VEHICLE ELECTRIFICATION

Supports electrification of Member Agency fleet vehicles

Includes street sweepers, refuse trucks, dump trucks, and first response vehicles

Funds dispersed after purchases are made

Coordination with city/county purchasing schedules and policies

Incentives tied to cost difference between electric and standard options

Central Coast Community Energy

LOCAL OUTREACH & ENGAGEMENT

Farm Worker Outreach

10 Farm Worker Outreach events in 2021

Sponsoring La Tri-Color & La Ley radio stations events

Educate on CCCE services & programs in person

Underserved Community Outreach

Presentations to stakeholders & organizations

- Latino Elder Outreach Network
- Promotores
- Lideres Campensinas
- Mexican Consulate

Community Advisory Council committee focused on outreach to:

- Low-income, food insecure, renters, senior citizens w/ fixed income, tribal & migrant indigenous communities

VENDOR REGISTRY

DON'T MISS OUT!

IF YOU'RE A BUSINESS IN THE CENTRAL COAST, SIGN UP FOR CENTRAL COAST COMMUNITY ENERGY'S VENDOR REGISTRY

This Vendor Registry allows CCCE to know what organizations and services are available. Vendors registered with CCCE will be contacted directly with business specific Requests for Proposals as they are applicable.

VISIT BIT.LY/CCCE-VENDOR-REGISTRY

Central Coast Community Energy

CLEAN ENERGY. LOCAL CONTROL.

Central Coast Community Energy

STAY CONNECTED WITH CCCE

www.3Cenergy.org

info@3CE.org

1.888.909.6227

@3CEnergy

@3CEnergy

@3CEnergyEnEspanol

Follow us online, join our newsletter and check out our website

Central Coast Community Energy

M I N U T E S

Meeting of the
Scotts Valley City Council

Date: June 1, 2022
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Video Conference	The agenda was posted on 5-27-2022 at City Hall and on the Internet at www.scottsvalley.org.

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:03 PM.

MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Donna Lind, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Derek Timm, Council Member	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 the Mayor's Proclamation recognizing June 15, 2022, as World Elder Abuse Awareness Day and recognizing the month of June as Elder Abuse Awareness Month. Terri Noto, Adult Protective Services Social Work Supervisor, accepted the proclamation.

COMMITTEE REPORTS

CM Johnson attended the Town Center subcommittee meeting, along with City staff, where they interviewed a potential consultant for the project.

CM Timm attended the Town Center subcommittee meeting and reported that the committee is at a strategic point where they need to ensure that the plan aligns with the community's vision of the project.

CM Timm attended the Housing panel where they spoke about affordable housing (May was Affordable Housing Month) and were able to communicate the work that the City has been doing with respect to affordable housing. They also discussed the housing element and meeting the new Regional Housing Needs Allocation (RHNA) numbers (1200 units in Scotts Valley over the next eight years).

CM Dilles attended a meeting of the Monterey Bay Economic Partnership where they presented their annual regional economic outlook. They presented information on the supercharged economy, the job availability rate, homebuying trends, and the shortage of labor and materials. The speaker's suggested solution to these issues is to build multi-family housing.

CM Dilles attended a meeting of the Santa Margarita Groundwater Agency where they heard about the plans to monitor groundwater.

CM Dilles, along with Mayor Lind, attended a tour of the Orchard Run Well near the Polo Ranch developments and they did a taste test of Scotts Valley water.

CM Dilles, along with Mayor Lind, attended the Senior Center board meeting where the guest speaker was Congressman Jimmy Panetta.

CM Reed attend the Budget Subcommittee meeting, and the budget will be presented in detail later in the agenda.

Mayor Lind attended her first Local Agency Formation Committee (LAFCo) meeting where they considered a proposal of a reorganization of the Pajaro Fire District, and they passed the budget for the 2022-23 fiscal year.

Mayor Lind attended the Santa Cruz Metropolitan Transit District Board (Metro) meeting where they also passed the 2022-23 budget, and they discussed the issue of difficulty in recruitment.

Mayor Lind attended the Scotts Valley Senior Center meeting with Public Works Director Lamm and CM Dilles. As mentioned previously, Congressman Panetta was the guest speaker and Mayor Lind addressed our funding request with him as well as the funding for the Vine Hill modular building.

Mayor Lind commended staff for the work on the budget.

Mayor Lind represented the City at the Dientes 30-year celebration and acknowledged on behalf of the City the work that Dientes has been doing by providing dental services for low-income families throughout the County.

Mayor Lind has been involved in the planning for the Independence Day celebration on the 3rd of July. They are still looking for sponsors and volunteers for both the parade and the fireworks celebration.

CITY MANAGER REPORT

Independence Day Celebration, July 3rd: All information regarding the event including purchasing tickets, volunteering, and sponsoring is on the City's website – www.scottsvalley.gov.

Siltanen Community Pool: The City has been working with a contractor to resurface the pool and it has been determined that more work is needed which will prevent the pool from opening this summer.

Junior Police Academy: This great opportunity for kids has returned, and the first session will start on June 17th.

PUBLIC COMMENT TIME

No one came forward.

ALTERATIONS TO CONSENT AGENDA

Staff recommended approval of the Consent Agenda with the following alteration:
Item H – K&D Landscaping Agreement – approve agreement subject to a meet and confer with SEIU representatives scheduled on June 9, 2022

CONSENT AGENDA

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

Motion to approve the Consent Agenda as amended by staff:
M/S: Dilles/Timm
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

REGULAR AGENDA

1. Presentation of Scotts Valley Police Department's annual report

   Chief Walpole presented the annual report of the Scotts Valley Police Department and responded to questions from Council.

2. Public meeting for Skypark Open Space Maintenance Assessment District No.1

   Vice Mayor Reed recused himself from this matter as he is a resident of the Skypark Subdivision. Public Works Director Lamm presented the details of the Skypark Open Space Maintenance Assessment District No. 1 and responded to questions from the Council and the Skypark residents. The following residents had questions and comments: Sheryl McEwan, Gillian McGlaze, Matthew Hakimi, and Larry Ray.

3. Public meeting for Pinewood Estates Landscape Maintenance Assessment District

   Public Works Director Lamm presented the details of the Pinewood Estates Landscape Maintenance Assessment District and responded to questions from Council.

4. Review of fiscal year 2022-23 proposed budget and long-range financial forecasts

   Administrative Services Director Estorga presented the proposed budget and responded to questions from Council, and he responded to a question from Elisabeth Anderson, a Scotts Valley resident.

5. Consideration and adoption of Flag Policy

   City Manager LaGoe presented two proposed flag policies. Policy option 1 would only allow government flags. Policy option 2 would allow commemorative flags. In addition, City Manager LaGoe explained that Council Member Timm has requested that the Pride flag be flown for the month of June is Policy 2 is adopted. The Council Members discussed both policies and the following members of the public offered comment in support of policy option 2: Donna Meyers, Monica Martinez, Sarah Hannaleck, Jodie Fillhardt, Robert Aldana, Jimmy Dutra, Elizabeth Anderson, Q Licht, Adina Licht, Tricia Montalvo Timm, and Sarina King.

   CM Timm made a motion to approve Policy 2 and agree to fly the Pride Flag for the month of June. CM Dilles seconded the motion.

CM Reed presented an alternate motion as follows:

Alternate Motion (substitute to Motion A): to direct the City Attorney to research codifying the Pride flag as a City flag and immediately fly the Pride flag but not adopt either policy presented by staff.
M/S: Reed/Johnson
Failed (NOES: Dilles, Timm, Lind; AYES: Reed, Johnson)

Original Motion A: to adopt Resolution No. 2014 adopting the City of Scotts Valley's policy on flags – policy number 2, which includes commemorative flags
M/S: Timm/Dilles
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

Motion to fly the Pride Flag from now through the end of June 2022
M/S: Timm/Dilles
Carried 5/0 (AYES: Dilles, Johnson, Lind, Reed, Timm)

6. Future Council agenda items
None

CA Powell announced the City Council will be meeting in closed session pursuant to Government Code Section 54956.8 to confer with legal counsel regarding real property negotiations, 251 Kings Village Road, Scotts Valley, CA 95066 (Scotts Valley Community Theater Guild). Staff present will be the City Manager and the City Attorney.

ADJOURNMENT

The meeting adjourned at 10:03 PM

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

M I N U T E S

Special Closed Session Meeting of the
Scotts Valley City Council

Date: June 1, 2022
Time: 6:30 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Zoom Video Conference	The agenda was posted at City Hall and on the Internet at www.scottsvalley.org.

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

CALL TO ORDER

The City Council meeting was called to order at 10:05 PM.

ROLL CALL

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

The City Council convened to closed session at 10:05 PM to discuss the following item:

1) Conference with legal counsel regarding real property negotiations
   Legal Authority: Government Code Section 54956.8
   Location: 251 Kings Village Road, Scotts Valley, CA 95066
   (Scotts Valley Community Theater Guild)
   Staff Present: City Manager, City Attorney

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 11:05 PM.

REPORT ON ACTION TAKE DURING CLOSED SESSION

Mayor Lind indicated that there was nothing to report.

ADJOURNMENT

The meeting adjourned at 11:05 PM.

Approved: ______________________________
Donna Lind, Mayor

Attest: ____________________________
Cathie Simonovich, City Clerk

AGENDA ITEM B

DATE: 06-15-2022

Report Selection:

RUN GROUP... 060322   COMMENT... 06/03/2022 A/P

DATA-JE-ID	DATA COMMENT
W-06032022-905	06/03/2022 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	124117	06/03/22	1,789.61
003919	ACCO ENGINEERED SYSTEMS	124118	06/03/22	2,842.57
003953	ALFA LAVAL INC.	124119	06/03/22	10,115.83
001219	ALHAMBRA	124120	06/03/22	154.61
.15875	ALPHA OMEGA	124121	06/03/22	43.75
000652	ANDERSON PACIFIC ENG INC	124122	06/03/22	79,729.88
004057	ANDREWS/SELINA	124123	06/03/22	50.00
000563	APPI	124124	06/03/22	175.00
003149	AQUATIC BIOASSAY &	124125	06/03/22	4,550.00
004029	ARMSTRONG/AMANDA	124126	06/03/22	50.00
001670	AT &T	124127	06/03/22	486.50
000097	AT&T	124128	06/03/22	1,006.41
003746	AVENU HOLDINGS, LLC	124129	06/03/22	2,029.09
004035	BABCOCK/COLTON	124130	06/03/22	50.00
001928	BATEMAN/TAYLOR	124131	06/03/22	50.00
000614	BATTERIES + BULBS #314	124132	06/03/22	60.15
001373	BAY TREE, LLC	124133	06/03/22	3,620.38
004067	BEERS/OLIVIA	124134	06/03/22	50.00
001593	BENEDICT DDS/NANETTE	124135	06/03/22	282.00
003170	BOGARD CONSTRUCTION INC	124136	06/03/22	4,562.50
004083	BRIGHTVIEW LANDSCAPE	124137	06/03/22	6,817.61
003894	BURKE, WILLIAMS & SORENS	124138	06/03/22	18,627.16
001566	BUSINESS WITH PLEASURE	124139	06/03/22	783.18
001216	C & N TRACTORS	124140	06/03/22	1,049.97
003736	CA DEPT OF TRANSPORTATIO	124141	06/03/22	3,726.08
003714	CAPITOLA/CITY OF	124142	06/03/22	8,819.43
003887	CHEUNG/ATHENA	124143	06/03/22	50.00
001051	COASTAL EVERGREEN CORP	124144	06/03/22	1,285.00
002091	COMCAST	124145	06/03/22	331.23
002091	COMCAST	124146	06/03/22	169.63
002091	COMCAST	124147	06/03/22	148.31
005006	CORTEZ/DYLAN	124148	06/03/22	50.00
003043	CSG CONSULTANTS, INC	124149	06/03/22	52,624.31
000975	DEAN/MICHAEL R.	124150	06/03/22	50.00
004003	DREW DDS/ALLYSON S	124151	06/03/22	292.00
001537	DYNAMIC PRESS	124152	06/03/22	50.49
002050	ELEPHANT IDEAS	124153	06/03/22	808.19
004005	ESTORGA/CASEY	124154	06/03/22	50.00
004093	GERA/BEAUJO	124155	06/03/22	50.00
001881	GRAINGER	124156	06/03/22	15,860.47
003706	GRANADOS/JUSTIN	124157	06/03/22	50.00
001817	GROUP 4	124158	06/03/22	10,222.50
004059	HAROS/JOANNA	124159	06/03/22	50.00
003944	HEBARD/TYLER	124160	06/03/22	299.35
000801	HINDERLITER, DE LLAMAS &	124161	06/03/22	900.81
004023	HOUSEKEYS, INC.	124162	06/03/22	5,000.00
004041	INTERWEST CONSULTING GRO	124163	06/03/22	7,395.00
001903	JONES/KIMARIE	124164	06/03/22	80.36

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA GENERAL CHECKING ACCOUNT				
004079	KARNO/JENNIFER	124165	06/03/22	2,039.00
000238	KENNEDY-JENKS CONSULTANT	124166	06/03/22	1,436.25
003292	KIMLEY-HORN & ASSOCIATES	124167	06/03/22	4,277.40
001660	KING/KATI	124168	06/03/22	75.00
003331	KOFFLER ELECTRICAL MECHA	124169	06/03/22	25,361.80
005005	KRUSEE/RANDALL	124170	06/03/22	50.00
001372	KURATOMI DDS/REED K	124171	06/03/22	290.40
004018	LAMBERT/LAUREN	124172	06/03/22	50.00
004046	LAMM/CHRIS	124173	06/03/22	50.00
003761	LEDGER/CHASE	124174	06/03/22	50.00
003389	LOCKE/CERINA	124175	06/03/22	50.00
003913	LONG/AMANDA	124176	06/03/22	258.40
.15876	LYNN RAMIREZ	124177	06/03/22	500.00
003942	M-GROUP	124178	06/03/22	12,495.00
003403	MAR-KEN INTERNATIONAL PO	124179	06/03/22	5,400.00
001591	MARKELL/ROD	124180	06/03/22	1,974.00
001815	MC GRATH/TRISH	124181	06/03/22	50.00
001234	MC GRAW DDS/BERNARD	124182	06/03/22	292.80
005007	METOYER/ARTHUR	124183	06/03/22	50.00
003756	MICHAEL BAKER INTERNATIO	124184	06/03/22	5,101.20
003171	MICHALAK/GENE	124185	06/03/22	125.00
000218	MID VALLEY SUPPLY	124186	06/03/22	1,177.83
003685	MONTEREY BAY ANALYTICAL	124187	06/03/22	515.00
000967	MONTEREY BAY SYSTEMS	124188	06/03/22	272.52
001872	NORTH CENTRAL LABORATORI	124189	06/03/22	39.23
001615	OLIN CORP-CHLOR ALKALI	124190	06/03/22	2,571.15
003766	ORMONDE/ROBERT	124191	06/03/22	302.80
004042	PACE ANALYTICAL SERVICES	124192	06/03/22	30.00
000101	PACIFIC GAS & ELECTRIC C	124193	06/03/22	86.36
003165	PHENOVA, INC	124194	06/03/22	881.87
004045	PHILLIP D NEUMAN	124195	06/03/22	34,376.86
001857	PHOENIX GROUP	124196	06/03/22	343.58
001097	PRODESSE PROPERTY GROUP	124197	06/03/22	3,523.52
000463	RALEY'S	124198	06/03/22	70.69
005008	RDO EQUIPMENT CO.	124199	06/03/22	2,397.37
003572	REGIONAL GOVERNMENT SERV	124200	06/03/22	1,770.00
001118	RUTHERFORD/JAYSON	124201	06/03/22	50.00
000134	S.V. WATER DISTRICT	124202	06/03/22	5,637.76
000135	SAN LORENZO VALLEY WATER	124203	06/03/22	45.01
.15874	SANTA CRUZ COUNTY	124204	06/03/22	89.00
001544	SANTA CRUZ COUNTY CONFER	124205	06/03/22	20,307.67
001544	SANTA CRUZ COUNTY CONFER	124206	06/03/22	17,387.87
003367	SANTA CRUZ LIVE SCAN, IN	124207	06/03/22	60.00
000128	SCARBOROUGH LUMBER	124208	06/03/22	1,287.50
004092	SIMONOVICH/CATHIE	124209	06/03/22	425.20
000228	SOIL CONTROL LAB	124210	06/03/22	408.00
002065	SOTO/ART	124211	06/03/22	50.00
003928	SOUTH BAY REGIONAL PUBLI	124212	06/03/22	792.00

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	004054	ST.FRANCIS ELECTRIC	124213	06/03/22	2,450.00	
	004026	STEELE-FREITAS/SETH	124214	06/03/22	50.00	
	002053	STEPFORD	124215	06/03/22	607.50	
	001844	STERLING WATER TECHNOLOG	124216	06/03/22	14,135.72	
	003973	THOMAS/TYLER	124217	06/03/22	50.00	
	000153	THOMSON REUTERS-WEST	124218	06/03/22	1,067.76	
	004087	TIRECHOICE AUTO SERVICE	124219	06/03/22	415.38	
	003548	TORO PETROLEUM CORP	124220	06/03/22	4,461.95	
	001106	VERIZON WIRELESS	124221	06/03/22	178.40	
	001402	WILLIAM'S TREE SERVICE,	124222	06/03/22	8,400.00	
	000154	WINCHESTER AUTO STORES	124223	06/03/22	45.34	
	001625	YOSHIDA DDS/NOREEN	124224	06/03/22	100.00	
	GENERAL CHECKING ACCOUNT				434,176.45	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				434,176.45

RECORDS PRINTED - 000183

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	240,173.40
004	RECREATION	1,098.97
010	WASTEWATER OPERATIONS	140,488.02
011	TERTIARY TREATMENT PLANT	8,114.75
012	WASTEWATER CAPITAL RESERVE	1,436.25
019	AFFORDABLE HOUSING	6,974.00
023	SVRDA SUCCESSOR AGENCY	7,143.90
025	GENERAL TRUST	4,277.40
028	SENIOR CENTER	766.54
077	SKYPARK MAINT ASSESS DIST	5,039.38
088	LIBRARY FACILITIES-MEAS "S"	14,785.00
112	DENTAL INS INTERNAL SERV	1,840.80
123	COMMUNITY FACILITY CENTER	1,229.85
312	POLICE - BUDGET ACT OF 2016	808.19
TOTAL ALL FUNDS		434,176.45

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	434,176.45
TOTAL ALL BANKS		434,176.45

Report Selection:

RUN GROUP... 060922   COMMENT... 06/09/2022 A/P

DATA-JE-ID	DATA COMMENT
W-06092022-907	06/09/2022 A/P

Run Instructions:

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L		01			Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
001405	AFLAC-FLEX ONE	124225	06/09/22	1,231.87	
001066	BEHAVIORAL HEALTH CARE I	124226	06/09/22	232.00	
000437	BRASS KEY LOCKSMITH	124227	06/09/22	88.75	
005009	CA SYMBIOSIS GROUP	124228	06/09/22	4,888.65	
001633	CAL-WEST LIGHTING & SIGN	124229	06/09/22	895.00	
003890	CALPELRA	124230	06/09/22	1,125.00	
001896	D & G SANITATION	124231	06/09/22	984.90	
000778	DEPT OF JUSTICE	124232	06/09/22	64.00	
001597	ENVIRONMENTAL INNOVATION	124233	06/09/22	10,400.60	
001881	GRAINGER	124234	06/09/22	748.94	
004084	HANSON ASSOCIATES ASSET	124235	06/09/22	2,475.00	
000801	HINDERLITER, DE LLAMAS &	124236	06/09/22	1,571.19	
000238	KENNEDY-JENKS CONSULTANT	124237	06/09/22	130.00	
001660	KING/KATI	124238	06/09/22	50.00	
001325	KUHN DDS/WILLIAM G	124239	06/09/22	503.20	
001243	LIEBERT CASSIDY WHITMORE	124240	06/09/22	1,806.50	
003565	MANAGEMENT PARTNERS	124241	06/09/22	5,697.50	
000195	MESITI-MILLER ENGINEERIN	124242	06/09/22	6,683.00	
000083	MISSION UNIFORM SERVICE	124243	06/09/22	1,911.02	
000939	NATIONAL COMTEL NETWORK	124244	06/09/22	19.71	
000098	PALACE BUSINESS SOLUTION	124245	06/09/22	1,366.46	
003165	PHENOVA, INC	124246	06/09/22	129.16	
000723	PIED PIPER INC./THE	124247	06/09/22	2,605.50	
001825	SANTA CRUZ CO HEALTH SER	124248	06/09/22	150.00	
005010	SANTA CRUZ DENTAL GROUP	124249	06/09/22	191.00	
000127	SANTA CRUZ SENTINEL	124250	06/09/22	1,456.00	
001586	SCOTTS VALLEY CLEANERS	124251	06/09/22	146.00	
001113	STERICYCLE INC	124252	06/09/22	175.54	
000143	SUMMIT UNIFORMS	124253	06/09/22	1,467.81	
003908	TRANSUNION RISK & ALTERN	124254	06/09/22	76.00	
001366	U.S. BANCORP OFFICE	124255	06/09/22	1,300.62	
004030	U.S. BANK CORPORATE	124256	06/09/22	9,902.47	
003924	VIRTUAL PROJECT MANAGER	124257	06/09/22	1,000.00	
000151	VISION SERVICE PLAN	124258	06/09/22	1,197.00	
003145	WAGE WORKS	124259	06/09/22	1,598.75	
000154	WINCHESTER AUTO STORES	124260	06/09/22	19.01	
	GENERAL CHECKING ACCOUNT			64,288.15	***

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				64,288.15

RECORDS PRINTED - 000147

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	42,623.30
002	RECYCLING/ENVIRONMENTAL	4,857.84
004	RECREATION	421.22
010	WASTEWATER OPERATIONS	8,545.33
012	WASTEWATER CAPITAL RESERVE	130.00
028	SENIOR CENTER	11.99
088	LIBRARY FACILITIES-MEAS "S"	72.00
112	DENTAL INS INTERNAL SERV	694.20
123	COMMUNITY FACILITY CENTER	5.98
150	GENERAL CAPITAL IMPROVEMENTS	315.29
155	TRANSPORTATION FUNDS-MEAS D	6,611.00
TOTAL ALL FUNDS		64,288.15

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	64,288.15
TOTAL ALL BANKS		64,288.15

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Cathie Simonovich, City Clerk

APPROVED: Mali LaGoe, City Manager

SUBJECT: **NOVEMBER 8, 2022 STATEWIDE GENERAL ELECTION RESOLUTIONS**

SUMMARY OF ISSUE

In November of this year, terms will expire for City Council Members Jim Reed and Derek Timm. In order to place these two City Council vacancies on the November 8, 2022 ballot, the City Council is required to approve the following resolutions:

- Resolution No. 2015, requesting that the County Board of Supervisors approve consolidation of Scotts Valley's general election to fill two full-term Council seats, to be conducted by the County Elections Official, and also approves consolidation with any other jurisdiction that may wish to hold an election on November 8, 2022; and

- Resolution No. 2015.1, officially calling for a general election in the City of Scotts Valley to fill two City Council member seats, setting a Candidate Statement of Qualifications and fee, and setting poll hours.

In accordance with the Elections Code, the City Clerk will publish and post a "Notice of Election."

FISCAL IMPACT

The estimated cost for the November 8, 2022 consolidated election is $35,000.

STAFF RECOMMENDATION

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

(1) Resolution No. 2015 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and

(2) Resolution No. 2015.1 calling for a General Election for the election of members of the City Council, determining that costs of Candidate's Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will be opened and closed.

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RESOLUTION NO. 2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AN ELECTION, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION

City of Scotts Valley

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for the statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the Board of Supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 8, 2022;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Scotts Valley hereby orders an election be called and consolidated with any and all elections also called to be held on November 8, 2022, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Scotts Valley, and the City Council requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403 and 10418.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Scotts Valley hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department conduct the election for the following offices on the November 8, 2022 ballot:

Seats Open	**Office**	**Term**
Jim Reed	Council Member	2022 – 2026
Derek Timm	Council Member	2022 – 2026

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 15th day of June 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

RESOLUTION NO. 2015.1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY CALLING A GENERAL MUNICIPAL ELECTION FOR THE ELECTION OF MEMBERS OF THE CITY COUNCIL; DETERMINING THAT COSTS OF CANDIDATE'S STATEMENT OF QUALIFICATIONS SHALL BE PAID BY THE CANDIDATE AND ITS MAXIMUM NUMBER OF WORDS; AND SETTING HOURS THE POLLS WILL BE OPEN AND CLOSED

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

Section 1. A general municipal election for the election of two (2) City Council Members for four-year terms shall be held on November 8, 2022.

Section 2. Each candidate who avails themself of the services set forth in Elections Code Section 10012 shall be charged a $320 fee at the time their candidate's statement is filed - a sum not greater than the actual prorated costs of printing and handling the Candidate's Statement of Qualifications. This will cover the cost of including the Candidate’s Statement Online only. If the Candidate wishes to have their Candidate’s Statement printed in the county Voter Information Guide, the cost is estimated to be $583.

Section 3. Candidate's Statement of Qualifications shall be limited to two hundred (200) words.

Section 4. Polls shall be open from 7:00 a.m. to 8:00 p.m.

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 15th 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 15, 2022

TO: Honorable Mayor and City Council

FROM: Casey Estorga, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

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

SUMMARY OF ISSUE

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

The City's existing Investment Policy, last adopted on June 16, 2021, is attached at the end of this Staff Report for your information. Staff recommends that no changes be made to the existing Investment Policy at this time. However, staff also recommends the City Council revisits the Investment Policy after the City Council meets with the City's financial advisors, scheduled to occur in the Fall of 2022.

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

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

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

FISCAL IMPACT

No change is recommended and approving the Investment Policy will have no fiscal impact. Investment reports are provided to the City Council each month, as required by the City's existing Investment Policy.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1139.26 approving the Investment Policy for the City of Scotts Valley.

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RESOLUTION NO. 1139.26

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

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

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

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

This resolution was passed and adopted on the 15th day of June, 2022, at a duly held regular meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL	

TITLE: INVESTMENT POLICY	**POLICY NUMBER:** 05-17
EFFECTIVE DATE: 6/5/2019	**PAGES:** 11
REVISED DATES: 6/03/2020	
APPROVED BY: Randy Johnson, Mayor	

A. PURPOSE

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

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

B. OBJECTIVES

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

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

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

C. DELEGATION OF AUTHORITY

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

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

D. ETHICS AND CONFLICT OF INTEREST

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

E. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

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

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

F. SCOPE

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

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

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

G. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

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

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

1. Obligations of the U.S. Treasury, or securities guaranteed by the full faith and credit of the United States ("Treasury Obligations"), excluding securities which have been stripped of their coupons.

    a. There is no limitation to the percent of the portfolio which may be held in these Treasury obligations.

2. Obligations which are guaranteed by the full faith and credit of agencies or instrumentalities of the U.S. government ("Agency obligations"), including but not limited to FNMA, FFCB, FHLB, and SLMA.

    a. There is no limitation to the percent of the portfolio which may be held in these Agency obligations.

3. Negotiable certificates of deposit at banks, the short-term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Service, and the long term obligations (if any) of which are rated A or higher by Standard and Poor's or by Moody's Investors Service, or the equivalent by another recognized rating agency.

    a. The maximum maturity of certificates of deposit may not exceed five years.

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

    c. The institution must be located in California.

    d. The institution must have current financial information, a signed contract, and a waiver on file with the City.

    e. The institution must maintain a net worth to asset ratio of at least 30% and have a positive earnings record.

    f. The institution must be at least 3 years old.

    g. For collateralized investments, the institution must have at least $500 million in assets.

4. Banker's acceptances issued by banks, the short term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Services, or the equivalent by another nationally rating agency.

    a. The maximum maturity of banker's acceptances may not exceed 180 days.

    b. No more than 40% of the portfolio, excluding bond proceeds, may be invested in banker's acceptances.

5. Commercial paper issued by corporations, the short term obligations of which are rated A1 or higher by Standard and Poor's, or P1 by Moody's Investor Services, or the equivalent by another nationally recognized rating agency.

    a. The maximum maturity of commercial paper may not exceed 270 days.

    b. Eligible paper is limited to notes issued by corporations organized and operating within the United States and having total assets in excess of $500 million, and having a long term debt rating of "A" or higher.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in commercial paper.

    d. An additional 15% of the portfolio (for a total of 30%), excluding bond proceeds, may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.

6. Repurchase agreements collateralized by any securities permitted under paragraphs 1. and 2. of this section of this policy (Treasury obligations or Agency obligations).

    a. The term of a repurchase agreement may not exceed 30 days.

    b. The market value of securities shall not be less than 102% of the repurchase amount.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in repurchase agreements.

    d. The repurchase agreements shall be subject to a master repurchase agreement between the City and the provider of the repurchase agreement. The repurchase agreement shall be substantially in the form developed by the Public Securities Association.

    e. Collateral underlying repurchase agreements shall be delivered to the City's custodial bank. Clearly marked evidence of ownership (safekeeping receipts) must be supplied to the bank.

7. Corporate medium notes, rated A or higher by Moody's Investor Services and by Standard and Poor's.

    a. No more than 30% of the portfolio, excluding bond proceeds, may be invested in corporate medium term notes.

8. Mortgage pass through securities issued by an agency of the U.S. government.

    a. No more than 15% of the portfolio, excluding bond proceeds, may be invested in mortgage pass through securities.

9. Money market mutual funds with a minimum of $250 million is assets which invest in securities described in a. through h. above, provided:

    a. The fund has attained the highest rating provided by two of the three largest nationally recognized rating agencies, or

    b. The fund has an investment advisor registered with the Securities and Exchange Commission with not less than five year's experience investing in the securities and obligations in a. through h. above.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in money market mutual funds.

10. The State of California "Local Agency Investment Fund" ("LAIF") and the "Investment Fund of California" ("CalTRUST").

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

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

11. The City of Scotts Valley also utilizes deposits from commercial banks for regular depository services including operating and payroll accounts. Utilization of "sweep" account services provides short term interest on operating funds. Interest-bearing accounts may also be maintained for certain individual City funds.

    a. Deposits in local banks or savings and loans must be consistent with the basic investment goals which stress safety and liquidity above yield.

    b. All bank and savings and loan association deposits shall be insured by the FDIC or, to the extent not insured, be collateralized with securities in accordance with California law.

12. Bond proceeds, obligations under lease, installment sales, or proceeds from other agreements of the City may be invested with more flexibility, in accordance with Section 53601 of the California Government Code, in any security that meets the statutory provisions governing the issuance of bonds or other agreements made by the City.

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

1. **Safety**

Safety and the minimization of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest, or combination of the two. The first level of risk control is found in state law which restricts the particular types of investments permitted for municipalities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most creditworthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with dates of disbursement, thereby eliminating risk of loss from a forced sale. The City only invests in those instruments that are considered very safe.

2. **<u>Liquidity</u>**

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

3. **<u>Yield</u>**

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

I. POLICY CONSTRAINTS

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

J. SELECTION OF INVESTMENT CONTACTS

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

K. SAFEKEEPING

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

L. INVESTMENT CONTROLS

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

M. INVESTMENT REPORTS

1. The City Treasurer many annually render a Statement of Investment Policy to the City Council for their approval at a public meeting per California Government Code section 53646(a).

2. The City Treasurer may generate and forward to the City Manager and City Council a monthly report within 30 days after the end of each month. Included in these types of reports are: type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

N. INVESTMENT AUDITS

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

O. INVESTMENT PERFORMANCE EVALUATION

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

P. RATING OF SECURITIES

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

Q. INVESTMENT GUIDELINES

1. **Cash Availability Guidelines**

a. Cash flow analysis is developed which serves as a basis for determining the cash available for investment and maturity dates needed to cover future disbursements.

b. A close rapport is maintained with all departments having a significant impact on cash flow to ensure receipt of timely and accurate data.

c. Where practical, revenue receipts are consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to fund cash and investment balances.

d. Active bank balances are kept as low as possible without jeopardizing good banking relationships by maintaining investment of available cash as near to 100% as possible.

c. Bank balances are obtained weekly to assure accurate and detailed information.

d. Sufficient funds are maintained in very liquid investments to meet most unexpected contingencies.

2. **Investing Guidelines**

a. A close working relationship is maintained with a list of well-established brokers, dealer/brokers, and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions.

b. Economic data, forecasts, and conditions are continuously obtained from financial experts in the field and evaluated as to impact on investment decisions.

c. Business journals are routinely reviewed and education programs are attended to enhance knowledge and professional skills required to manage an investment portfolio.

d. Only investments authorized by the Investment Policy are transacted. Investments are made with qualifying institutions based only on competitiveness of interest rates offered.

e. Purchases of investments are made with the intent of holding the investments to maturity. If, under favorable market conditions, investments of similar maturities can be swapped or traded and portfolio performance can be improved without compromising safety, the trades may be transacted.

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

3. **<u>Guidelines for Broker/Dealer and Banker Relationships</u>**

a. A list of approved brokers, broker/dealers, banks, and savings and loans is reviewed monthly based upon the following:

(1) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.

(2) Receipt of positive audited financial statements.

(3) Being in business for a minimum of three years.

b. The City Treasurer reviews and acts on requests to be on the approved list and accompanying financial statements.

c. There is a formal filing system of the required information for those on the approved list, which provides for an annual report of updated financial information.

e. There is a timely transaction monitoring system to ensure that all documents and confirmation are received and are correct.

f. Transactions are monitored monthly to assure that there are no undue concentrations of investments with any single firm.

GLOSSARY OF INVESTMENT SECURITIES

a. **Obligations of the U.S. Treasury -** Debt obligations backed by the full faith and credit of the U.S. Government. They are issued with initial maturities from three months to 30 years.

b. **Agency Obligations -** Obligations guaranteed by the full faith and credit of agencies and instrumentalities of the U.S. Government, such as FNMA, FFCB, FHLB, and GNMA.

c. **Negotiable Certificates of Deposits -** A bank deposit issued in negotiable form (i.e., one that can be bought or sold in the open market).

d. **Banker's Acceptance -** A draft that is drawn and accepted by banks. Because the accepting institution is obligated to pay the draft without regard to whether it is paid or not, banker acceptances are considered to be high quality money market instruments.

e. **Commercial Paper -** Unsecured promissory notes issued by corporations to fund short term cash requirements.

f. **Repurchase Agreement -** An agreement in which an investor buys securities from a contra-party with the provision that the buyer must sell the securities back to the contra-party at a specific date at a pre-agreed upon price. The repurchase amount is expressed as principal plus interest at an agreed upon rate.

g. **Corporate Medium Term Note -** An obligation of a corporation issued with an initial term of maturity of nine months to 15 years.

h. **Mortgage Pass Through Certificates -** Bonds backed by an undivided interest in a pool of mortgages or trust deeds. Income and principal from the underlying mortgages is used to pay off the securities.

i. **Money Market Mutual Funds -** Mutual funds which invest in short term securities and strive to maintain a share price of $1.

j. **Local Agency Investment Fund (LAIF) -** An investment pool managed by the California State Treasurer's Office to provide safe, low cost, and highly liquid investment alternative for California's local governmental agencies.

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

k. **Demand Deposits -** A deposit of monies where the monies are payable by the bank upon demand of the depositor.

PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

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

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Casey Estorga, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **FY 2022-23 APPROPRIATIONS LIMIT (GANN INITIATIVE)**

SUMMARY OF ISSUE

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

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

- Percentage change in population in the City of Scotts Valley, or
- Percentage change in population in the County of Santa Cruz, and

and

- Percentage change in the local nonresidential new construction assessment roll for the City of Scotts Valley (to be used as the change in the cost of living), or
- Percentage change in the per capita personal income in the State of California.

All of the above factors are provided by the State of California, except for the local new construction assessment which is provided by the County of Santa Cruz. The factors for the FY 2022/23 calculation are as follows:

Percentage change in population in the City of Scotts Valley:	-2.89%
Percentage change in population in the County of Santa Cruz:	0.00%
Percentage change in local nonresidential new construction:	0.00%
Percentage change in per capita personal income in the State:	7.55%

FISCAL IMPACT

Using the percentage change in population in the County of Santa Cruz at 0.00% and the percentage change in the per capita personal income in the State at 7.55% will produce the highest appropriations limit for 2022/23. With $220,044,816 being the appropriations limit from FY 2021-22, the appropriations limit formula for FY 2022-23 is as follows:

(1.0000 x 1.0755) x $220,044,816 = $236,658,200

The appropriations subject to this limit based on the FY 2022-23 Final Proposed Budget is $12,143,035 (total taxes collected). Therefore, the City of Scotts Valley is well below its appropriations limit.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1007.35 making certain findings including the selection of the two factors stated in the Fiscal Impact section above and adopting the 2022-23 appropriations limit of $236,658,200.

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RESOLUTION NO. 1007.35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN COMPLIANCE WITH SECTION XIII B OF THE CALIFORNIA CONSTITUTION (GANN INITIATIVE) AND SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-23

BE IT RESOLVED by the City Council of the City of Scotts Valley that in compliance with Section XIII B of the Constitution of the State of California, the following is hereby found and determined:

1. The appropriations limit for fiscal year FY 2021/2022 was $220,044,816; and

2. The change in population in the County of Santa Cruz in 2021, according to the State of California was 0.00%, was selected as a factor; and

3. That during fiscal year 2021/22, according to the State, the percentage change in per capita personal income in California was 7.55%, was selected as a factor; and

4. That the appropriations limit under the Gann Initiative for FY 2020/2021 is $236,658,200; and

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

6. That the documentation for establishing the appropriations limit for 2022-23 was prepared by the Finance Department and presented to the City Council on June 15, 2022.

7. That more than 15 days have elapsed since documentation used in this determination was made available to the public.

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 15th day of June, 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:______________________________
Donna Lind, Mayor

Attest:______________________________
Cathie Simonovich, City Clerk

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 2022

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2022, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2022-23. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2022-23 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2022**.

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

KEELY MARTIN BOSLER
Director
By:

ERIKA LI
Chief Deputy Director

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2022-23 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2022-23	7.55

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2022-23 appropriation limit.

2022-23:

Per Capita Cost of Living Change = 7.55 percent
Population Change = -0.30 percent

Per Capita Cost of Living converted to a ratio: $\frac{7.55 + 100}{100} = 1.0755$

Population converted to a ratio: $\frac{-0.30 + 100}{100} = 0.997$

Calculation of factor for FY 2022-23: 1.0755 x 0.997 = 1.0723

Fiscal Year 2022-23

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2021 to January 1, 2022 and Total Population, January 1, 2022

County City	Percent Change 2021-2022	--- Population Minus Exclusions --- 1-1-21	 1-1-22	Total Population 1-1-2022
Santa Cruz				
Capitola	-3.14	10,112	9,794	9,794
Santa Cruz	11.25	57,594	64,075	64,075
Scotts Valley	-2.89	12,407	12,049	12,049
Watsonville	-2.83	52,147	50,669	50,669
Unincorporated	-3.21	134,251	129,935	129,977
County Total	0.00	266,511	266,522	266,564

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

Previous Roll Year - 2020/21
AB8 Roll Year - 2021/22

SANTA CRUZ COUNTY NONRESIDENTIAL CONSTRUCTION TRANSACTIONS
DISTRIBUTED AMOUNTS BY INDEX
Includes all new construction to be completed in 2021

GLKey	Fund Description	Non Residential Growth from Construction	Current Roll Assessed Vallue	Previous Roll Assessed Value	Change in Assessed Value	Non Residential Growth %
131220	**S C COUNTY GENERAL**	**22,868,805**	**52,203,759,258**	**50,444,263,768**	**1,759,495,490**	**1.2997%**
131610	**CAPITOLA CITY TR**	**58,734**	**2,821,642,690**	**2,735,653,131**	**85,989,559**	**0.0683%**
131622	**SANTA CRUZ CITY TR**	**10,381,995**	**11,322,012,220**	**10,873,802,074**	**448,210,146**	**2.3163%**
131630	**SCOTTS VALLEY CITY TR**	**-**	**3,216,772,514**	**3,099,061,367**	**117,711,147**	**0.0000%**
131648	**WATSONVILLE CITY - TRUST**	**2,005,833**	**4,810,854,774**	**4,610,334,305**	**200,520,469**	**1.0003%**
131855	COUNTY LIBRARY	934,765	38,782,572,997	37,506,170,179	1,276,402,818	0.0732%
134910	REC & PARKS - CO SERV AREA #11	78,732	27,591,070,471	26,667,318,645	923,751,826	0.0085%
135461	SC FLOOD CONT & WTR CONS ZONE 4	213,189	52,201,593,603	50,442,120,319	1,759,473,284	0.0121%
135462	SC FLOOD CONT & WAT CONS DISTGEN	181,695	52,203,759,258	50,444,263,768	1,759,495,490	0.0103%
304100	COUNTY FIRE	169,718	4,431,725,187	4,422,861,791	8,863,396	1.9148%
622115	CO HWY SAFETY SERVICE AREA #9	72,549	30,034,744,741	29,127,657,320	907,087,421	0.0080%
622120	CO HWY SAFETY SERV AREA #9-A	97,558	13,962,824,268	13,564,213,717	398,610,551	0.0245%
622125	CO HWY SAFETY SVC AREA #9-ZN B	3,882	4,246,856,769	4,037,090,269	209,766,500	0.0019%
622245	PAJARO STORM DRAIN MAINT DIST	279,714	7,977,749,634	7,658,908,184	318,841,450	0.0877%
622350	SC FLOOD CONT & WTR CONS ZONE 5	103,920	10,248,636,407	9,838,137,774	410,498,633	0.0253%
640101	BONNY DOON SCH DIS GENL	20,359	663,812,448	719,456,439	(55,643,991)	-0.0366%
640301	LIVE OAK SCH DIST GENL	861,021	4,543,738,309	4,337,086,463	206,651,846	0.4167%
640701	SCOTTS VAL SCH DIST GENL	181,298	4,930,784,014	4,746,488,084	184,295,930	0.0984%
640801	SOQUEL SCH DIST GENL	3,106,689	6,528,052,547	6,298,908,769	229,143,778	1.3558%
641101	SLV UNIF SCH DIST GENL	729,412	4,262,546,494	4,256,213,617	6,332,877	11.5179%
641210	COUNTY SCHOOL SERVICE	2,609,128	50,629,982,196	48,915,628,720	1,714,353,476	0.1522%
641401	S C HI SCH DIST GENL	10,493,347	24,411,481,256	23,563,903,017	847,578,239	1.2380%
641501	S C SCH DIST GENL	12,700,802	11,854,493,001	11,385,653,072	468,839,929	2.7090%
642001	PAJ VAL UNIF SCH DIST GENL	9,565,909	17,001,198,031	16,325,721,945	675,476,086	1.4162%
642501	642501 CABRILLO COMM COL DIST GENERAL	6,049,164	50,677,952,694	48,963,189,394	1,714,763,300	0.3528%
682500	CENTRAL FPD OF SANTA CRUZ COUNTY	4,003,854	11,266,713,200	10,827,379,267	441,121,686	0.9077%
680600	BEN LOMOND FIRE PROT DIST	8,438	857,447,558	839,021,899	18,425,659	0.0458%
680810	BOULDER CREEK FIRE PROT DIST	6,824	1,611,586,668	1,653,932,303	(42,345,635)	-0.0161%
680900	BLDR CREEK REC & PARK DIST	1,614	1,606,711,310	1,650,487,418	(43,776,108)	-0.0037%
683100	PAJARO VALLEY FIRE PROTECTION DIST G	233,721	1,847,805,922	1,783,357,966	64,447,956	0.3627%
683310	PAJARO VALLEY PUB CEM DIST	100,116	9,117,356,611	8,763,565,706	353,790,905	0.0283%
684000	S C PORT DIST TR GENL	626,428	19,695,821,794	18,893,373,580	802,448,214	0.0781%
684700	SAN LOR VAL CO WAT DIST TR GEN	41,496	3,514,895,008	3,467,143,311	47,751,697	0.0869%
684810	S C CO RESOURCE CONS DIST	6,447	32,858,767,003	31,862,242,396	996,524,607	0.0006%
689510	ZAYANTE FIRE PROT DIST	32,970	621,446,200	600,127,977	21,318,223	0.1547%
	Total	91,046,227	595,993,742,002	575,883,891,717		

AGENDA ITEM F
DATE: 06-15-2022

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

PREPARED BY: Casey Estorga, Administrative Services Director

FROM: Mali LaGoe, City Manager

SUBJECT: **FY 2022-23 BUDGET ADOPTION AND LONG-RANGE FINANCIAL FORECASTS**

SUMMARY OF ISSUE

The FY 2022-23 Final 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 Final 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:** 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:** City Council held multiple study sessions to review, analyze, and confirm the City's Strategic Planning Goals, all of which have been incorporated into the FY 2022-23 Final Proposed Budget.

- **GUIDING BUDGET PRINCIPLES:** 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:** 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:** Upon adoption of the FY 2022-23 Annual Budget, the City Council, Parks and Recreation Commission, and Planning Commission will have reviewed and approved the Five-Year Capital

Improvement Project (CIP) Plan.

- **CITY COUNCIL BUDGET SUBCOMMITTEE:** 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 Final Proposed Budget. These meetings involved representatives from every City department, discussing operational needs and serve demands.

- **PRELIMINARY PROPOSED BUDGET:** Staff presented the FY 2022-23 Preliminary Proposed Budget at the June 1, 2022 City Council meeting. At that meeting, staff received feedback from the community and policy direction from the City Council. That information has been incorporated into the FY 2022-23 Final Proposed Budget as presented to the City Council on June 15, 2022.

Budget Document and Overview

The attached budget document summarizes the FY 2022-23 Final Proposed Budget. The plan continues to a target of 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. The budget also includes targeted funding to address the City's strategic goals of ensuring long-term financial stability, supporting economic development, enhancing operational efficiencies and maintaining residents' quality of life.

Long-Range Financial Planning

The FY 2022-23 Final 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 Final 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 10 years, during FY 2031-32.

FISCAL IMPACT

Adoption of the FY 2022-23 Final Proposed Budget will then establish the City's appropriations for FY 2022-23.

STAFF RECOMMENDATION

Staff recommends the City Council approves the following:

1. A Resolution adopting the FY 2022-23 Final Proposed Budget and making appropriations for the amounts budgeted; and
2. A Resolution approving the continued collection of the Utility Users' Tax; and
3. A Resolution approving the minimum reserve policy for the General Fund.

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City of Scotts Valley

Final Proposed Budget
Fiscal Year 2022-23

PHOTO CREDIT: Johanna Miller

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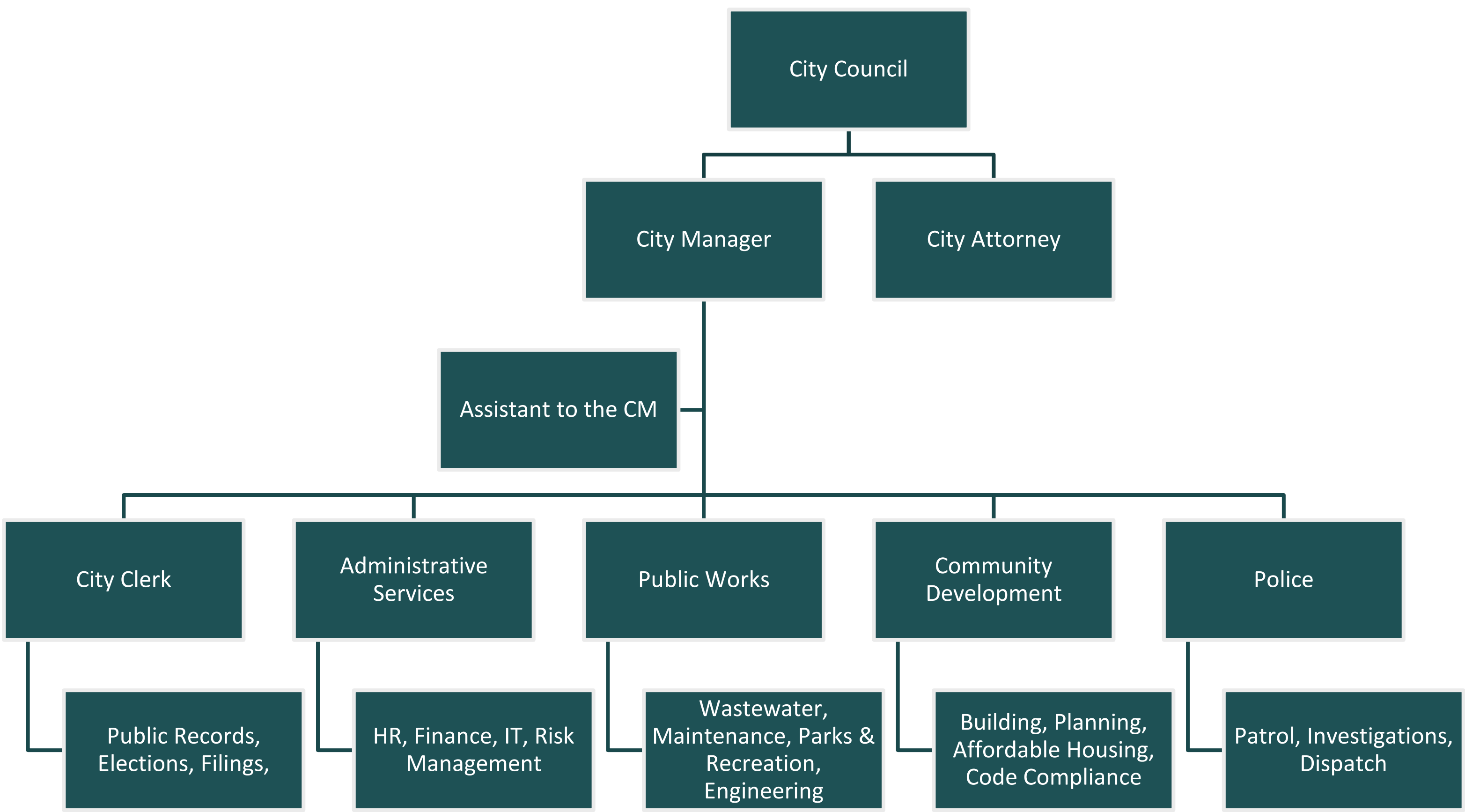
CITY OF SCOTTS VALLEY ORGANIZATION CHART



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 ambitions 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

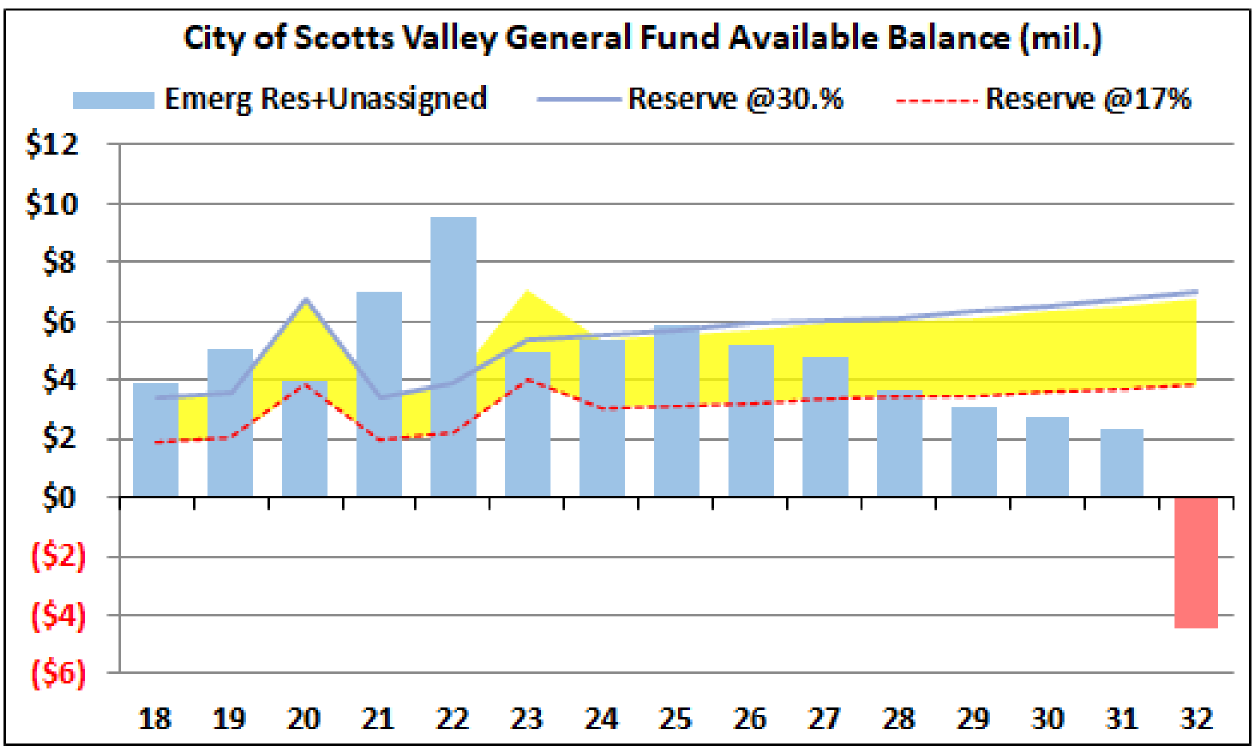
Mali LaGoe
City Manager

LONG-RANGE FINANCIAL FORECAST

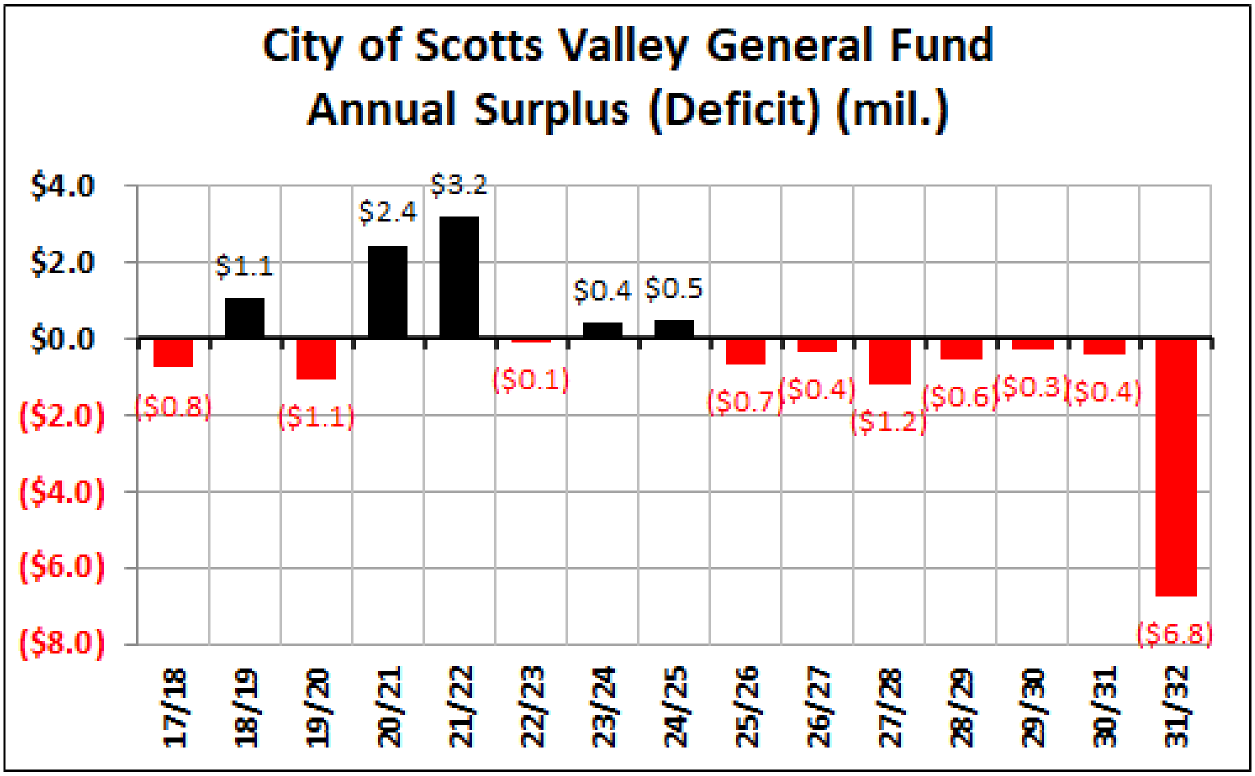
The City prepares a long-range financial forecast for all funds. These forecasts are not intended to accurately predict the outcome of future financial operations in fine detail. Rather, financial forecasts are used as planning tools to identify future trends and issues that require policy direction 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.

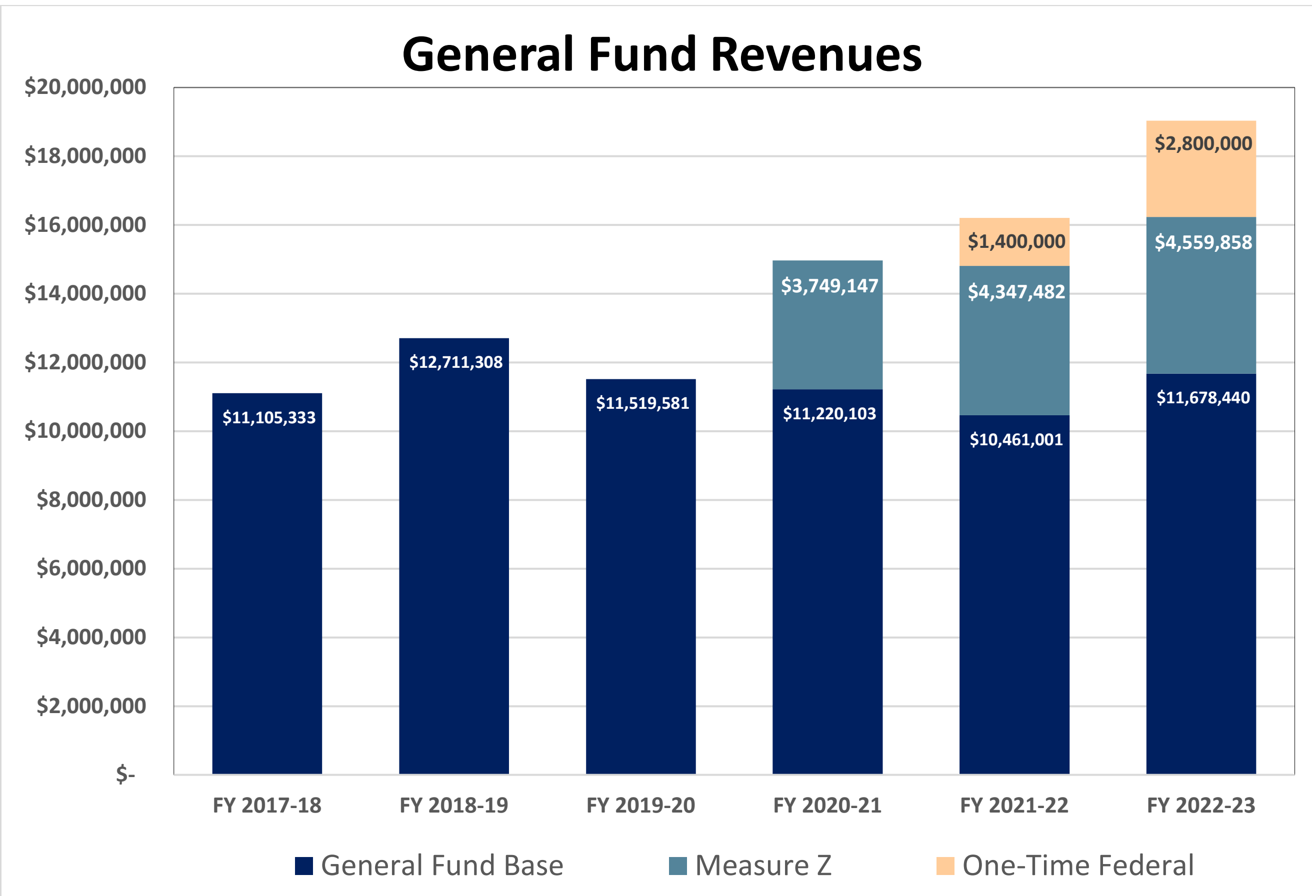
Moving forward, the City has secured a team of financial consultants to help assess the City's long-term financial position, including to help the City Council develop debt management strategies to accommodate a comprehensive and contemporary long-range financial plan. The financial consultants will 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 charts below summarize funds in the City's budget. This includes historical revenue trends and Fund Balance projections as of July 1, 2022. These details will be updated during the FY 2022-23 mid-year budget review, planned 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. The General Fund is further supported by multiple one-time federal revenues. Additionally, the FY 2022-23 budget includes a plan to transfer General Fund dollars 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 expenditures, including by referencing data from Santa Cruz County and HDL, the City's sales tax consultant.



NOTE: FY 2021-22 Revenues are projected. FY 2022-23 Revenues are budgeted.

Fund	Description	Estimated Beginning Fund Balance 7/1/2022	Estimated Revenues FY 2022-23	Transfers In (Out)	Estimated Total Funds Available FY 2022-23	Final Proposed Budget Expenditures FY 2022/23	Projected Ending Fund Balance 06/30/2023
1	General Fund	$ 9,030,350	$ 19,003,869	$ (3,899,183)	$ 24,135,035	$ 19,841,430	$ 4,293,606
6	Equipment Replacement Reserve	$ 536,568	$ 34,429	$ -	$ 570,998	$ -	$ 570,998
	Subtotal General Funds	**$ 9,566,918**	**$ 19,038,298**	**$ (3,899,183)**	**$ 24,706,033**	**$ 19,841,430**	**$ 4,864,604**
150	**General Capital Improvements**	**$ 677,804**	**$ 1,430,000**	**$ 3,500,000**	**$ 5,607,804**	**$ 4,521,900**	**$ 1,085,904**
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
	Special Revenue Funds - Development Impact Fees	**$ 3,455,380**	**$ 929,736**	**$ -**	**$ 4,385,116**	**$ 1,145,000**	**$ 3,240,116**
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	Commmunity 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
	Special Revenu Funds - Other	**$ 7,938,705**	**$ 4,130,248**	**$ 183,333**	**$ 12,252,287**	**$ 5,005,936**	**$ 7,246,351**
26	Pension Obligation Bond	$ (2,494)	$ -	$ -	$ -	$ 400,000	$ (400,000)
66	COP Debt Service Reserve	$ 994,598	$ -	$ -	$ 994,598		$ 994,598
	Debt Service Funds	**$ 992,104**	**$ -**	**$ -**	**$ 994,598**	**$ 400,000**	**$ 594,598**
	Recreation Enterprise Funds	**$ 104**	**$ 610,684**	**$ 215,850**	**$ 826,742**	**$ 826,638**	**$ -**
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
	Wastewater Enterprise Funds	**$ 2,606,873**	**$ 3,887,978**	**$ -**	**$ 6,494,851**	**$ 6,408,584**	**$ 86,267**
	Internal Service Fund - Dental Insurance	**$ 25,572**	**$ 38,772**	**$ -**	**$ 64,344**	**$ 60,000**	**$ 4,344**
	TOTAL - All Funds	**$ 25,263,460**	**$ 30,065,716**	**$ -**	**$ 55,331,774**	**$ 38,209,488**	**$ 17,122,183**

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 Audited Actuals	FY 2019-20 Audited Actuals	FY 2020-21 Audited Actuals	FY 2021-22 Amended Budget	FY 2022-23 Final Proposed Budget
General Fund (001)						
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	$ 3,132,000
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	$ 502,884
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
	SubTotal General Fund (001)	**$ 10,887,379**	**$ 21,868,680**	**$ 11,465,788**	**$ 13,208,870**	**$ 19,841,430**
Capital Outlay Fund (006)						
6	**Equipment Replacement Fund**	$ 1,985	$ 1,414	$ -	$ 300,000	$ -
	SubTotal Capital Outlay Fund (006)	**$ 1,985**	**$ 1,414**	**$ -**	**$ 300,000**	
	Total General Funds	**$ 10,889,364**	**$ 21,870,094**	**$ 11,465,788**	**$ 13,508,870**	**$ 19,841,430**

FULL TIME EQUIVALENT (FTE) POSITION SUMMARY

Department	Division	Job Classification	Approved FTE FY 2021/22	Proposed FTE FY 2022/23
Administrative Services Department	Administration	Administrative Services Director	1.00	1.00
Administrative Services Department	Administration	Deputy City Clerk	0.25	0.25
Administrative Services Department	Finance	Accountant II	0.85	0.85
Administrative Services Department	Finance	Finance Manager	1.00	1.00
Administrative Services Department	Human Resources	Human Resources Manager	1.00	1.00
Administrative Services Department	IT	Contracted Service	0.00	0.00
		Administrative Services Department Total	**4.10**	**4.10**
City Attorney's Office	City Attorney	Contracted Service	0.00	0.00
		City Attorney's Office Total	**0.00**	**0.00**
City Manager's Office	Administration	Assistant to the City Manager	1.00	1.00
City Manager's Office	Administration	City Clerk	0.50	0.50
City Manager's Office	Administration	City Manager	1.00	1.00
City Manager's Office	Administration	Deputy City Clerk	0.50	0.50
		City Manager's Office Total	**3.00**	**3.00**
Community Development	Administration	Community Development Director	1.00	1.00
Community Development	Administration	Deputy City Clerk	0.25	0.25
Community Development	Building	Building Permit Technician	1.00	1.00
Community Development	Planning	Assistant Planner	1.00	1.00
Community Development	Planning	Senior Planner	1.00	1.00
		Community Development Total	**4.25**	**4.25**
Legislative	City Council	City Clerk	0.50	0.50
Legislative	City Council	Councilmember	5.00	5.00
		Legislative Total	**5.50**	**5.50**
Police Department	Administration	Administrative Secreatary III/Analyst	1.00	1.00
Police Department	Administration	Police Captain	2.00	2.00
Police Department	Administration	Police Chief	1.00	1.00
Police Department	Communications	Emergency Dispatch Clerk I	4.00	4.00
Police Department	Communications	Emergency Dispatch Clerk II	2.00	2.00
Police Department	Communications	Services Supervisor	1.00	1.00
Police Department	Investigations	Police Officer - Anti Crime Team	1.00	1.00
Police Department	Investigations	Police Officer - Detective	2.00	2.00
Police Department	Investigations	Police Sergeant - Detective	1.00	1.00
Police Department	Investigations	School Resource Officer	1.00	1.00
Police Department	Patrol	Police Officer - Patrol	8.00	8.00
Police Department	Patrol	Police Sergeant - Patrol	4.00	4.00
		Police Department Total	**28.00**	**28.00**
Public Works	Administration	Administrative Secretary III	1.00	1.00
Public Works	Administration	Public Works Director/City Engineer	1.00	1.00
Public Works	Engineering	Engineering Technician/Associate	2.00	2.00
Public Works	Engineering	Senior Civil Engineer	0.00	***1.00***
Public Works	Maintenance	Maintenance Division Manager	1.00	1.00
Public Works	Maintenance	Maintenance Supervisor	1.00	1.00
Public Works	Maintenance	Maintenance Worker I/II/III	4.00	4.00
Public Works	Recreation	Administrative Secretary III	1.00	1.00
Public Works	Recreation	Recreation Coordinator	0.00	***1.00***
Public Works	Recreation	Recreation Division Manager	1.00	1.00
Public Works	Wastewater	Accountant II	0.15	0.15
Public Works	Wastewater	Senior Wastewater Plant Operator	1.00	1.00
Public Works	Wastewater	Wastewater Division Manager	1.00	1.00
Public Works	Wastewater	Wastewater Lab Compliance Manager	1.00	1.00
Public Works	Wastewater	Wastewater Plant Operator OIT/I/II	4.00	4.00
		Public Works Total	**19.15**	**21.15**
		All Departments - GRAND TOTAL	**64.00**	**66.00**
			FTEs	FTEs

NOTE: Part-Time Temporary and Part-Time Permanent positions not included.

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 Approved	FY 2022-23 Proposed
City Council	Legislative	Councilmember	5.00	5.00
City Council	Legislative	City Clerk*	0.50	0.50
		TOTAL	**5.50**	**5.50**

*The City Clerk position is allocated 50% to the City Council and 50% to the City Manager

DEPARTMENT BUDGET

Dept.	Division	Account Description	FY 2021-22 Approved	FY 2022-23 Proposed
City Council	Legislative	Salaries & Benefits	$323,017	$266,395
City Council	Legislative	Svcs & Supplies	$35,810	$104,500
		TOTAL	**$358,827**	**$370,895**

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 Approved	FY 2022-23 Proposed
City Attorney	Administration	City Attorney*	0.00	0.00
		TOTAL	**0.00**	**0.00**

*The City Attorney is a contract position with the firm of Logan & Powell, LLP.

DEPARTMENT BUDGET

Dept.	Division	Account Description	FY 2021-22 Approved	FY 2022-23 Proposed
City Attorney	Administration	Salaries & Benefits	$0	$0
City Attorney	Administration	Svcs & Supplies	$253,500	$300,000
		TOTAL	**$253,500**	**$300,000**

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 Approved	FY 2022-23 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
		TOTAL	**3.00**	**3.00**

*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 Description	FY 2021-22 Approved	FY 2022-23 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*
		TOTAL	**$655,915**	**$1,253,621**

*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.

    - Update the long-range financial forecast and monitor trends to determine long-term fiscal sustainability for the General Fund.
    - Refine revenue forecasts and possible future options to increase the hotel tax (TOT) or modernize utility users tax (UUT).
    - Explore OPEB and PERS obligation reduction strategies.
    - 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

Dept.	Division	Position	FY 2021-22 Approved	FY 2022-23 Proposed
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
		Subtotal	**4.10**	**3.10**
Admin Svcs	HR	Admin Services Dir.	0.00	0.25
Admin Svcs	HR	HR Manager	0.00	0.50
		Subtotal	**0.00**	**0.75**
Admin Svcs	IT	Admin Services Dir.	0.00	0.25
Admin Svcs	IT	Contracted Services	0.00	0.00
		Subtotal	**0.00**	**0.25**
		TOTAL	**4.10**	**4.10**

* 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
		Subtotal	**$895,637**	**$1,279,166**
Admin Svcs	HR	Salaries & Benefits	$80,450	$118,607
Admin Svcs	HR	Svcs & Supplies	$67,500	$117,500
		Subtotal	**$147,950**	**$236,107**
Admin Svcs	IT	Salaries & Benefits	$0	$52,884
Admin Svcs	IT	Svcs & Supplies	$430,500	$450,000
		Subtotal	**$430,500**	**$502,884**
		TOTAL	**$1,474,087**	**$2,018,157**

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
		TOTAL	**$527,481**	**$825,000**

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 be restoring the Motorcycle/Traffic Officer position for enhanced traffic enforcement.

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 Approved	FY 2022-23 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
		Subtotal	**4.00**	**4.00**
Police	Communications	EDC I	4.00	4.00
Police	Communications	EDC II	2.00	2.00
Police	Communications	Services Supervisor	1.00	1.00
		Subtotal	**7.00**	**7.00**

Police	Investigations	Police Officer	4.00	4.00
Police	Investigations	Police Sergeant	1.00	1.00
		Subtotal	**5.00**	**5.00**
Police	Patrol	Police Officer	8.00	8.00
Police	Patrol	Police Sergeant	4.00	4.00
		Subtotal	**12.00**	**12.00**
		TOTAL	**28.00**	**28.00**

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
	General Operating	**Subtotal**	**$5,223,577**	**$6,041,813**
Police	Animal Control	Salaries & Benefits	$0	$0
Police	Animal Control	Svcs & Supplies	$105,000	$150,000
	Animal Control	**Subtotal**	**$105,000**	**$150,000**
Police	Emergency Svcs	Salaries & Benefits	$0	$0
Police	Emergency Svcs	Svcs & Supplies	$48,350	$51,500
	Emergency Svcs	**Subtotal**	**$48,350**	**$51,500**
		TOTAL	**$5,376,927**	**$6,243,313**

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 Approved	FY 2022-23 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
		Subtotal	**3.25**	**2.75**
Comm. Dev.	Building	Com. Dev. Director	0.00	0.50
Comm. Dev.	Building	Buildng Permit Tech	1.00	1.00
		Subtotal	**1.00**	**1.50**
		TOTAL	**4.25**	**4.25**

DEPARTMENT BUDGET

Dept.	Division	Position	FY 2021-22 Approved	FY 2022-23 Proposed
Comm. Dev.	Planning	Salaries & Benefits	$472,679	$496,171
Comm. Dev.	Planning	Svcs & Supplies	$244,700	$335,300
	Planning	**Subtotal**	**$717,379**	**$831,471**
Comm. Dev.	Building	Salaries & Benefits	$55,138	$314,770
Comm. Dev.	Building	Svcs & Supplies	$392,300	$503,200
	Building	**Subtotal**	**$447,438**	**$817,970**
		TOTAL	**$1,164,817**	**$1,649,440**

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 Approved	FY 2022-23 Proposed
Public Works	Administration	Admin Secretary III	1.00	1.00
Public Works	Administration	Pub Works Director	1.00	1.00
		Subtotal	**2.00**	**2.00**
Public Works	Engineering	Engineering Assoc.	2.00	2.00
Public Works	Engineering	Senior Civil Engineer	0.00	1.00
		Subtotal	**2.00**	**3.00**
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
		Subtotal	**6.00**	**6.00**
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
		Subtotal	**2.00**	**3.00**
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
		Subtotal	**7.15**	**7.15**
		TOTAL	**19.15**	**21.15**

DEPARTMENT BUDGET

Dept.	Division	Position	FY 2021-22 Approved	FY 2022-23 Proposed
Public Works	Engineering	Salaries & Benefits	$521,500	$767,593
Public Works	Engineering	Svcs & Supplies	$200,500	$268,500
		Subtotal	**$722,000**	**$1,036,093**
Public Works	Street Maint.	Salaries & Benefits	$141,500	$333,238
Public Works	Street Maint.	Svcs & Supplies	$214,300	$412,600
		Subtotal	**$355,800**	**$745,838**
Public Works	Vehicle Maint.	Salaries & Benefits	$10,743	$63,776

Public Works	Vehicle Maint.	Svcs & Supplies	$119,300	$112,000
		Subtotal	**$130,043**	**$175,776**
Public Works	Parks	Salaries & Benefits	$266,411	$268,179
Public Works	Parks	Svcs & Supplies	$251,266	$392,600
			$517,677	**$660,779**
Public Works	Building Maint.	Salaries & Benefits	$72,272	$241,917
Public Works	Building Maint.	Svcs & Supplies	$169,200	$258,600
			$241,472	**$500,517**
		PUBLIC WORKS TOTAL	**$1,966,992**	**$3,119,003**

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 Approved	FY 2022-23 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
		TOTAL	**2.00**	**3.00**

DEPARTMENT BUDGET

Dept.	Division	Position	FY 2021-22 Approved	FY 2022-23 Proposed
Public Works	Recreation	Salaries & Benefits	$351,103	$615,938
Public Works	Recreation	Svcs & Supplies	$121,446	$210,700
		RECREATION TOTAL	**$472,549**	**$826,638**

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 Approved	FY 2022-23 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
		TOTAL	**7.15**	**7.15**

DEPARTMENT BUDGET

Dept.	Division	Position	FY 2021-22 Approved	FY 2022-23 Proposed
Public Works	Wastewater Op	Salaries & Benefits	$1,245,333	$1,205,167
Public Works	Wastewater Op	Svcs & Supplies	$2,263,499	$2,340,700
WASTEWATER OPERATIONS TOTAL			**$3,508,832**	**$3,545,867**

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 groups 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.scottsvalley.org/DocumentCenter/View/2800/SV-Active-Transportation-Plan

FY 2022-23 CIP Plan Summary

CIP #	Priority	Project Type	Description	FY 2022-23	Funding Source
1	A	Wastewater	Wastewater Recovery Master Plan	$ 100,000	WWTP-C
2	A	Wastewater	PLC/SCADA Upgrades	$ 55,000	WWTP-C
3	A	Wastewater	Clarifier Superstructure & Walkways	$ 150,000	WWTP-C
5	A	Wastewater	Upgrade Tertiary Treatment Pumps	$ 340,000	TTF
6	A	Wastewater	Aeration Basin System Upgrade	$ 1,000,000	WWTP-C
9	B	Wastewater	Sewer Vactor Truck	$ 450,000	WWTP-C
10	B	Wastewater	Effluent Pump Replacement	$ 110,000	WWTP-C
13	A	Wastewater	Collection System Lift Stations	$ 175,000	WWTP-C
14	A	Wastewater	Collection System Pipeline Upgrades	$ 200,000	WWTP-C
15	A	Wastewater	Collection System Inspection & Monitoring	$ 100,000	WWTP-C
52	A	Wastewater	Belt Press Conveyor Replacement	$ 300,000	WWTP-C
18	A	Transportation	Bean Creek Road Pavement Rehab - Phase 1[1]	$ 1,026,000	Meas D/RSTPX/SB-1
19	B	Transportation	Mt. Hermon Road Corridor Improvements1	$ 365,000	TDIF
20	A	Transportation	Janis Way Digout, Overlay, Sidewalk, Bike Lanes	$ 250,000	Measure D
21	A	Transportation	Scotts Valley Drive Crack Seal	$ 75,000	Measure D
53	A	Transportation	Annual Citywide Street Striping and Signage[1]	$ 100,000	GF CIP
54	A	Transportation	Granite Creek Overcrossing Improvements[1]	$ 608,800	RSTPX/GT
27	A	Storm Drains	Storm Drain Trash Capture System	$ 125,000	GF CIP
28	B	Storm Drains	Storm Drain Master Plan Update	$ 25,000	SD DIF
29	B	Storm Drains	Pinecone Drive Draining Improvements	$ 200,000	GF CIP
30	B	Storm Drains	Sunridge Drive Stormwater Repair	$ 362,500	GF CIP
31	A	Parks & Rec	Parks ADA Improvements - Phase 1	$ 116,300	Lennar
33	A	Parks & Rec	Senior Center ADA Improvements - Phase 2	$ 74,000	GF CIP
36	B	Parks & Rec	Parks System Master Plan	$ 100,000	GF CIP
37	A	Parks & Rec	Skypark Play Structure Equipment	$ 260,000	P68, GF CIP
39	A	Parks & Rec	Vine Hill Childcare Facilities	$ 1,400,000	Federal
40	C	Parks & Rec	Skypark Tennis Area Improvements	$ 50,000	Parks DIF, Lennar
55	A	Parks & Rec	Siltanen Park Irrigation System Replacement	$ 255,000	GF CIP
42	A	General Facilities	HVAC Replacement at City Hall	$ 300,000	GF CIP
43	A	General Facilities	City Facility ADA Improvements - Phase 1	$ 73,400	GF CIP
46	A	General Facilities	Public Works Facility Improvements	$ 1,250,000	ARPA/CIP
56	A	General Facilities	City Hall Roof Replacement	$ 285,000	GF CIP
57	A	General Facilities	City Facilities Condition Assessment	$ 75,000	GF CIP
49	A	Police	Police Department Locker Room	$ 125,000	Police DIF
50	C	Police	Police Department Armory	$ 70,000	Police DIF
58	A	Police	Police Department Fitness Facility Upgrades	$ 30,000	GF CIP
59	A	Police	Universal Power Supply	$ 50,000	Police DIF
51	A	IT	Citywide Network Infrastructure Upgrades	$ 250,000	ARPA
60	A	IT	Finance ERP System Upgrade	$ 400,000	ARPA
61	A	IT	Computerized Maintenance Mgmt Software	$ 250,000	GF CIP

5-Year CIP Summary

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Five-Year Capital Improvement Project (CIP) Summary
FY 2022-23 through FY 2026-27

CIP #	Priority	Description	Funding Source	Carry Forward	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Wastewater									
1	A	Wastewater Recovery Master Plan	WWTP-C	$ -	$ 100,000	$ 50,000	$ -	$ -	$ -
2	A	PLC/SCADA Upgrades	WWTP-C		$ 55,000	$ 150,000	$ 350,000		
3	A	Clarifier Superstructure & Walkways	WWTP-C	$ -	$ 150,000	$ 150,000	$ 150,000	$ -	$ -
5	A	Upgrade Tertiary Treatment Pumps	TTF	$ 265,000	$ 340,000	$ -	$ -	$ -	$ -
6	A	Aeration Basin System Upgrade	WWTP-C	$ 250,000	$ 1,000,000	$ -	$ -	$ -	$ -
7	B	Stormwater LID	WWTP-C	$ -	$ -	$ -	$ 150,000	$ 150,000	$ -
9	B	Sewer Vactor Truck	WWTP-C	$ -	$ 450,000	$ -	$ -	$ -	$ -
10	B	Effluent Pump Replacement	WWTP-C	$ -	$ 110,000	$ 110,000	$ 200,000	$ 200,000	$ -
11	B	Wastewater Offices Facility Improvements	WWTP-C	$ -	$ -	$ 100,000	$ -	$ -	$ -
12	B	Facility Truck	WWTP-C	$ -	$ -	$ 55,000	$ -	$ -	$ -
13	A	Collection System Lift Stations	WWTP-C	$ -	$ 175,000	$ 580,000	$ 300,000	$ 330,000	$ 300,000
14	A	Collection System Pipeline Upgrades	WWTP-C	$ 200,000	$ 200,000	$ 430,000	$ 260,000	$ 290,000	$ 330,000
15	A	Collection System Inspection & Monitoring	WWTP-C	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
52	*A*	*Belt Press Conveyor Replacement*	*WWTP-C*	*$ -*	*$ 300,000*	*$ -*	*$ -*	*$ -*	
XX	*B*	*New Technology - Identified in Wastewater Rate Study*	*WWTP-C*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 5,000,000*
			Wastewater TOTAL[2]	**$ 815,000**	**$ 2,980,000**	**$ 1,725,000**	**$ 1,510,000**	**$ 1,070,000**	**$ 5,730,000**
Transportation									
16	A	Annual Street Maintenance/Resurfacing	GT/SB-1	$ -	$ -	$ 275,000	$ 275,000	$ 275,000	$ 275,000
17	A	Annual Street Maintenance Program	GT	$ -	$ -	$ 66,000	$ 66,000	$ 66,000	$ 66,000
18	A	Bean Creek Road Pavement Rehab - Phase 1[1]	Meas D/RSTPX/SB-1	$ 974,100	$ 1,026,000	$ -	$ -	$ -	$ -
19	B	Mt. Hermon Road Corridor Improvements1	TDIF	$ 365,000	$ 365,000	$ -	$ -	$ -	$ -
20	A	Janis Way Digout, Overlay, Sidewalk, Bike Lanes	Measure D	$ -	$ 250,000	$ -	$ -	$ -	$ -
21	A	Scotts Valley Drive Crack Seal	Measure D	$ -	$ 75,000	$ -	$ -	$ -	$ -
22	A	Glenwood Drive Street Improvements, Bike Lanes1	Measure D	$ -	$ -	$ 100,000	$ -	$ -	$ -
23	A	Mt. Hermon Road Pavement Maintenance	Measure D	$ -	$ -	$ -	$ 200,000	$ -	$ -
24	A	Bean Creek Road Pavement Rehab - Phase 2	Measure D	$ -	$ -	$ -	$ -	$ 100,000	$ 500,000
25	A	Lockwood Lane Street Improvements	Measure D	$ -	$ -	$ -	$ -	$ 100,000	$ -
XX	*B*	*PG&E Rule 20A Utility Undergrounding*	*Rule 20A*	*$ -*					*$ 1,261,345*
53	*A*	*Annual Citywide Street Striping and Signage[1]*	*CIP*	*$ -*	*$ 100,000*	*$ 50,000*	*$ 50,000*	*$ 50,000*	*$ 50,000*
54	*A*	*Granite Creek Overcrossing Improvements[1]*	*RSTPX/GT/CIP*	*$ -*	*$ 608,800*	*$ -*	*$ -*	*$ -*	*$ -*
			Transportation TOTAL	**$ 1,339,100**	**$ 2,424,800**	**$ 491,000**	**$ 591,000**	**$ 591,000**	**$ 2,152,345**
Storm Drains									
27	A	Storm Drain Trash Capture System	CIP	$ 125,000	$ 125,000	$ 125,000	$ 218,800	$ 125,000	$ -
28	B	Storm Drain Master Plan Update	SD DIF	$ 25,000	$ 25,000	$ 75,000	$ -	$ -	$ -
29	B	Pinecone Drive Draining Improvements	CIP	$ 105,000	$ 200,000	$ -	$ -	$ -	$ -
30	B	Sunridge Drive Stormwater Repair	CIP	$ 62,500	$ 362,500	$ -	$ -	$ -	$ -
			Storm Drains TOTAL	**$ 317,500**	**$ 712,500**	**$ 200,000**	**$ 218,800**	**$ 125,000**	**$ -**
Parks									

Five-Year Capital Improvement Project (CIP) Summary
FY 2022-23 through FY 2026-27

CIP #	Priority	Description	Funding Source	*Carry Forward*	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
31	A	Parks ADA Improvements - Phase 1	Lennar	*$ 116,300*	$ 116,300	$ -	$ -	$ -	$ -
32	A	Parks ADA Improvements - Phase 2	Lennar	*$ -*		$ 104,200	$ -	$ -	$ -
33	A	Senior Center ADA Improvements - Phase 2	CIP	*$ -*	$ 74,000	$ -	$ -	$ -	$ -
36	B	Parks System Master Plan	Parks DIF	*$ -*	$ 100,000	$ -	$ -	$ -	$ -
37	A	Skypark Play Structure Equipment	P68, CIP	*$ 223,000*	$ 260,000	$ -	$ 757,000	$ -	$ -
38	C	Hocus Pocus Park Play Structure Equipment	Parks DIF	*$ -*	$ -	$ -	$ -	$ 520,000	$ -
39	A	Brook Knoll and Vine Hill Childcare Facilities	Federal	*$ -*	$ 1,400,000	$ 1,400,000	$ -	$ -	$ -
40	C	Skypark Tennis Area Improvements	Parks DIF, Lennar	*$ 50,000*	$ 50,000		$ -	$ -	$ -
XX	*B*	*Hocus Pocus - Electrical and LIghting Repairs*	*CIP*	*$ -*	*$ -*	*$ 75,000*	*$ -*	*$ -*	*$ -*
XX	*B*	*Hocus Pocus - Basketball Court Resurfacing*	*CIP*	*$ -*	*$ -*	*$ -*	*$ 50,000*	*$ -*	*$ -*
XX	*B*	*Skatepark - Fence Replacement*	*CIP*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 55,000*	*$ -*
XX	*B*	*MacDorsa Park - Irrigation System Replacement*	*CIP*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 80,000*
XX	*B*	*MacDorsa Park - Play Structure Replacement*	*CIP*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 75,000*
XX	*B*	*Skypark - Painting (Bldgs, gazebos, BBQ)*	*CIP*	*$ -*	*$ -*	*$ 55,000*	*$ -*	*$ -*	*$ -*
XX	*B*	*Siltanen Park - Bleacher Upgrades / Replacements*	*CIP*	*$ -*	*$ -*	*$ -*	*$ 50,000*	*$ -*	*$ -*
XX	*B*	*Siltanen Park - Softball Fencing and Netting Replacement*	*CIP*	*$ -*	*$ -*	*$ 50,000*	*$ -*	*$ -*	*$ -*
55	*A*	*Siltanen Park Irrigation System Replacement*	*GF*	*$ -*	*$ 255,000*	*$ -*	*$ -*	*$ -*	*$ -*
			Parks TOTAL	***$ 389,300***	**$ 2,255,300**	**$ 1,684,200**	**$ 857,000**	**$ 575,000**	**$ 155,000**
General Facilities									
42	A	HVAC Replacement at City Hall	GF	*$ 300,000*	$ 300,000	$ -	$ -	$ -	$ -
43	A	City Facility ADA Improvements - Phase 1	CIP	*$ 48,400*	$ 73,400	$ -	$ -	$ -	$ -
44	A	City Facility ADA Improvements - Phase 2	CIP	*$ -*	$ -	$ 147,200	$ -	$ -	$ -
46	A	Public Works Facility Improvements	ARPA/CIP	*$ 805,000*	$ 1,250,000	$ -	$ -	$ -	$ -
47	C	Public Works Quonset Hut Replacement	CIP	*$ -*	$ -	$ 318,000	$ -	$ -	$ -
48	C	Public Works Equipment Storage Building Replacement	CIP	*$ -*	$ -	$ -	$ 196,200	$ -	$ -
56	*A*	*City Hall Roof Replacement*	*CIP*	*$ -*	*$ 285,000*	*$ -*	*$ -*	*$ -*	*$ -*
57	*A*	*City Facilities Condition Assessment*	*CIP*	*$ -*	*$ 75,000*	*$ -*	*$ -*	*$ -*	*$ -*
XX	*A*	*City Hall / Police Department Generator Replacement*	*CIP*	*$ -*	*$ -*	*$ 175,000*	*$ -*	*$ -*	*$ -*
			General Facilities TOTAL	***$ 1,153,400***	***$ 1,983,400***	***$ 640,200***	***$ 196,200***	***$ -***	***$ -***
Police									
49	A	Police Department Locker Room	Police DIF	*$ 93,000*	$ 125,000	$ -	$ -	$ -	$ -
50	C	Police Department Armory	Police DIF	*$ -*	$ 70,000	$ -	$ -	$ -	$ -
58	*A*	*Police Department Fitness Facility Upgrades*	*CIP*	*$ -*	*$ 30,000*	*$ -*	*$ -*	*$ -*	*$ -*
59	*A*	*Universal Power Supply*	*Police DIF*	*$ -*	*$ 50,000*	*$ -*	*$ -*	*$ -*	*$ -*
			Police TOTAL	***$ 93,000***	***$ 275,000***	***$ -***	***$ -***	***$ -***	***$ -***
Information Technology									
51	A	Citywide Network Infrastructure Upgrades	ARPA	*$ 185,000*	$ 250,000	$ -	$ -	$ -	$ -

Five-Year Capital Improvement Project (CIP) Summary
FY 2022-23 through FY 2026-27

CIP #	Priority	Description	Funding Source	*Carry Forward*	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
60	*A*	*Finance ERP System Upgrade*	*ARPA*	*$ -*	*$ 400,000*	*$ -*	*$ -*	*$ -*	*$ -*
61	*A*	*Computerized Maintenance Mgmt Software*	*CIP*	*$ -*	*$ 250,000*	*$ -*	*$ -*	*$ -*	*$ -*
			Information Technology TOTAL	***$ 185,000***	**$ 900,000**	**$ -**	**$ -**	**$ -**	**$ -**
			GRAND TOTAL	***$ 4,292,300***	***$ 11,531,000***	***$ 4,740,400***	***$ 3,373,000***	***$ 2,361,000***	***$ 8,037,345***

NOTES: $ 7,238,700

[1] Addresses some projects listed in the Active Transportation Plan

[2] Assumes City utilizes debt as discussed in Wastewater Rate Study

XX - Projects in future years. No CIP number assigned.

UNFUNDED AND/OR FUTURE PROJECTS:

Al Shugart Park Phase 1, 2, and 3 Constructuion; Active Transportation Plan (Misc. Projects)

CIP Project Descriptions

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(Existing) CIP #01

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

WASTEWATER RECOVERY FACILITY MASTER PLAN

	Funding Sources		
Funding	**WWTP Capital**		**Total**
2022-2023	100,000	-	100,000
2023-2024	50,000	-	50,000
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**150,000**	**-**	**150,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		100,000	0%	-	100,000
2023-2024		48,500	3%	1,500	50,000
2024-2025			6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		148,500		1,500	150,000
Contingency	0%	-		-	-
Totals		**148,500**		**1,500**	**150,000**

PROJECT DESCRIPTION:

This project would fund a master planning process and technical/engineering studies for the future of the City's wastewater treatment utility. Within the next decade, the aging plant will require major rehabilitation or replacement in consideration of current operating conditions, anticipated regulatory changes and the availability of new treatment technologies.

FUNDING SOURCES:

Primary funding source for this project would be the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Bid TBD
Construction TBD

PROJECT PRIORITY CATEGORY[1]: A

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

(Existing) CIP #02

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PLC/SCADA UPGRADES

2023-2024	150,000	150,000
2024-2025	350,000	350,000
2025-2026	-	-
2026-2027	-	-
Total	**555,000**	**555,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		55,000	0%	-	55,000
2023-2024		100,000	3%	3,000	103,000
2024-2025		269,800	6%	16,200	286,000
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		424,800		19,200	444,000
Contingency	25%	106,200		4,800	111,000
Totals		**531,000**		**24,000**	**555,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project will upgrade the programmable logic controller (PLC) and SCADA system at the wastewater treatment plant to allow for remote operations of parts of the facility. Currently the PLC and SCADA system allows for monitoring only. This will allow for operations staff to complete some processes from home, reducing the frequency of on call visits to the plant. This technology is considered standard at similar size plants.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Receive Quote	Complete
Installations and Programming	In phases through 2025

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

(Existing) CIP #03

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CLARIFIER SUPERSTRUCTURE AND WALKWAYS

Funding	WWTP Capital	Total
	Funding Sources	
2022-2023	150,000	150,000
2023-2024	150,000	150,000
2024-2025	150,000	150,000
2025-2026	-	-
2026-2027	-	-
Total	**450,000**	**450,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		119,600		-	119,600
2023-2024		115,000	3%	3,500	118,500
2024-2025		115,000	6%	6,900	121,900
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		349,600		10,400	360,000
Contingency	25%	87,400		2,600	90,000
Totals		**437,000**		**13,000**	**450,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project will replace the superstructure and walkways on Clarifier #3 and walkways on Clarifier #4. The superstructure consists of a set of rake blades and squeegees suspended from a bridge to collect settled solids on the tank bottom and/or surface of the water. The current walkways are rusted and may present a safety concern if not remediated.

This original clarifier is currently over 30 years old and is underperforming due to leaks and recirculating sludge. Staff plans to perform visual inspections and repairs to the existing structure over the next three years in anticipation of replacing this item starting in FY 2022/23

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Bid	Fall 2022
Construction	Phased - Spring 2023

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

TERTIARY TREATMENT PLANT UPGRADES

Funding	Funding Sources: Tertiary Treatment	Total
2022-2023	605,000	605,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**605,000**	**605,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		605,000	0%	-	605,000
2023-2024			3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		605,000		-	605,000
Contingency	0%	-		-	-
Totals		**605,000**		**-**	**605,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The tertiary treatment facilities require upgrades that will allow the plant to meet compliance standards and recycled water production targets in future years. The focus will be upgrades to the tertiary treatment effluent pumps. Two pumps were replaced in FY 2021-22 and the third pump is schedule for replacement in FY 2022-23.

FUNDING SOURCES:

Funding source for this project is the Wastewater Tertiary Treatment Capital Projects Fund.

ESTIMATED PROJECT SCHEDULE:

Receive Quotes	Winter 2022
Construction	Spring 2023

1 Priority descriptions:

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

(Existing) CIP #06

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

AERATION BASIN SYSTEM UPGRADE

	Funding Sources	
Funding	**WWTP Capital**	**Total**
2022-2023	1,250,000	1,250,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**1,250,000**	**1,250,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		1,000,000		-	1,000,000
2023-2024			3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		1,000,000		-	1,000,000
Contingency	25%	250,000		-	250,000
Totals		**1,250,000**		**-**	**1,250,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project consists of new valving and polymer additive system to independently operate each basin of the aeration system and optimize oxidation at the WWTP. The project provides control to adjust air to each aeration basin. This capability does not currently is exist and is crucial for the reliable and resilient operation of the plant.

FUNDING SOURCES:

Primary funding source for this project is the Wastewater Capital Reserve Fund

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Receive Bids	Spring 2023
Construction	Phased over two fiscal years starting Fall 2023

1 Priority descriptions:

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

(Existing) CIP #07

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

STORMWATER LOW IMPACT DEVELOPMENT (LID)

	Funding Sources	
Funding	**WWTP Capital**	**Total**
2022-2023	-	-
2023-2024	-	-
2024-2025	150,000	150,000
2025-2026	150,000	150,000
2026-2027		
Total	**300,000**	**300,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		112,300	6%	6,700	119,000
2025-2026		111,000	9%	10,000	121,000
2026-2027			12%	-	-
Subtotal		223,300		16,700	240,000
Contingency	25%	55,800		4,200	60,000
Totals		**279,100**		**20,900**	**300,000**

PROJECT DESCRIPTION:
This project would replace approximately 2,000 square feet of existing impervious area of sidewalk and roadway in order to construct new bioretention facilities within the Lundy Lane right-of-way and the WWTP. The goal of the project is to provide stormwater treatment and infiltration of the Lundy Lane drainage basin.

FUNDING SOURCES:

Primary funding source for this project would be the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Design	2024
Project Bid	Summer 2025
Construction	Phased from Winter 2025 to Winter 2026

PROJECT PRIORITY CATEGORY[1]: B

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

(Existing) CIP #09

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SEWER VACTOR TRUCK

Funding	WWTP Capital		Total
	Funding Sources		
2022-2023	450,000	-	450,000
2023-2024		-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**450,000**	**-**	**450,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		409,100		-	409,100
2023-2024			3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		409,100		-	409,100
Contingency	10%	40,900		-	40,900
Totals		**450,000**		**-**	**450,000**

PROJECT DESCRIPTION:
This project would fund the purchase of a Sewer Vactor Truck. A sewer vactor truck is used for regular maintenance and repairs for the City's sewer and storm drains. The existing truck is old and out of service often due to various mechanical issues and will not be compliant with new diesel regulations at the end of the year.

FUNDING SOURCES:

Primary funding source for this project would be the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Bid	Summer 2022
Acquisition	Fall 2022

PROJECT PRIORITY CATEGORY[1]: B

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

(Existing) CIP #10

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

EFFLUENT PUMP REPLACEMENT

Funding Sources

Funding	**WWTP Capital**	**Total**
2022-2023	110,000	110,000
2023-2024	110,000	110,000
2024-2025	200,000	200,000
2026-2027	200,000	200,000
2027-2028		-
Total	**620,000**	**620,000**

Expenditure Categories

Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		110,000		-	110,000
2023-2024		100,000	3%	3,000	103,000
2024-2025		133,300	6%	8,000	141,300
2026-2027		130,000	9%	11,700	141,700
2027-2028			12%	-	-
Subtotal		473,300		22,700	496,000
Contingency	25%	118,300		5,700	124,000
Totals		**591,600**		**28,400**	**620,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project will replace effluent pumps at the wastewater treatment plant. There are currently three pumps of similar age used in rotation that have been in service for 20 years. Beginning in FY 2022/23 staff will begin to replace the aging effluent pumps as they near the end of their useful life. The project will take a total of four fiscal years to complete

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Receive Quotes	Spring 2023
Construction	Phased in over 4 years starting in Summer 2023

1 Priority descriptions:

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

(Existing) CIP #11

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

WASTEWATER OFFICES FACILITY IMPROVEMENTS

Funding	Funding Sources: WWTP Capital	Total
2022-2023	-	-
2023-2024	100,000	100,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**100,000**	**100,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		77,700	3%	2,300	80,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		77,700		2,300	80,000
Contingency	25%	19,400		600	20,000
Totals		**97,100**		**2,900**	**100,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The wastewater offices require facility maintenance upgrades including paint, carpet, electrical, roofing, and other maintenance.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Receive Quotes	Fall 2023
Construction	Spring 2024

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

(Existing) CIP #12

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

FACILITY TRUCK

	Funding Sources		
Funding	**WWTP Capital**		**Total**
2022-2023	-	-	-
2023-2024	55,000	-	55,000
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**55,000**	**-**	**55,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		48,540	3%	1,460	50,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		48,540		1,460	50,000
Contingency	10%	4,900		100	5,000
Totals		**53,440**		**1,560**	**55,000**

PROJECT DESCRIPTION:
This project would replace one of the existing Ford F-150 trucks used to support wastewater collection system operations.

FUNDING SOURCES:

Primary funding source for this project would be the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Bid	Summer 2023
Acquisition	Fall 2023

PROJECT PRIORITY CATEGORY[1]: B

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

(Existing) CIP #13

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

WASTEWATER COLLECTION SYSTEM LIFT STATIONS

Funding	Funding Sources: WWTP Capital	Total
2022-2023	175,000	175,000
2023-2024	580,000	580,000
2024-2025	300,000	300,000
2025-2026	330,000	330,000
2026-2027	300,000	300,000
Total	**1,685,000**	**1,685,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		175,000		-	175,000
2023-2024		450,000	3%	13,500	463,500
2024-2025		220,000	6%	13,200	233,200
2025-2026		216,100	9%	19,400	235,500
2026-2027		215,000	12%	25,800	240,800
Subtotal		1,276,100		71,900	1,348,000
Contingency	25%	319,000		18,000	337,000
Totals		**1,595,100**		**89,900**	**1,685,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is part of a multi-phase program to rehabilitate the collection system lift stations by performing preventative maintenance and upgrades to ensure reliable operation. This project will rehabilitate all or a portion of the City's seven (7) older lift stations starting in FY 2022-23 over the four subsequent fiscal years, subject to inspection. Such work may include repairing interior wet wells, installing new pumps/motors/valves, installing by-pass piping and connections, replacing corroded components, replacing manhole covers, and installing control monitoring equipment.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Design	Fall 2022
Construction	Phased in over 5 years starting in Fall 2022

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

(Existing) CIP #14

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

WASTEWATER COLLECTION SYSTEM PIPELINE UPGRADES

	Funding Sources	
Funding	**WWTP Capital**	**Total**
2022-2023	400,000	400,000
2023-2024	430,000	430,000
2024-2025	260,000	260,000
2025-2026	290,000	290,000
2026-2027	330,000	330,000
Total	**1,710,000**	**1,710,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		390,000		-	390,000
2023-2024		350,000	3%	10,500	360,500
2024-2025		186,500	6%	11,200	197,700
2025-2026		189,900	9%	17,100	207,000
2026-2027		190,000	12%	22,800	212,800
Subtotal		1,306,400		61,600	1,368,000
Contingency	25%	326,600		15,400	342,000
Totals		**1,633,000**		**77,000**	**1,710,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is part of a multi-phase program to assess the condition and perform repairs to the wastewater collection system gravity mains. Repairs will be based on video inspections of the system (see separate project description #15) and prioritized based on the severity of deficiencies. Repairs will be performed to extend the useful life of the mains and manholes through the City's collection system.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Design	Ongoing over 5 years starting in Summer 2022
Construction	Phased in over 5 years starting in Fall 2022

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

(Existing) CIP #15

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

WASTEWATER COLLECTION SYSTEM INSPECTION AND MONITORING PROGRAMS

	Funding Sources	
Funding	**WWTP Capital**	**Total**
2022-2023	200,000	200,000
2023-2024	100,000	100,000
2024-2025	100,000	100,000
2025-2026	100,000	100,000
2026-2027	100,000	100,000
Total	**600,000**	**600,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		200,000		-	200,000
2023-2024		99,900	3%	3,000	102,900
2024-2025		98,000	6%	5,900	103,900
2025-2026		95,000	9%	8,600	103,600
2026-2027		80,000	12%	9,600	89,600
Subtotal		572,900		27,100	600,000
Contingency	0%	-		-	-
Totals		**572,900**		**27,100**	**600,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is part of a proposed new annual program to proactively inspect the City's 40 miles of wastewater collection mains. The program will consist of annual, comprehensive video-based inspection of the gravity collection mains throughout the City. Inspections will indicate main conditions and identify disrepair such as corrosion damage and/or issues that may exist that allow for inflow and infiltration (I&I) of groundwater or stormwater that make the collection system and treatment plant less efficient. This program will identify areas of concern. Repairs will be made with funding from the collection system pipe upgrades project (see separate project description).

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Implementation — Ongoing over 5 years starting in Summer 2022

1 Priority descriptions:

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

ANNUAL STREET MAINTENANCE/RESURFACING PROGRAM

	Funding Sources			
Funding	**RMRA (SB 1)**	**Gas Tax**	**RTIP**	**Total**
2022-2023	-	-	-	-
2023-2024	275,000	-		275,000
2024-2025	275,000	-		275,000
2025-2026	275,000	-		275,000
2026-2027	275,000	-		275,000
Total	**1,100,000**	**-**		**1,100,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-	0%	-	-
2023-2024		240,000	0%	-	240,000
2024-2025		220,000	0%	-	220,000
2025-2026		210,000	0%	-	210,000
2026-2027		210,000	0%	-	210,000
Subtotal		880,000		-	880,000
Contingency	25%	220,000		-	220,000
Totals		**1,100,000**		**-**	**1,100,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is an annual street overlay program that includes the resurfacing of various city-maintained streets on a rotating basis. Maintenance can take the form of either slurry seal, asphalt overlay, or road reconstruction as necessary. In FY 2017/18 a pavement management study (PMS) was completed to inform the prioritization and funding of streets throughout the City. Based on the study, several large rehabilitation projects have been identified and are scheduled separately in the CIP. This project includes preventative maintenance to extend the time needed before more expensive rehabilitation and reconstruction is required.

Further, projects drawn from the Active Transportation Plan may be incorporated. Design, engineering, and current cost estimates will be necessary to program projects, which could be allocated over multiple years.

FUNDING SOURCES:

Primary funding source for this project will be Gas Tax revenues and RMRA. Alternative funding sources may include Measure D Sales Tax revenues or grant funding from federal or state sources.

ESTIMATED PROJECT SCHEDULE:

Identify Streets for improvement	Winter of each year
Issue Bids for Construction	Spring to Summer
Construction	Spring to Summer

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

(Existing) CIP #17

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

ANNUAL STREET MAINTENANCE PROGRAM

Funding	Funding Sources: Gas Tax			Total
2022-2023		-	-	-
2023-2024	66,000	-	-	66,000
2024-2025	66,000	-	-	66,000
2025-2026	66,000	-	-	66,000
2026-2027	66,000	-	-	66,000
Total	**264,000**	**-**	**-**	**264,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		60,000	3%	1,800	61,800
2024-2025		54,000	6%	3,200	57,200
2025-2026		43,500	9%	3,900	47,400
2026-2027		40,000	12%	4,800	44,800
Subtotal		197,500		13,700	211,200
Contingency	25%	49,400		3,400	52,800
Totals		**246,900**		**17,100**	**264,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project includes repair of existing streets, sidewalks and curb and gutters as needed as a result of development impacts. The City will review the Active Transportation Plan for potential projects. Design, engineering, and current cost estimates will be necessary to program projects, which could be allocated over multiple years.

FUNDING SOURCES:

Primary source of funding for this project is from Gas Tax funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter
Bids for Construction	Spring
Construction	Summer

1 Priority descriptions:

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

(Existing) CIP #18

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

BEAN CREEK ROAD PAVEMENT REHABILITATION – PHASE 1

Funding	Measure D	RSTPX	SB1	Total
	Funding Sources			
2022-2023	667,100	800,000	534,000	2,001,100
2023-2024	-			-
2024-2025	-			-
2025-2026	-			-
2026-2027	-			-
Total	**667,100**	**800,000**	**534,000**	**2,001,100**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		1,819,200		-	1,819,200
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		1,819,200		-	1,819,200
Contingency	10%	181,900		-	181,900
Totals		**2,001,100**		**-**	**2,001,100**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

Bean Creek Road, between Montevalle to the City limits, is currently exhibiting issues such as potholes and uneven pavement surfaces. Construction would include reworking the subgrade, asphalt overlaying, drainage and restriping. Phase 1 would rehabilitate the road from Bluebonnet Lane to Redwood Drive.

FUNDING SOURCES:

Primary source of funding would be Measure D Sales Tax revenues and RSTPX funding through RTC. Alternative funding sources could include grant funding from federal and/or state resources and Gas Tax revenues.

ESTIMATED PROJECT SCHEDULE:

Develop Bid Specs	Spring 2022
Issue Bids for Construction	Summer 2022
Construction	Summer/Fall 202

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

(Existing) CIP #19

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

MT. HERMON ROAD CORRIDOR IMPROVEMENTS

	Funding Sources			
Funding	**TM-DIF**			**Total**
2022-2023	730,000	-	-	730,000
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**730,000**	**-**	**-**	**730,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		584,000		-	584,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		584,000		-	584,000
Contingency	25%	146,000		-	146,000
Totals		**730,000**		**-**	**730,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The Project includes corridor improvements for access management and pedestrian safety on Mt. Hermon Road to relieve traffic congestion resulting from approved development projects. The project will evaluate the implementation of ATP projects, an advanced traffic management system, and other corridor improvements.

FUNDING SOURCES:

Primary source of funding for this project is from Traffic Impact Mitigation Fees.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Bids for Construction	TBD
Construction	TBD

1 Priority descriptions:

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

(Existing) CIP #20

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

JANIS WAY DIGOUT, OVERLAY, SIDEWALK AND BIKE LANES

	Funding Sources			
Funding	**Measure D**			**Total**
2022-2023	250,000	-	-	250,000
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**250,000**	**-**	**-**	**250,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		200,000		-	200,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		200,000		-	200,000
Contingency	25%	50,000		-	50,000
Totals		**250,000**		**-**	**250,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project will rehabilitate Janis Way from El Pueblo to the end of the road. It will also restripe the road, add bike sharrows, and add a sidewalk along one side.

FUNDING SOURCES:

Primary source of funding for this project is Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Bids for Construction	Spring 2023
Construction	Summer 2023

1 Priority descriptions:

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

(Existing) CIP #21

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SCOTTS VALLEY DRIVE CRACK SEAL

Funding	Funding Sources: Measure D			Total
2022-2023	75,000	-	-	75,000
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**75,000**	**-**	**-**	**75,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		60,000		-	60,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		60,000		-	60,000
Contingency	25%	15,000		-	15,000
Totals		**75,000**		**-**	**75,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project will provide for crack seal repairs on Scotts Valley Drive from Mt. Hermon Road to Glenwood Drive.

FUNDING SOURCES:

Primary source of funding for this project is from Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Bids for Construction	Spring 2023
Construction	Summer 2023

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

(Existing) CIP #22

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

GLENWOOD DRIVE STREET IMPROVEMENTS AND BIKE LANES

Funding	Funding Sources: Measure D			Total
2022-2023	-	-	-	-
2023-2024	100,000	-	-	100,000
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**100,000**	**-**	**-**	**100,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		77,700	3%	2,300	80,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		77,700		2,300	80,000
Contingency	25%	19,400		600	20,000
Totals		**97,100**		**2,900**	**100,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project includes crack sealing, type-2 slurry sealing, addition of bike lanes, and restriping of Glenwood Drive from Scotts Valley Drive to K Street. The project will evaluate and if feasible incorporate ATP projects in this stretch of roadway.

FUNDING SOURCES:

Primary source of funding for this project is from Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2023
Bids for Construction	Spring 2024
Construction	Summer 2024

1 Priority descriptions:

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

(Existing) CIP #23

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

MT HERMON ROAD PAVEMENT MAINTENANCE

Funding	Funding Sources: Measure D			Total
2022-2023	-	-	-	-
2023-2024	-	-	-	-
2024-2025	200,000	-	-	200,000
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**200,000**	**-**	**-**	**200,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		150,900	6%	9,100	160,000
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		150,900		9,100	160,000
Contingency	25%	37,700		2,300	40,000
Totals		**188,600**		**11,400**	**200,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project includes digouts, crack seal repair, and slurry seal on Mt. Hermon Road from Lockewood Lane to southern City Limits. The Project would also rework the intersection at La Madrona Drive near the on- and off-ramps to SR-17.

FUNDING SOURCES:

Primary source of funding for this project is from Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2024
Bids for Construction	Spring 2025
Construction	Summer 2025

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

(Existing) CIP #24

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

BEAN CREEK ROAD PAVEMENT REHABILITATION – PHASE 2

Funding	Funding Sources: Measure D		Total
2022-2023	-		-
2023-2024	-		-
2024-2025	-		-
2025-2026	100,000		100,000
2026-2027	500,000		500,000
Total	**600,000**	**-**	**600,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		90,540	9%	8,150	98,690
2026-2027		398,940	12%	47,870	446,810
Subtotal		489,480		56,020	545,500
Contingency	10%	48,900		5,600	54,500
Totals		**538,380**		**61,620**	**600,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This is the second phase of a two-phased project to rehabilitate Bean Creek Road. The first phase, planned for FY 2022-23, includes reworking the subgrade, overlaying asphalt, adding drainage, and restriping the pavement between Bluebonnet Lane and Redwood Way.

Phase 2 would continue this work between Redwood Way and City Limits.

FUNDING SOURCES:

Source of funding for Phase 2 would be Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Develop Bid Specs	Spring 2025
Issue Bids for Construction	Summer 2025
Construction	Summer/Fall 2026

1 Priority descriptions:

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

(Existing) CIP #25

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

LOCKWOOD LANE STREET IMPROVEMENTS

Funding	Funding Sources: Measure D			Total
2022-2023	-	-	-	-
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	100,000	-	-	100,000
2026-2027	-	-	-	-
Total	**100,000**	**-**	**-**	**100,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		76,400	9%	6,900	83,300
2026-2027		-	12%	-	-
Subtotal		76,400		6,900	83,300
Contingency	20%	15,300		1,400	16,700
Totals		**91,700**		**8,300**	**100,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Project includes digouts and overlay of Lockwood Lane from Mt. Hermon Road to the City Limits. The project would also include restriping and creation of bike lanes.

FUNDING SOURCES:

Primary source of funding for this project is from Measure D funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2025
Bids for Construction	Spring 2026
Construction	Summer 2026

1 Priority descriptions:

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

(Existing) CIP #27

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

STORM DRAIN TRASH CAPTURE SYSTEM

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	250,000	250,000
2023-2024	125,000	125,000
2024-2025	125,000	125,000
2025-2026	218,800	218,800
2026-2027		-
Total	**718,800**	**718,800**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		250,000		-	250,000
2023-2024		100,000	3%	3,000	103,000
2024-2025		90,200	6%	5,400	95,600
2025-2026		116,000	9%	10,400	126,400
2026-2027		-	12%	-	-
Subtotal		556,200		18,800	575,000
Contingency	25%	139,100		4,700	143,800
Totals		**695,300**		**23,500**	**718,800**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
Per the 2015 the State Water Resources Control Board's Amendment to the Water Quality Control Plan, referred to as the "Trash Amendments", the City is required to install trash capture systems in priority land use areas. A Storm Drainage Master Plan Update (see separate project description #23) will accurately evaluate compliance with the Trash Amendments and determine capital needs. The City has approximately 10 years (at 10% progress per year) to complete installation of Full Capture Systems in identified locations. It is anticipated that the City will need to spend $660,000 - $944,000 in one-time capital improvements over the 10-year period. This is the second year of the 5-year implementation.

FUNDING SOURCES:
Primary funding for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Complete SDMP Update	Summer 2022
Issue Bids	Spring 2023
Construction	Summer 2023

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

(Existing) CIP #28

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

STORMDRAIN MASTER PLAN UPDATE

Funding	Funding Sources: Drainage DIF	Total
2022-2023	25,000	25,000
2023-2024	75,000	75,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**100,000**	**100,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		25,000		-	25,000
2023-2024		75,000	0%	-	75,000
2024-2025		-	0%	-	-
2025-2026		-	0%	-	-
2026-2027		-	0%	-	-
Subtotal		100,000		-	100,000
Contingency	0%	-		-	-
Totals		**100,000**		**-**	**100,000**

PROJECT DESCRIPTION:
The Scotts Valley Storm Drain Master Plan was last updated in 1989. This project would implement a master plan study to identify the condition of the storm drain system and develop a master plan to ensure the storm drain system complies with current regulatory requirements and meets the needs of the City's stormwater management requirement for future years.

FUNDING SOURCES:
Funding for this project will come from Drainage Development Impact Fees. Alternate funding source would be the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

RFP	Winter 2022
Initial Study	Spring/Summer 2022
Finalize Master Plan	Spring 2023

PROJECT PRIORITY CATEGORY[1]: B

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

(Existing) CIP #29

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PINECONE DRIVE DRAINAGE IMPROVEMENTS

Funding	Funding Sources: General CIP			Total
2022-2023	305,000	-	-	305,000
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**305,000**	**-**	**-**	**305,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		244,000		-	244,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		244,000		-	244,000
Contingency	25%	61,000		-	61,000
Totals		**305,000**		**-**	**305,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The Project includes stormwater improvements for safety on Pinecone Drive to relieve excessive storm water runoff. The project will extend the storm drain main and add additional inlets.

FUNDING SOURCES:

Primary source of funding for this project is from the General Capital Improvement Projects Fund.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Bids for Construction	Spring 2023
Construction	Summer 2023

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

(Existing) CIP #30

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SUNRIDGE DRIVE STORMWATER REPAIR

	Funding Sources			
Funding	**General CIP**			**Total**
2022-2023	425,000	-	-	425,000
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**425,000**	**-**	**-**	**425,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		340,000		-	340,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		340,000		-	340,000
Contingency	25%	85,000		-	85,000
Totals		**425,000**		**-**	**425,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The Project includes repair of existing culvert on Sunridge Drive, through which water from Green Hills Road & Highway 17 flows to Carbonero Creek.

FUNDING SOURCES:

Primary source of funding for this project is from the General Capital Improvements Fund.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2022
Bids for Construction	Spring 2023
Construction	Summer 2023

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

(Existing) CIP #31

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PARKS ADA IMPROVEMENTS – PHASE 1

Funding	Funding Sources: Lennar	Total
2022-2023	232,600	232,600
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**232,600**	**232,600**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		186,100		-	186,100
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		186,100		-	186,100
Contingency	25%	46,500		-	46,500
Totals		**232,600**		**-**	**232,600**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project would implement the first phase of park improvements as part of the City's ADA Transition Plan for Hocus Pocus, MacDorsa, Siltanen and Camp Evers Fishing Parks.

Sub-projects for FY 2021/22 include improvements to the parking lot and path of travel at Siltanen Park.

For a detailed description of projects, the City's Transition Plan is on its website www.scottsvalley.org and a hard copy is at City Hall, One Civic Center Drive.

FUNDING SOURCES:

Funding source for this project will be Lennar Funds. Additional funding may be available with grants.

ESTIMATED PROJECT SCHEDULE:

Design	Winter 2022
Bid	Spring 2023
Construction	Summer 2023

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

(Existing) CIP #32

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PARKS ADA IMPROVEMENTS – PHASE 2

	Funding Sources	
Funding	**Lennar**	**Total**
2022-2023	-	-
2023-2024	104,200	104,200
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**104,200**	**104,200**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		80,971	3%	2,429	83,400
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		80,971		2,429	83,400
Contingency	25%	20,200		600	20,800
Totals		**101,171**		**3,029**	**104,200**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project consists of retrofit work to provide ADA accessibility at Camp Evers Fishing Park, Hocus Pocus Park, MacDorsa Park, Scotts Valley Dog Park, Siltanen Park, and Skypark per Phase Two the assessment completed in 2015 and recorded in the City's Access Audit & Transition Plan. Work to be completed consists of improvements to exterior routes, doors, park facilities and surfaces, parking, restrooms and Recreation employee spaces.

This would be a 5-year CIP program which would not start until the Phase 1 improvements are completed. The amount shown here is the first two years of the 5-year program.

FUNDING SOURCES:

Funding source for this project will be Lennar Funds. Additional funding may be available with grants.

ESTIMATED PROJECT SCHEDULE:

Design	Winter 2023
Bid	Spring 2024
Construction	Summer 2024

1 Priority descriptions:

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

(Existing) CIP #33

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SENIOR CENTER ADA IMPROVEMENTS – PHASE 2

Funding	Funding Sources: General CIP Fund	Total
2022-2023	74,000	74,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**74,000**	**74,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		59,200		-	59,200
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		59,200		-	59,200
Contingency	25%	14,800		-	14,800
Totals		**74,000**		**-**	**74,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project consists of retrofit work to provide ADA accessibility at the Senior Center per Phase Two the assessment completed in 2015 and recorded in the City's Access Audit & Transition Plan. Work to be completed consists of improvements to doorways, parking, restrooms, and the kitchen.

Phase Three of the Access Audit & Transition Plan consisting of retrofit work to provide ADA accessibility at Public Works and Wastewater Treatment Plant is outside of this 5-year CIP.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Spring/Summer 2023
Construction	Fall/Winter 2023

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

(Existing) CIP #36

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PARKS SYSTEM MASTER PLAN

Funding	Funding Sources: Parks DIF		Total
2022-2023	100,000	-	100,000
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**100,000**	**-**	**100,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		100,000		-	100,000
2023-2024		-	0%	-	-
2024-2025		-	0%	-	-
2025-2026		-	0%	-	-
2026-2027		-	0%	-	-
Subtotal		100,000		-	100,000
Contingency	0%	-		-	-
Totals		**100,000**		**-**	**100,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would fund a master plan for the City's parks system. A citywide park master plan is a comprehensive document and process that includes an internal assessment, community engagement, resources and data collection, and development of an implementation action plan. Recent efforts for parks master plans seek to create equity-based plans that can help understand the history and current barriers to park access and set a vision and plan to remove those inequities to ensure parks and open space are providing the most benefit to the community. The master plan would be completed in FY 2022-23. Based on the outcomes of the plan, a capital improvement plan would be developed and incorporated in future five-year CIP plans.

FUNDING SOURCES:

Primary funding source for this project would be the Parks Development Impact Fee fund.

ESTIMATED PROJECT SCHEDULE:

RFP	Summer 2022
Master Plan Development	Fall 2022 to Spring 2024

1 Priority descriptions:

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SKYPARK PLAY STRUCTURE EQUIPMENT

Funding	Funding Sources: Prop 68 Grant	General CIP	Unknown	Total
2022-2023	178,000	45,000	260,000	483,000
2023-2024	-	-	-	-
2024-2025	-	-	757,000	757,000
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**178,000**	**45,000**	**1,017,000**	**1,240,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		400,000		-	400,000
2023-2024		-	3%	-	-
2024-2025		558,500	6%	33,500	592,000
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		958,500		33,500	992,000
Contingency	25%	239,600		8,400	248,000
Totals		**1,198,100**		**41,900**	**1,240,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
The play structure in the main playground area at Skypark is showing signs of wear and will need to be replaced with an enhanced play structure that could serve a greater number of community members for a longer period of time. In addition, Skypark is recommended as the optimal playground in the City for new accessible and inclusive park components to expand recreational opportunities for children and families with impaired mobility or disabilities. The project would include equipment demolition and disposal, installation of 13,900 square feet of geotextile fabric, installation of a new play structures in the toddler and 5-12 areas, shade structures, improved drinking fountains, and replacement of approximately 507 cubic yards of engineered wood fiber (EWF) or poured-in-place rubber as the playground surface.

FUNDING SOURCES:
An initial Proposition 68 parks grant of $178,000 is expected for FY 2021-22 requiring a 20% match from General CIP funds. The remainder of the project is unscheduled pending identification of alternate funding sources such as state/federal grants or one-time General Fund revenue sources.

ESTIMATED PROJECT SCHEDULE:

Bids	Summer 2022
Construction	Fall 2022

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

HOCUS POCUS PARK PLAY STRUCTURE EQUIPMENT

	Funding Sources	
Funding	**Parks DIF**	**Total**
2022-2023	-	-
2023-2024	-	-
2024-2025	-	-
2025-2026	520,000	520,000
2026-2027	-	-
Total	**520,000**	**520,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		381,650	9%	34,350	416,000
2026-2027		-	12%	-	-
Subtotal		381,650		34,350	416,000
Contingency	25%	95,400		8,600	104,000
Totals		**477,050**		**42,950**	**520,000**

PROJECT PRIORITY CATEGORY[1]: C

PROJECT DESCRIPTION:

The play structure in the main playground area at Hocus Pocus Park is showing signs of wear and will need to be replaced with an enhanced play structure that could serve a greater number of community members for a longer period of time. The project would include equipment demolition and disposal, installation of 5,750 square feet of geotextile fabric, and installation of a new play structure.

An alternative proposal would use poured-in-place (PIP) rubber as the playground surface rather than EWF.

FUNDING SOURCES:

Primary funding source for this project will be the Parks DIF. Alternative funding that would be pursued prior to expending Parks & Recreation Facilities DIF funds could possibly come from grants or Proposition 68 funds.

ESTIMATED PROJECT SCHEDULE:

Bids	Fall 2025
Construction	Spring 2026

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

(Existing) CIP #39

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

BROOK KNOLL AND VINE HILL CHILDCARE FACILITIES

	Funding Sources	
Funding	**Federal**	**Total**
2022-2023	1,400,000	1,400,000
2023-2024	1,400,000	1,400,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**2,800,000**	**2,800,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		1,200,000		-	1,200,000
2023-2024		1,009,700	3%	30,300	1,040,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		2,209,700		30,300	2,240,000
Contingency	25%	552,400		7,600	560,000
Totals		**2,762,100**		**37,900**	**2,800,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
This project will provide a replacement of the Brook Knoll and Vine Hill daycare modulars. The modulars regularly need major maintenance such as: siding/skirting replacement, ceiling/roof repairs, light covers, flooring, doors, and water leak damage inside walls and to sub flooring. Current repairs consist of temporary patches when damage arises.

The City Council will be setting policy direction on future service delivery of daycare services in the community. Implementation of this project will be subject to those decisions.

FUNDING SOURCES:

Funding for 2022/23 is provided to federal earmarks. Funding for 2023/24 is not identified.

ESTIMATED PROJECT SCHEDULE:

Issue Bids for Construction	TBD
Replacement of Brook Knoll Modular	TBD
Issue Bids for Construction	TBD
Replacement of Vine Hill Modular	TBD

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

(Existing) CIP #40

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SKYPARK TENNIS AREA IMPROVEMENTS

	Funding Sources		
Funding	**Park DIF**	**Lennar**	**Total**
2021-2022	50,000	50,000	100,000
2022-2023	-	-	-
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
Total	**50,000**	**50,000**	**100,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2021-2022		80,000		-	80,000
2022-2023		-	3%	-	-
2023-2024		-	6%	-	-
2024-2025		-	9%	-	-
2025-2026		-	12%	-	-
Subtotal		80,000		-	80,000
Contingency	25%	20,000		-	20,000
Totals		**100,000**		**-**	**100,000**

PROJECT PRIORITY CATEGORY[1]: C

PROJECT DESCRIPTION:

This project will provide storage, new and enlarged parking area, shade structure, and picnic tables in Skypark at the tennis area along the Linear Trail.

FUNDING SOURCES:

Primary funding source for this project will be the Parks DIF for storage, shade structure, and picnic tables. Lennar Funds will be used for the resurfacing and enlarging the parking lot.

ESTIMATED PROJECT SCHEDULE:

Issue Bids for Construction	TBD
Construction	TBD

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

(Existing) CIP #42

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

HVAC REPLACEMENT FOR CITY HALL AND POLICE DEPARTMENT

	Funding Sources	
Funding	**General Fund**	**Total**
2022-2023	600,000	600,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Unscheduled	-	-
Total	**600,000**	**600,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		480,000		-	480,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027			12%		
Unscheduled		-	0%	-	-
Subtotal		480,000		-	480,000
Contingency	25%	120,000		-	120,000
Totals		**600,000**		**-**	**600,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project would replace and/or upgrade the Heating and Air-conditioning units for the City Hall and Police Department facilities. The existing equipment is inefficient and beyond its useful life and needs to be replaced.

FUNDING SOURCES:

General Fund Equipment Replacement Fund reserves will be the funding source for this project.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2022
Bids	Summer 2022
Construction	Fall 2023

1 Priority descriptions:

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

(Existing) CIP #43

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY FACILITY ADA IMPROVEMENTS – PHASE 1

Funding	Funding Sources: General CIP Fund	Total
2022-2023	121,800	121,800
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**121,800**	**121,800**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		97,400		-	97,400
2023-2024			3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		97,400		-	97,400
Contingency	25%	24,400		-	24,400
Totals		**121,800**		**-**	**121,800**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project consists of retrofit work to provide ADA accessibility at non-park City facilities per Phase Two of the assessment completed in 2015 and recorded in the City's Access Audit & Transition Plan. Work to be completed consists of improvements to doorways, restrooms, and exterior routes.

FUNDING SOURCES:

Primary funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Issue Bids	Fall of each year
Construction	Winter of each year

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

(Existing) CIP #44

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY FACILITY ADA IMPROVEMENTS – PHASE 2

Funding	Funding Sources: General CIP Fund	Total
2022-2023	-	-
2023-2024	147,200	147,200
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**147,200**	**147,200**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		114,300	3%	3,400	117,700
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		114,300		3,400	117,700
Contingency	25%	28,600		900	29,500
Totals		**142,900**		**4,300**	**147,200**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project consists of retrofit work to provide ADA accessibility at non-park City facilities per Phase Two of the assessment completed in 2015 and recorded in the City's Access Audit & Transition Plan. Work to be completed consists of improvements to doorways, restrooms, and exterior routes.

This program would not start until the Phase 1 improvements are completed.

FUNDING SOURCES:

Primary funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Winter 2022
Construction	Spring/Summer 2023

1 Priority descriptions:

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

(Existing) CIP #46

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PUBLIC WORKS FACILITY IMPROVEMENTS

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	2,055,000	2,055,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**2,055,000**	**2,055,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		1,644,000		-	1,644,000
2023-2024			3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		1,644,000		-	1,644,000
Contingency	25%	411,000		-	411,000
Totals		**2,055,000**		**-**	**2,055,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
The current Public Works offices consist of modulars constructed in the late 1970s and purchased/moved by the City in FY 1988/89. The modulars regularly need major maintenance such as siding/skirting replacement, ceiling/roof repairs, light covers, flooring, doors, and water leak damage inside walls and to sub flooring. Current repairs consist of temporary patches when damage arises. The modulars are beyond their useful life and require replacement.

The solution being explored would replace the existing modular building and reconfigure the vehicle maintenance facilities to accommodate all Public Works staff. Opportunities could then be explored to repurpose the rest of the facilities.

FUNDING SOURCES:
Funding for this project would be from the General CIP fund as a result of payback of the redevelopment agency loan from the Successor Redevelopment Agency.

ESTIMATED PROJECT SCHEDULE:

Concept	Complete
Final Engineering	Summer 2022
Bid	Fall 2022
Construction	Fall 2022

1 Priority descriptions:

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

(Existing) CIP #47

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PUBLIC WORKS QUONSET HUT REPLACEMENT

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	-	-
2023-2024	318,000	318,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**318,000**	**318,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		257,300	3%	7,700	265,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		257,300		7,700	265,000
Contingency	20%	51,500		1,500	53,000
Totals		**308,800**		**9,200**	**318,000**

PROJECT DESCRIPTION:

This project would replace the Quonset Hut building located in the Public Works Corporation Yard. The existing building is beyond its useful life and needs to be replaced.

FUNDING SOURCES:

Funding for this project would be from the General CIP.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2023
Bids	Spring 2024
Construction	Summer 2024

PROJECT PRIORITY CATEGORY[1]: C

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

(Existing) CIP #48

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PUBLIC WORKS EQUIPMENT STORAGE BUILDING REPLACEMENT

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	-	-
2023-2024	-	-
2024-2025	196,200	196,200
2025-2026		-
2026-2027	-	-
Total	**196,200**	**196,200**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		185,100	6%	11,100	196,200
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		185,100		11,100	196,200
Contingency	0%	-		-	-
Totals		**185,100**		**11,100**	**196,200**

PROJECT DESCRIPTION:

This project would replace the equipment storage building located in the Public Works Corporation Yard. The existing building is beyond its useful life and needs to be replaced.

FUNDING SOURCES:

Funding for this project would be from the General CIP fund.

ESTIMATED PROJECT SCHEDULE:

Design	Spring 2024
Bids	Summer 2024
Construction	Winter/Spring 2025

PROJECT PRIORITY CATEGORY[1]: C

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

(Existing) CIP #49

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

POLICE DEPARTMENT LOCKER ROOM

Funding	Funding Sources: Police Facilities DIF	Total
2022-2023	218,000	218,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**218,000**	**218,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		174,400		-	174,400
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		174,400		-	174,400
Contingency	25%	43,600		-	43,600
Totals		**218,000**		**-**	**218,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

The Police Department locker room is more than 30 years old and is substandard to support current personnel. The shower is operational, but has significant drainage issues.

The scope of this project would involve a remodel of the existing locker room and the adjacent weight room to accommodate male and female officers. The current female locker room would be remodeled and a new shower installed for both male and female police employee use.

FUNDING SOURCES:

Primary funding for this project will come from Police Facilities DIF funds, and can be partially offset by using City Public Works staff.

ESTIMATED PROJECT SCHEDULE:

Design	Summer 2021
Bids	Fall 2021
Construction	Fall 2021/Winter 2022

1 Priority descriptions:

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

(Existing) CIP #50

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

POLICE DEPARTMENT ARMORY

Funding	Funding Sources: Police Development Fees		Total
2022-2023	70,000		70,000
2023-2024	-		-
2024-2025	-		-
2025-2026	-		-
2026-2027	-		-
Total	**70,000**		**70,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		56,000		-	56,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		56,000		-	56,000
Contingency	25%	14,000		-	14,000
Totals		**70,000**		**-**	**70,000**

PROJECT PRIORITY CATEGORY[1]: C

PROJECT DESCRIPTION:

Remodel of existing police armory to bring it up to best practice standards for safety and security. The existing armory has not been upgraded since 1986.

FUNDING SOURCES:

Primary funding source for this project will be Police Development Fees funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2021
Bids	Winter 2021
Construction	Spring 2022

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

(Existing) CIP #51

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY WIDE NETWORK INFRASTRUCTURE UPGRADES

Funding	Funding Sources ARPA		Total
2022-2023	435,000		435,000
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**435,000**	**-**	**435,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		322,200		-	322,200
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		322,200		-	322,200
Contingency	35%	112,800		-	112,800
Totals		**435,000**		**-**	**435,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is a one-time purchase to upgrade the City's network infrastructure to allow migration to an IP-based phone system and to provide greater network redundancy. Project will include purchase of power-over-Ethernet switches, wifi access points, and microwave point-to-point connectivity between buildings. Cabling costs are also included in this project, as some sites might require upgrade of existing CAT-5+ cabling within City facilities to fiber.

FUNDING SOURCES:

Primary funding source for this project is ARPA.

ESTIMATED PROJECT SCHEDULE:

Obtain bids	Summer/Fall 2021
Select Vendor	Fall 2021
Installation	Fall 2021/Spring 2022

1 Priority descriptions:

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

BELT PRESS CONVEYOR REPLACEMENT

Funding	Funding Sources: WWTP Capital	Total
2022-2023	300,000	300,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**300,000**	**300,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		300,000		-	300,000
2023-2024			3%	-	-
2024-2025			6%	-	-
2025-2026			9%	-	-
2026-2027			12%	-	-
Subtotal		300,000		-	300,000
Contingency	0%	-		-	-
Totals		**300,000**		**-**	**300,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project is proposed to replace the original belt press in the waste water dewatering processes. The belt press is essential in reducing the fluid volume of residual waste, improving efficiency of subsequent treatment processes and reducing cost of disposal.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Implementation — Receive Quotes: Fall 2022
Construction: Spring 2023

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

ANNUAL CITYWIDE STREET STRIPING AND SIGNAGED

	Funding Sources			
Funding	**CIP**			**Total**
2022-2023	100,000	-	-	100,000
2023-2024	50,000	-	-	50,000
2024-2025	50,000	-	-	50,000
2025-2026	50,000	-	-	50,000
2026-2027	50,000	-	-	50,000
Total	**300,000**	**-**	**-**	**300,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		100,000		-	100,000
2023-2024		50,000	3%	1,500	51,500
2024-2025		46,200	6%	2,800	49,000
2025-2026		45,000	9%	4,100	49,100
2026-2027		45,000	12%	5,400	50,400
Subtotal		286,200		13,800	300,000
Contingency	0%	-		-	-
Totals		**286,200**		**13,800**	**300,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project will provide for annual restriping and replacement of signage as needed throughout the City. The project will implement ATP projects when addressing locations where projects are identified.

FUNDING SOURCES:

Primary source of funding for this project is the Capital Improvement Plan.

ESTIMATED PROJECT SCHEDULE:

Construction Annually, as needed

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

(NEW) CIP #54

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

GRANITE CREEK OVERCROSSING IMPROVEMENTS

	Funding Sources			
Funding	**RSTPX/GT/CIP**			**Total**
2022-2023	608,800	-	-	608,800
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	-	-	-	-
Total	**608,800**	**-**	**-**	**608,800**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		552,700		-	552,700
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		552,700		-	552,700
Contingency	10%	55,300		-	55,300
Totals		**608,000**		**-**	**608,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

PROJECT DESCRIPTION:

This project will provide for maintenance and upgrades to Granite Creek Overpass, the only pedestrian Hwy 17 overcrossing in the city. The project will repave the overpass's asphalt surface; restripe narrower travel lanes to provide a wider shoulder and/or bike lanes; add green treatment to bike lanes at conflict points; add bike boxes at intersections; upgrade to crosswalks at both intersections to high visibility crosswalks; and replace a failing retaining wall, allowing for AC sidewalks to meet ADA standards.

FUNDING SOURCES:

This project will be funded from the Capital Improvement Projects, Regional Surface Transportation Program Exchange, and Gas Tax funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2022
Bid	Spring 2023
Construction	Summer 2023

1 Priority descriptions:

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

(NEW) CIP #55

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SILTANEN PARK – IRRIGATION SYSTEM REPLACEMENT

Funding	Funding Sources: General CIP Fund	Total
2022-2023	255,000	255,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**255,000**	**255,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		217,400		-	217,400
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		217,400		-	217,400
Contingency	15%	32,600		-	32,600
Totals		**250,000**		**-**	**250,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

Over the past 18 months, the irrigation systems has experienced regular breaks disrupting service and causing costly and time intensive emergency repairs to be performed This project would replace the aging irrigation system at Siltanen Park in its entirety.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Deisgn	Fall 2022
Bid	Winter 2022
Construction	Spring 2023

1 Priority descriptions:

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

(NEW) CIP #56

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY HALL ROOF REPLACEMENT

Funding	Funding Sources: General CIP	Total
2022-2023	285,000	285,000
2023-2024	-	-
2024-2025	-	-
2025-2026		-
2026-2027	-	-
Total	**285,000**	**285,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		237,500		-	237,500
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		237,500		-	237,500
Contingency	20%	47,500		-	47,500
Totals		**285,000**		**-**	**285,000**

PROJECT DESCRIPTION:

The roof of City Hall is original and at the end of its useful life. City maintenance staff have begun to experience regular issues requiring call outs for service to address leaks. This project would replace the roof at City Hall and install solatubes in the Council Chambers.

FUNDING SOURCES:

Funding for this project would be from the General CIP fund.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2022
Bids	Spring 2023
Construction	Summer 2023

PROJECT PRIORITY CATEGORY[1]: A

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

(NEW) CIP #57

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY FACILITIES CONDITION ASSESSMENT

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	75,000	75,000
2023-2024	-	-
2024-2025	-	-
2025-2026		-
2026-2027	-	-
Total	**75,000**	**75,000**

	Expenditure Categories			
Expenditures	**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023	75,000		-	75,000
2023-2024	-	3%	-	-
2024-2025	-	6%	-	-
2025-2026	-	9%	-	-
2026-2027	-	12%	-	-
Subtotal	75,000		-	75,000
Contingency	-		-	-
Totals	**75,000**		**-**	**75,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project would fund an assessment of building facilities though property inspection by certified professionals. The goal of the FCA is to identify the following:

· Routine and/or deferred maintenance
· Systemic deficiencies
· Remaining useful life (RUL) of all major building systems
· Capital replacement needs
· Prioritized list of repairs
· Total building replacement cost

FUNDING SOURCES:

Funding for this project would be from the General CIP fund.

ESTIMATED PROJECT SCHEDULE:

Study Fall 2022

1 Priority descriptions:

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

(NEW) CIP #58

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

POLICE DEPARTMENT FACILITY UPGRADES

Funding	Funding Sources: Police Development Fees	Total
2022-2023	30,000	30,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**30,000**	**30,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		24,000		-	24,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		24,000		-	24,000
Contingency	25%	6,000		-	6,000
Totals		**30,000**		**-**	**30,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project will provide upgrades to the Police Department fitness center

FUNDING SOURCES:

Primary funding source for this project will be Police Development Fees funds.

ESTIMATED PROJECT SCHEDULE:

Bids	Winter 2022
Construction	Spring 2023

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

(NEW) CIP #59

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

UNIVERSAL POWER SUPPLY

	Funding Sources	
Funding	**Police Development Fees**	**Total**
2022-2023	50,000	50,000
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**50,000**	**50,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		40,000		-	40,000
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		40,000		-	40,000
Contingency	25%	10,000		-	10,000
Totals		**50,000**		**-**	**50,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:

This project will replace the Universal Power Supply located in the Police Department.

FUNDING SOURCES:

Primary funding source for this project will be Police Development Fees funds.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2022
Bids	Winter 2022
Construction	Spring 2023

1 Priority descriptions:

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

(NEW) CIP #60

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

FINANCE ERP SYSTEM UPGRADE

Funding	Funding Sources ARPA		Total
2022-2023	400,000		400,000
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**400,000**	**-**	**400,000**

Expenditures	Expenditure Categories Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023	400,000		-	400,000
2023-2024	-	3%	-	-
2024-2025	-	6%	-	-
2025-2026	-	9%	-	-
2026-2027	-	12%	-	-
Subtotal	400,000		-	400,000
Contingency	-		-	-
Totals	**400,000**		**-**	**400,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
This project aims to upgrade the Finance ERP System.

FUNDING SOURCES:
Primary funding source for this project is ARPA.

ESTIMATED PROJECT SCHEDULE:

Obtain bids	Summer/Fall 2022
Select Vendor	Fall 2022
Installation	2023

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

(NEW) CIP #61

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

COMPUTERIZED MAINTENANCE MANAGEMENT SOFTWARE

	Funding Sources		
Funding	**General CIP**		**Total**
2022-2023	250,000		250,000
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
Total	**250,000**	**-**	**250,000**

	Expenditure Categories			
Expenditures	**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023	250,000		-	250,000
2023-2024	-	3%	-	-
2024-2025	-	6%	-	-
2025-2026	-	9%	-	-
2026-2027	-	12%	-	-
Subtotal	250,000		-	250,000
Contingency	-		-	-
Totals	**250,000**		**-**	**250,000**

PROJECT PRIORITY CATEGORY[1]: A

PROJECT DESCRIPTION:
This project will provide the City with a computerized management software that will allow maintenance staff with an asset management program and work order management.

FUNDING SOURCES:
Primary funding source for this project is the CIP General Fund.

ESTIMATED PROJECT SCHEDULE:

Obtain bids	Summer/Fall 2022
Select Vendor	Fall 2022
Installation	2023

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

CITY HALL/POLICE DEPARTMENT GENERATOR REPLACEMENT

	Funding Sources	
Funding	**General CIP**	**Total**
2022-2023	-	-
2023-2024	175,000	175,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**175,000**	**175,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		135,920	3%	4,100	140,020
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		135,920		4,100	140,020
Contingency	25%	33,980		1,000	34,980
Totals		**169,900**		**5,100**	**175,000**

PROJECT DESCRIPTION:

The generator at City Hall is original and at the end of its useful life. This project would fund the replacement of the generator that serves the Police Department and City Hall.

FUNDING SOURCES:

Funding for this project would be from the General CIP fund.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2023
Bids	Spring 2024
Construction	Summer 2024

PROJECT PRIORITY CATEGORY[1]: A

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

HOCUS POCUS BASKETBALL COURT RESURFACING

	Funding Sources	
Funding	**General CIP Fund**	**Total**
2022-2023	-	-
2023-2024	-	-
2024-2025	50,000	50,000
2025-2026	-	-
2026-2027	-	-
Total	**50,000**	**50,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		37,700	6%	2,300	40,000
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		37,700		2,300	40,000
Contingency	25%	9,400		600	10,000
Totals		**47,100**		**2,900**	**50,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project will provide for the resurfacing of the basketball court at Hocus Pocus park.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Spring 2025
Construction	Summer 2025

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

HOCUS POCUS – ELECTRICAL AND LIGHTING REPAIRS

Funding	Funding Sources: General CIP Fund	Total
2022-2023	-	-
2023-2024	75,000	75,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**75,000**	**75,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		58,300	3%	1,700	60,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		58,300		1,700	60,000
Contingency	25%	14,600		400	15,000
Totals		**72,900**		**2,100**	**75,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would provide for electrical and lighting repairs at Hocus Pocus Park.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Spring 2024
Construction	Summer 2024

1 Priority descriptions:

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

MACDORSA PARK – IRRIGATION SYSTEM REPLACEMENT

Funding	General CIP Fund	Total
	Funding Sources	
2022-2023	-	-
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	80,000	80,000
Total	**80,000**	**80,000**

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
		Expenditure Categories			
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		56,200	12%	6,700	62,900
Subtotal		56,200		6,700	62,900
Contingency	25%	14,100		1,700	15,800
Totals		**70,300**		**8,400**	**78,700**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The irrigation in MacDorsa Park is aging and needs replacing to prevent ongoing maintenance costs.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Design	Fall 2026
Bid	Winter 2026
Construction	Spring 2027

1 Priority descriptions:

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

MACDORSA PARK – PLAY STRUCTURE REPLACEMENT

Funding	Funding Sources: General CIP Fund	Total
2022-2023	-	-
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	75,000	75,000
Total	**75,000**	**75,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		56,200	12%	6,700	62,900
Subtotal		56,200		6,700	62,900
Contingency	25%	14,100		1,700	15,800
Totals		**70,300**		**8,400**	**78,700**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would provide funds to replace the play structures at MacDorsa Park.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Winter 2026
Construction	Spring 2027

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

NEW TECHNOLOGY – IDENTIFIED IN WASTEWATER RATE STUDY

Funding Sources

Funding	WWTP Capital	Total
2022-2023	-	-
2023-2024	-	-
2024-2025	-	-
2025-2026	-	-
2026-2027	5,000,000	5,000,000
Total	**5,000,000**	**5,000,000**

Expenditure Categories

Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024			3%	-	-
2024-2025			6%	-	-
2025-2026			9%	-	-
2026-2027		4,464,300	12%	535,700	5,000,000
Subtotal		4,464,300		535,700	5,000,000
Contingency	0%	-		-	-
Totals		**4,464,300**		**535,700**	**5,000,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The wastewater rate study identified the need for future projects currently being evaluated in the wastewater facility master planning efforts. This project is a placeholder for future projects TBD.

FUNDING SOURCES:

Funding source for this project is the Wastewater Capital Reserve Fund.

ESTIMATED PROJECT SCHEDULE:

Project Implementation TBD

1 Priority descriptions:

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

PG&E RULE 20A UTILITY UNDERGROUNDING

Funding	RULE 20A (Funding Sources)			Total
2022-2023		-	-	-
2023-2024	-	-	-	-
2024-2025	-	-	-	-
2025-2026	-	-	-	-
2026-2027	1,261,345	-	-	1,261,345
Total	**1,261,345**	**-**	**-**	**1,261,345**

Expenditures		Estimated Project Cost (Expenditure Categories)	Inflation %	Inflation Escalation	Total
2022-2023				-	-
2023-2024		-		-	-
2024-2025		-		-	-
2025-2026		-		-	-
2026-2027		1,261,345		-	1,261,345
Subtotal		1,261,345		-	1,261,345
Contingency	0%	-		-	-
Totals		**1,261,345**		**-**	**1,261,345**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project will use PG&E Rule 20A funds, which provide the means to eliminate overhead electric facilities on heavily trafficked streets. Funds are required to be utilized on collector or arterial roads and are subject to several criteria for implementation. This project will provide for undergrounding of utilities on Scotts Valley Drive at Glenwood Drive.

FUNDING SOURCES:

Primary source of funding for this project is the PG&E Rule 20A.

ESTIMATED PROJECT SCHEDULE:

Design	Fall/Winter 2026
Bids for Construction	Spring 2027
Construction	Summer 2027

1 Priority descriptions:

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SILTANEN PARK – BLEACHER UPGRADES/REPLACEMENTS

	Funding Sources	
Funding	**General CIP Fund**	**Total**
2022-2023	-	-
2023-2024	-	-
2024-2025	50,000	50,000
2025-2026	-	-
2026-2027	-	-
Total	**50,000**	**50,000**

		Expenditure Categories			
Expenditures		**Estimated Project Cost**	**Inflation %**	**Inflation Escalation**	**Total**
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		37,700	6%	2,300	40,000
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		37,700		2,300	40,000
Contingency	25%	9,400		600	10,000
Totals		**47,100**		**2,900**	**50,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would provide for replacement and upgrade of the bleachers at Siltanen Park.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bids	Fall 2024
Procurement/Construction	Winter 2024

1 Priority descriptions:

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SILTANEN PARK – SOFTBALL FENCING AND NETTING REPLACEMENT

Funding	Funding Sources: General CIP Fund	Total
2022-2023	-	-
2023-2024	50,000	50,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**50,000**	**50,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		38,800	3%	1,200	40,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		38,800		1,200	40,000
Contingency	25%	9,700		300	10,000
Totals		**48,500**		**1,500**	**50,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would provide for replacing aging fencing and netting along the softball fields at Siltanen Park.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Fall 2023
Construction	Winter 2023

1 Priority descriptions:

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

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SKATEPARK – FENCE REPLACEMENT

	Funding Sources	
Funding	General CIP Fund	Total
2022-2023	-	-
2023-2024	-	-
2024-2025	-	-
2025-2026	55,000	55,000
2026-2027	-	-
Total	**55,000**	**55,000**

		Expenditure Categories			
Expenditures		Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		-	3%	-	-
2024-2025		-	6%	-	-
2025-2026		40,400	9%	3,600	44,000
2026-2027		-	12%	-	-
Subtotal		40,400		3,600	44,000
Contingency	25%	10,100		900	11,000
Totals		**50,500**		**4,500**	**55,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

This project would replace the skate park fence, which has been damaged and in need of replacement for the safety of park users.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Fall 2025
Construction	Winter 2026

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

(NEW) CIP #XX

CIP PROJECT DESCRIPTION FOR FIVE-YEAR FINANCIAL PLAN

SKYPARK – PAINTING (BUILDINGS, GAZEBOS, BBQ)

Funding	Funding Sources: General CIP Fund	Total
2022-2023	-	-
2023-2024	55,000	55,000
2024-2025	-	-
2025-2026	-	-
2026-2027	-	-
Total	**55,000**	**55,000**

Expenditures		Expenditure Categories: Estimated Project Cost	Inflation %	Inflation Escalation	Total
2022-2023		-		-	-
2023-2024		42,700	3%	1,300	44,000
2024-2025		-	6%	-	-
2025-2026		-	9%	-	-
2026-2027		-	12%	-	-
Subtotal		42,700		1,300	44,000
Contingency	25%	10,700		300	11,000
Totals		**53,400**		**1,600**	**55,000**

PROJECT PRIORITY CATEGORY[1]: B

PROJECT DESCRIPTION:

The paint and siding of various structures at Skypark and peeling and needing to be rehabilitated. This project would provide funds to repaint Skypark structures such as buildings, gazebos, and barbeques.

FUNDING SOURCES:

Funding source for this project is the General CIP Fund.

ESTIMATED PROJECT SCHEDULE:

Bid	Spring 2024
Construction	Summer 2024

1 Priority descriptions:

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

EXHIBIT A

City of Scotts Valley

Adopted Guiding Budget Principles for FY 2022-23 Annual Budget

The City Council establish a set of budget principles to guide current and future policy makers and staff to ensure the long-term financial sustainability of the City. The budget principles that are listed below are presented as a starting point for consideration and reflect best practices of other local agencies throughout California and the United States.

Budgeting Policies

1. Budget development will be guided by a long-term financial plan proposed by the City Manager and adopted by the City Council and should include considerations such as the cost of deferred maintenance and unfunded liabilities.

2. The budget must be balanced. Specifically, revenue must be equal to or greater than expenses. The total expenses of a department in the new fiscal year will be their expenses from the current fiscal year as modified by MOU changes and minor increases in services and supplies to the extent resources allow. All departments are expected to review their sources of revenue for correctness and validity. All departments are expected to evaluate the impact of uncertainties to revenues from COVID-19 and adjust expenditures accordingly.

3. There will be no unfunded positions included in the budget or staffing resolution. Vacancy Review will be utilized to create budget flexibility in case of loss of revenue, and to ensure the need exists for filling positions. All positions will be reviewed. Any new positions will consider: new revenue for the position to cover the cost of the position and indirect and overhead costs; the need for the position to meet Council Goals; and a reasonable expectation that there will be an ongoing funding stream for any new position.

4. The 2022-23 budget will only use reserve funds for emergency and one-time expenditures or for purposes that the reserve is designated to fund. Every effort will be used to preserve reserve funds at designated levels.

5. The City Manager is authorized to approve administrative adjustments to the adopted budget or reallocate appropriations among departments or divisions within a fund, as long as those changes do not significantly impact policy or affect budgeted year-end fund balances. Any revisions that increase total appropriations in any given fund must be approved by the City Council.

EXHIBIT A

Reserve Policies

6. General Fund reserves should be maintained at a minimum of 17% (or two months) of annual operating expenditures, with a target reserve goal of 30% (three months) of annual operating expenditures, and in no event should be planned to fall below 10% in any year in the long-range forecast beyond the first year.

7. Funding assignments in the General Fund will be used to plan for current and future needs including pension contributions, facility planning, IT infrastructure, economic development activities, economic uncertainty, and general purpose. These assignments reflect the Council's goals and intent to plan for future investments but are not restricted to their assigned use and can be modified as needed to meet the City's needs.

8. Recreation Enterprise Fund reserves have no established minimum reserve, but are expected to be fully supported by the General Fund through fund transfers where necessary to the extent that recreation program revenues and facility rental charges are insufficient to cover operating costs.

9. Wastewater Operations Enterprise Fund should maintain a minimum of 50% (or six months) of annual operating expenditures to meet cash flow needs, plus a $1 million emergency reserve for seismic/catastrophic events, both of which would be incorporated in the Wastewater rate model to plan for future wastewater service rates.

Ongoing Resources and Operations

10. Every effort will be made to restore the level of service provided pre-pandemic, understanding that this will require some departments and programs to reorganize, partner with contracted vendors, and/or invest in time-saving technology.

11. Ongoing expenditures should be supported by ongoing revenues.

12. The City will seek to avoid dependence on temporary or unstable revenues to fund mainstream municipal services where possible.

13. Charges for services should maximize recovery of the full cost of related services, including direct operating costs, and other indirect costs such as capital and overhead costs. Recreation services will seek to fully recover costs where possible.

Use of One-Time (Windfall) Resources

14. One-time revenues will not be used for ongoing expenditures on a continuous basis.

15. Unpredictable revenues, such as those derived from the sale of surplus land assets or inventory, will be treated as one-time revenue and will not be used to support ongoing expenses.

16. One-time resources may only be used to support one-time expenses such as capital investments or to replenish reserves.

Capital Projects

17. When capital projects are considered, all associated costs - including annual operating expenses, debt services, and any additional future costs - will be identified in order to properly assess future financial impacts.

18. Investment in technology will be continued.

Fiscal Sustainability Planning

19. To the extent that the long-range financial forecast indicates a structural gap between projected annual revenues and expenditures, the City will update its existing fiscal sustainability plan or develop and implement a new fiscal sustainability plan to ensure General Fund reserves stay within the reserve policies established by the City Council.

20. Any structural gap in a long-term financial forecast will be addressed in such a way that it is eliminated no later than the final year of the long-range financial forecast (not to exceed 10 years).

21. Service level reductions will be implemented if other strategies are not possible or cannot be achieved in a timely fashion.

22. There will be a high level of fiscal discipline by the Department Heads, Budget Subcommittee, City Manager and City Council. Every effort will be made to maximize City assets, achieve a high level of funding for employee retirement promises, evaluate cost per service item and develop and maintain contracts with vendors within Scotts Valley.

Debt Management

23. Debt will not be used to support ongoing operations.

24. Capital leases may be used as a mid-term borrowing arrangement for fleet, equipment, and technology uses to the extent that the imputed interest rate in any such capital lease is competitive with existing long-term borrowing rates, considers potential maintenance cost savings for assets under the capital lease, and that such costs are incorporated into the long-range financial forecast.

25. Long-term borrowing (three years or more) for capital facilities will be considered as an appropriate method of financial facilities that benefit more than one generation of users and to the extent that existing reserves or other one-time resources are not available.

EXHIBIT A

Other Matters

26. The Wastewater Enterprise fund shall reflect the true cost of operation, including direct and indirect costs of services provided by the General Fund, and be self-reliant upon fees and/or use rates paid by ratepayers.

27. Private development of residential, commercial and/or industrial properties shall pay its fair share of capital improvements that are necessary to serve the development and should not be subsidized by public funds.

28. If the City contributes funds to Non-Profit or Community Partners for other than the purchase of services, it will give priority to one-time initiatives (as opposed to operational subsidies), and to those who demonstrate collaboration with other Community Partners. Funding will be adjusted based upon discretionary revenues available as with other City departments. Loans and advances will not be considered unless extraordinary events occur and must be secured.

RESOLUTION NO. 630.42

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CITY'S ANNUAL BUDGET FOR FISCAL YEAR 2022-23 AND MAKING APPROPRIATIONS FOR THE AMOUNTS BUDGETED

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

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

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

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

1. The City of Scotts Valley's FY 2022-23 Annual Budget for the fiscal year ending June 30, 2023 is hereby approved as set forth in the attached Exhibit A and incorporated herein.

2. The City Manager is hereby delegated responsibility for the administration of the budget and is authorized to transfer appropriations as necessary between departments, except that any transfers between funds must be approved by the City Council.

3. The City Manager is authorized to establish encumbrances from unexpended budget appropriations for operating and/or capital expenditures from the prior and current fiscal year, and shall not certify any encumbrance nor execute any payment in excess of approved department budget appropriations.

4. The City Manager or designee is hereby authorized to establish an operating reserve to accumulate receipts in excess of the estimated revenues as set forth in the budget document. Said reserve is established for the purpose of funding the budget of subsequent years and the receipts in this reserve are hereby appropriated for said purpose.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 15th day of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

RESOLUTION NO. 1501.29

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX FOR THE FISCAL YEAR 2022-23

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

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

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

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

WHEREAS, the proposed FY 2022-23 Annual Budget requires the continuation of the collection of the utilities users' tax.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2023.

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 15th day of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

RESOLUTION NO. 1932.3

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING A MINIMUM RESERVE POLICY FOR THE GENERAL FUND, GENERAL CAPITAL IMPROVEMENT FUND, RECREATION ENTERPRISE FUND AND WASTEWATER ENTERPRISE FUNDS FOR FY 2022-23

WHEREAS, the terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and

WHEREAS, maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and

WHEREAS, the City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and

WHEREAS, the level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that a minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2022-23 and future years, unless amended, as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds
- **General Capital Improvement Fund** – a targeted minimum reserve equal to $500,000 for emergency capital infrastructure replacement needs not funded by other sources
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero ($0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 50% (or, approximately six months) of annual operating expenses, plus $1,000,000 in capital reserves for emergency capital infrastructure replacement.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 15th 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 COUNCIL POLICY MANUAL

TITLE: MINIMUM RESERVE POLICY	**POLICY NUMBER:** 04-17
EFFECTIVE DATE: 6/30/2017	**PAGES:** 1
REVISED DATES: 6/20/2018; 6/16/2021	
APPROVED BY: Derek Timm, Mayor	

POLICY

This policy establishes a minimum reserve policy for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2021-22 and future years unless amended.

SCOPE

- The terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and,
- Maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and,
- The City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and,
- Level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

OBJECTIVES

A minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2021-22 and future years, unless amended as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds;
- **General Capital Improvement Fund** – a targeted minimum reserve equal to $500,000 for emergency capital infrastructure replacement needs not funded by other sources;
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero ($0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves;
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 50% (or, approximately six months) of annual operating expenses, plus $1,000,000 in capital reserves for emergency capital infrastructure replacement.

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Chris Lamm, Public Works Director/City Engineer

APPROVED: Mali LaGoe, City Manager

SUBJECT: SILTANEN POOL RESURFACING

SUMMARY OF ISSUE

A need to resurface the Pool at Siltanen Park was identified in advance of the FY2020/21 budget adoption. The project was defined to provide a substantial repair and replacement of the surface of the pool. Over the years preceding, surface cracks and pieces from the surface would break off causing rough spots at the bottom of the pool. Temporary repairs would be made to hold things over. The project was originally identified for the FY2020/21 budget, but was deferred by a year due to the uncertainty of the impacts of COVID-19 on City finances and the Recreation Division programs.

The City entered into an agreement with a contractor, Adams Pools, in September 2021 after struggling to find contractors to perform the work. The scope of services included: stripping the existing plaster surface, tilework, and re-plastering the surface. The compensation for the work to be performed was $38,164. Despite the contract date, the work was not planned to commence until January 2022. Further delays ensued due to impacts from COVID and work began in April 2022.

Pool work is permitted though the County Environmental Health Department and an inspection in May revealed additional work that would need to be performed. Cracking was found to be present once the plaster was removed. Additionally, the steps and handrails entering the pool were not in compliance with current code, suction outlets were found to be undersized and required to be split, the pool light junction box required replacement, a pool ladder was required to be installed and it was recommended that the existing pool covering mechanism be removed. The current mechanical system and cover are damaged, with no handhold present and the housing was found to be harboring rodents, a common issue for these types of in ground units.

Adams Pools has prepared two change orders for the additional work. Change Order 1, addressing the cracking in the pool structure and County Health inspection items totals $9,967. Change Order 2, addresses the concerns with the pool cover mechanism and housing through its removal. The mechanism and cover would be removed and the housing backfilled. Existing tile and coping around the pool would be removed and replaced to ensure a matching look around the pool. The work for Change Order 2 totals to $21,434. The base bid and change order items total $69,565 which requires Council approval.

Separately, the City will purchase a standalone pool cover to stay in Title 24 compliance for energy conservation. Staff have also engaged a pool maintenance contractor to perform ongoing routine pool maintenance. Once the pool surfacing work is complete and the pool is filled, the pool mechanical equipment will need to be tested to ensure it is operational. At this time, it is not anticipated that the pool will reopen for summer programing.

FISCAL IMPACT

Additional appropriation to CIP Project No. 34, Siltanen Swim Center Pool Resurfacing, will be required to fund the extra work. Staff recommends an additional $6,000 of contingency be added to the project budget for a total project value of $75,000.

STAFF RECOMMENDATION

Staff recommends that Council consider and take the following actions:

1. Authorize an additional budget appropriation and expenditure for the Siltanen Family Swim Center Pool Resurfacing, Project No. 34, in an amount up to $75,000 from General Fund CIP.

2. Authorize the City Manager to execute the two change orders in a form acceptable to the City Attorney.

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CHANGE ORDER

ADAMS POOL SOLUTIONS

adamspools.com

JOB NAME	RES	BUS
SILTANEN PARK	831-438-5854	
JOB ADDRESS 141 VINE HILL SCHOOL RD	CELL	FAX

JOB CITY	STATE	ZIP	EMAIL	CODE
SCOTTS VALLEY	CA	95066	tthomas@scottsvalley.org	

The contract, dated 09/14/2021 **, between Adams Pool Solutions and:**

Job Name ____________________

to be modified as follows:

#1 DEMO MAIN POOL STEPS AS NEEDED

#2 INSTALL REBAR AS NEEDED

#3 INSTALL TWO NEW 3 BEND HANDRAILS WITH ANCHORS

#4 FORM MAIN POOL STEPS AND POUR CONCRETE TO BRING STEP RISERS AND TREADS TO CURRENT HEALTH DEPARTMENT CODE

#5 INSTALL APPROXIMATELY 100FT OF ANTI-FRACTURE MEMBRANES OVER EXISTING STRUCTURAL CRACKS IN THE POOL

Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments.

AT AN ADDITIONAL PRICE OF $ 9967.00

AT A CREDIT ADJUSTMENT OF $ ________

Date: 06/03/2022

PROGRESS PAYMENT AFFECTED BY CHANGE ORDER:

ACCEPTED: ________________ BY: ________________

OWNER (agent) ADAMS POOL SOLUTIONS

NOTE: PLEASE SIGN AND RETURN WHITE COPY TO OFFICE. IMMEDIATE ATTENTION TO THIS MATTER WILL ENABLE TIMELY COMPLETION OF YOUR JOB.

CHANGE ORDER

ADAMS POOL SOLUTIONS

adamspools.com

JOB NAME		RES	BUS
SILTANEN PARK		831-438-5854	

JOB ADDRESS	CELL	FAX
141 VINE HILL SCHOOL RD		

JOB CITY	STATE	ZIP	EMAIL	CODE
SCOTTS VALLEY	CA	95066	tthomas@scottsvalley.org	

The contract, dated 09/14/2021 **, between Adams Pool Solutions and:**

Job Name ______________________

to be modified as follows:

#1 DEMO EXISTING TILE AND COPING FROM AROUND THE POOL AND HAUL ALL DEBRIS TO DUMP

#2 DEMO AND REMOVE EXISTING POOL COVER MECHANISM AND HAUL TO DUMP. TERMINATE AND REMOVE ANY ELECTRICAL LINES ASSOCIATED WITH THE POOL COVER.

#3 INSTALL REBAR AS NEEDED, INSTALL HIGH STRENGTH CONCRETE TO EXTEND DEEP END WALL BEAM FOR NEW COPING.

#4 INSTALL YOUR COLOR CHOICE OF STANDARD 14X24" PRE CAST COPING AROUND THE POOL

#5 INSTALL YOUR CHOICE OF STANDARD WATERLINE TILE AROUND THE INSIDE OF THE POOL

#6 INSTALL ALL NEEDED DEPTH MARKERS AS PER CODE ALONG WATERLINE TILE

#7 BACKFILL EXISTING POOL COVER VAULT WITH CONCRETE, CONCRETE DECK PATCH TO BE BROOM FINISH TO MATCH EXISTING CONCRETE

#8 INSTALL SAND SET MASTIC BETWEEN NEW COPING AND EXISTING CONCRETE

Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments.

AT AN ADDITIONAL PRICE OF $ 21,434.00

AT A CREDIT ADJUSTMENT OF $ ______

Date: 06/03/2022

PROGRESS PAYMENT AFFECTED BY CHANGE ORDER:

ACCEPTED: ______________________ BY: ______________________

OWNER (agent) ADAMS POOL SOLUTIONS

NOTE: PLEASE SIGN AND RETURN WHITE COPY TO OFFICE. IMMEDIATE ATTENTION TO THIS MATTER WILL ENABLE TIMELY COMPLETION OF YOUR JOB.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 16, 2022

TO: Honorable Mayor and City Council

FROM: Mali LaGoe, City Manager

SUBJECT: **HOUSING AUTHORITY OF SANTA CRUZ COUNTY LANDLORD INCENTIVE PROGRAM AGREEMENT**

SUMMARY OF ISSUE

For the past five years, the City of Scotts Valley has partnered with the Housing Authority of Santa Cruz County in support of a countywide Landlord Incentive Program for landlords that rent to families with a Section 8 Housing Choice Voucher. The Landlord Incentive Program reassures property owners to protect their business needs. This risk–mitigation pool has provided up to $5,000 per unit reimbursement to property owners who incur costs upon vacancy, such as unpaid rent or damages that exceed the security deposit, giving landlords even more reassurance that renting to Housing Choice Voucher families is a smart business decision. The program is available to all landlords in Santa Cruz County and cities within the County, and could help hundreds of families and bring millions of additional federal dollars into the Santa Cruz area.

The current agreement expires on June 30, 2022. The Housing Authority of the County of Santa Cruz has secured funding to help expand the program benefits for landlords, with no additional costs for the jurisdictions. The Housing Authority is requesting that the City Council approve a new agreement with no change to the contract dollar amount of $4,040. The new agreement will expire on June 30, 2023.

FISCAL IMPACT

There is no new fiscal impact to the General Fund associated with the Landlord Incentive Program Agreement that will expire on June 30, 2023, as affordable housing funds in the amount of $4,040 are included in the FY 2022-23 budget.

STAFF RECOMMENDATION

It is recommended that the City Council approve the Landlord Incentive Program Agreement for the term of July 1, 2022 through June 30, 2023, and authorize the City Manager to sign the amendment and approve non-monetary and administrative amendments if approved by the City Attorney.

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LANDLORD INCENTIVE PROGRAM

This Agreement ("AGREEMENT") .is entered into on the 1" of July, 2022, by and between the City of Scotts Valley, a Municipal Corporation, hereinafter called CITY and the Housing Authority of the County of Santa Cruz, hereinafter called the Housing Authority. The CITY and the Housing Authority will be referenced as parties to this agreement.

Recitals

WHEREAS, the Housing Authority desires to continue to administer the Landlord Incentive Program in the City of Scotts Valley which provides reimbursement to participating Landlords for certain expenses as outlined in Appendix One (the "Program"); and

WHEREAS, CITY desires to provide funding for the Program subject to the terms of this Agreement;

NOW, THEREFORE, CITY and the Housing Authority for the consideration and upon the terms and conditions hereinafter specified hereby agree as follows:

Term of Agreement:

July 1, 2022 through June 30, 2023.

Grant Funds:

The CITY has allocated a sum of up to Four Thousand and Forty Dollars ($4,040) in grant funds to the Housing Authority for the Program to encourage landlords through risk mitigation, to rent to families with Housing Choice Voucher (HCV) known as Section 8.

Program Requirements:

The Housing Authority will ensure that the Program meets all program requirements and all local, state and federal laws. All work performed by the Housing Authority shall be sufficient to satisfy the CITY's objectives for entering into this AGREEMENT and shall be rendered in accordance with generally accepted practices, and to the standards of the Housing Authority's profession. These requirements are described in Appendix One.

Responsibilities of the Housing Authority:

The Housing Authority will be responsible for managing the Landlord Incentive Program, meeting all Program requirements and providing the activities described in Appendix One. The Housing Authority shall meet with City Manager, called DIRECTOR, or other CITY personnel, or third parties as necessary, on all matters connected with carrying out of the Housing Authority's services described in Appendix One of this AGREEMENT. Such meetings shall be held at the request of either party hereto. Review and CITY approval of completed work shall be obtained quarterly during the course of this work.

Responsibilities of the CITY:

The CITY serves as a source of financing to the Housing Authority for reimbursement of allowable disbursements under the Program up to a maximum amount of $4,040.00. Therefore the CITY shall have certain rights to observe and review the work and to administer the funds made available to the Housing Authority for said work.

The DIRECTOR may authorize a staff person to serve as his or her representative for conferring with the Housing Authority relative to the Housing Authority's services. The work in progress hereunder shall be reviewed from time to time by the CITY at the discretion of the CITY or upon request of the Housing Authority.

Insurance

The Housing Authority shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Housing Authority, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

I. Insurance Services Office Commercial Liability coverage (Occurrence Form CG 0001)
II. Insurance Services Office Form Number CA 0001 covering Automobile Liability Code 1 (any auto)
III. Workers' Compensation insurance as required by the State of California
IV. Errors and Omissions Liability insurance appropriate to the Housing Authority's profession.

Minimum Limits of Insurance

The Housing Authority shall maintain limits no less than:

I. General Liability: $1,000, 000 per occurrence and $2,000,000 in aggregate (including operations, for bodily injury, personal and property damage).
II. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
III. Errors and Omissions Liability: $1,000,000 per claim and in the aggregate.

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or to be endorsed to contain, the following provisions:

I. The CITY, its officers, officials, employees and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed or on behalf of the Housing Authority or automobiles owned, leased, hired or borrowed by the Housing Authority.
II. For any claims related to this project, the Housing Authority's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance maintained by the CITY shall be excess of the Housing Authority's insurance and shall not contribute with it.
III. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after 30 days prior written notice by certified mail, return receipt, has been given to the CITY.
IV. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Verification of Coverage

The Housing Authority shall furnish the CITY with original certificates and amendatory endorsements affecting coverage by this clause. The endorsements should be on forms provided by the CITY or on other than the CITY's forms provided those endorsements conform to CITY requirements. All certificates and endorsements are to be received and approved by the CITY before work commences. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting coverage required by these specifications at any time.

SIGNATURE PAGE

Contract No. ________________________

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

CITY OF SCOTTS VALLEY

By: ____________________________________ ____________________________________

Mali LaGoe, City Manager

Address: 1 Civic Center Drive, Scotts Valley, CA 95066
Telephone: 831-440-5600
Fax: 831-438-2793
Email: mlagoe@scottsvalley.org

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ:

By: ____________________________________ ____________________________________

Jennifer Panetta, Executive Director

Address: 2160 41 St. Avenue
Telephone: 831-454-5955
Fax: 831-469-0136
Email: jennyp@hacosantacruz.org

DISTRIBUTION:

- The Housing Authority Finance Department
- CITY

Appendix One

Term: July 1, 2022 through June 30, 2023.

Program Requirements:
The Housing Authority will ensure that the Landlord Incentive Program meets all program requirements including, but not limited to, the following:

a. US Department of Housing and Urban Development (HUD) Section 8 requirements
b. The Housing Authority policies and procedures
c. Tenant unit was within the jurisdictional boundaries
d. Landlord (or Rental Housing Manager, or Owner, referred to as Landlord) had a valid housing assistance contract with the Housing Authority
e. Landlord and Tenant had a valid lease
f. The unit met HUD High Quality Standards
g. The program claim was within the jurisdiction's allocation
h. The program claim was submitted within 3 months of the AGREEMENT term
i. The program claim was based on the program's allowable expenses

Responsibilities of the Housing Authority:
The Housing Authority will be responsible for providing the following activities under this scope of work.

1. Program Utilization:
   a. Promote the program to landlords and rental housing managers at Housing Authority briefings and via the website
   b. Promote the program to Housing Choice Voucher applicants and participants at Housing Authority briefings and via the website
   c. Update the website when jurisdictional funding has been fully utilized
2. Customer Service through the single point of contact:
   a. Respond to landlord inquiries promptly
   b. Assist the landlord understand how the program works and how to complete the claim form as necessary
3. Accounting Responsibility:
   a. Process claims promptly dependent on availability of funds
   b. Track expenditures for the whole program and by jurisdiction
   c. Maintain financial records as required by 24 CFR 570.502 and 24 CFR 84.21-28 including:
      I. Records of all account transactions, including deposits, disbursements, and balances with an indication of or categorized by finding source
      II. Records of all Returned Grant Funds and the original source of those funds from the CITY
      III. Records indicating the source amounts and uses of administrative funds contributed to the program in accordance with this agreement
      IV. Records of *all* audits and resolutions of audit findings

4. Reimburse Landlords:
    a. Reimburse claims that exceed the security deposit
    b. Reimburse claims that have sufficient documentation
    c. Reimburse claims up to the maximum claim of $5,000. (The City of Scotts Valley would fund the first $2,500 of each claim, and the Housing Authority would fund the remainder of the claim, up to the $5,000 maximum per unit/tenant
    d. Reimburse claims dependent on availability of funds by jurisdiction
    e. Reimburse claims when submitted within 3 months of end of tenancy
    f. Reimburse claims only for the following eligible expenses:
        i. Damages caused by tenant
        ii. Unpaid rent balances after tenant vacates the unit- up to four months' rent, late fees, and utilities
        iii. Vacancy loss in the event of vacancy due to lease termination (not expiration). The maximum claim is 100% of the contract rent for the first 30 days following the vacancy, and 80% of the contract rent for the following 30 days, if the unit remains vacant
        iv. Legal fees associated with termination for lease violations and lease compliance
5. Report and Evaluate:
    a. Requests for reimbursement to the CITY quarterly
        i. Amount of grant funds being requested for each landlord
        ii. Address of the unit
        iii. Type of eligible expense claimed
        iv. Status report on the grant funds to date, including fund balance
    b. Quarterly progress reports within 30 days following the end of each quarter
        i. Number of Landlord claims
        ii. Total amount of funding provided for claims
        iii. Status of funding balance
        iv. Number of Landlords who applied for but did not qualify for assistance from the program
    c. Annual Report to evaluate the effectiveness of the program within 45 days following the completion of the program year
        i. Summary of the number of landlords assisted
        ii. Summary of the number of times landlords were assisted (as a landlord may make claims on more than one unit
        iii. Narrative description of the key accomplishments of the landlord incentive program during the year

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Casey Estorga, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Professional Services Agreement between Hinderliter De Llamas (HDL) and Associates and the City of Scotts Valley for Business License Processing and Related Services**

SUMMARY OF ISSUE

The City of Scotts Valley's Administrative Services Department provides strategic support in the areas of accounting, budget, asset management, human resources, information technology, and risk management. The City continues to introduce operational efficiencies, including by adopting technology when possible and necessary.

The pandemic created an increased need for either fully remote services and/or limited in-person services. The manual nature of the City's historical business license application process magnified the significant administrative burden to the business community and staff. With limited technology department-wide, it became inefficient to route documents for wet signatures throughout various city departments. The pandemic exacerbated the need for a technology solution to this process, with the City quickly exploring alternatives to sustain service levels. The City's research indicates the use of a consultant with the expertise and technological resources necessary to process online business license applications would be mutually beneficial to the entire business community and City as a whole.

Requirements

The City of Scotts Valley is required to issue business licenses pursuant to Municipal Code section 5.04.010, noting any person or company conducting business within Scotts Valley city limits shall obtain a business license. Additionally, California Senate Bill No. 1186 imposes a state fee of $4.00, which the City shall collect, on any applicant for a local business license for purposes of increasing disability access and compliance with construction-related accessibility requirements and developing educational resources for businesses to facilitate compliance with federal and state disability laws.

There is a substantial administrative burden to accomplish these duties and comply with both local and state law. The City is challenged with balancing numerous priorities including staffing capacity, the safety of staff and the public during a pandemic, and the general desire and demand for online services.

Background

The City of Scotts Valley has an existing relationship with HDL to provide online business licensing and other services. This request before the City Council is to delegate authority to the City Manager to memorialize that relationship by negotiating a comprehensive professional services agreement. This agreement would allow the City to continue offering Scotts Valley businesses the convenience of an online business licensing service without the need for a customer to visit City Hall in-person, during regular business hours (which are currently limited). Additionally, the City's ability to schedule a person for front counter hours to process business license applications is not feasible given the City's current operational demands and the lingering pandemic. Further, the online, 24/7 business license services from HDL are an example of the City's contemporary approach to service delivery and a model that directly benefits the customer and City.

HDL has been identified as the preferred vendor due to their prior satisfactory performance in delivering like services, significant efficiencies to the City's operation during the trial period, and special expertise of HDL & Associates for similar tax auditing services (sales tax and utility users tax),

FISCAL IMPACT

The fee to HDL & Associates is $14.99 for each processed account, which includes applications for new licenses and annual renewals. Discovery and audit service fees are 35% of the revenue received. The collection service fee is 25% of the revenue received.

Based on historical activity, the City estimates HDL will process approximately 1,200 new licenses and/or annual renewals in a 12-month period. At this level of activity, the costs of business license issuance services are approximately $18,000 per year. The costs of any discovery, audit, and collection services would be additional following schedule discussed in the paragraph above.

STAFF RECOMMENDATION

Authorize the City Manager to negotiate and execute agreement, in a form approved by the City Attorney, with Hinderliter De Llamas (HDL) & Associates, LLC to provide business license and related services for the City of Scotts Valley.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

PREPARED BY: Casey Estorga, Administrative Services Director

FROM: Mali LaGoe, City Manager

SUBJECT: **CYBER ASCEND TECHNOLOGIES CONTRACT AMENDMENT**

SUMMARY OF ISSUE

In November 2021 the City of Scotts Valley entered into an Agreement for Professional Services with Cyber Ascend Technologies for Information Technology (IT) services. Cyber Ascend, a company based in Scotts Valley, was able to quickly respond to an urgent need for IT support at a time when the City's technology demands, customer support challenges, and overall use of technology products had exponentially grown. The needs were exacerbated when the City's former IT service provider became unable to provide this new level of service required by the City's modern operation.

At that time, the City entered into an agreement with Cyber Ascend Technologies with a term expiring June 30, 2022 with a not-to-exceed amount of $45,900. Based on the City's purchasing rules, that agreement was signed by the City Manager. The scope of work, and not-to-exceed amount, included within the original agreement was based on an expectation that the City would have negotiated a new Master Services Agreement by completing a Request For Proposal (RFP) process and competitive bids. However, that timeline has not been met, primarily due to reasons outside of the City's control.

The proposed amendment will allow the City to meet it's short-term IT service needs by continuing a partnership with the existing service provider, Cyber Ascend Technologies. The City's long-term service provider has not yet been identified and will be subject to a competitive RFP process. The City is scheduled to issue a RFP to secure a robust level of long-term IT services using the following timeline:

- **June 2022:** City releases RFP
- **July 2022:** RFP responses due to City
- **August/September 2022:** City reviews and interviews responsive proposals
- **October 2022:** City awards contract
- **November/December 2022:** City transitions to long-term service provider

Notably, the services the City has been receiving from Cyber Ascend Technologies since November 2021 have consistently met the City's needs. Cyber Ascend staff are highly skilled and incredibly professional. As a result, City staff and the broader Scotts Valley community have greatly benefited from the existing partnership.

Amendments to the scope of work section of the agreement will be negotiated by the City Manager and Cyber Ascend Technologies, and are proposed to include the following:

- Act as a technical liaison between CITY and other IT contractors; and
- Make recommendations to CITY related to IT project prioritization, IT project scope definition, and general IT project management services based on findings in the IT Assessment prepared by Management Partners, dated January 25, 2019; and
- Provide technical support for large-scale in-process and future IT projects as directed by CITY; and
- Provide user desktop support as needed, especially as it relates to issues impacting multiple users; and
- Make recommendations to CITY about IT best practices, including training and safety protocols as well as the use of contemporary hardware, software, and/or IT services with an emphasis on risk management and continuity of operations; and
- Provide other IT services as mutually agreed upon by CONTRACTOR and CITY.
- Provide after-hours support for critical issues reported by CITY. Critical issues are defined as High Impact and High Urgency. (Service Level agreement or SLAs for critical issues will have scheduled response times.)

Amendments to the compensation section of the agreement will be negotiated by the City Manager and Cyber Ascend Technologies, and are proposed to include the following:

- A standard rate of one hundred thirty-five dollars ($135.00) per hour for all time spent providing direct services to CITY. CONTRACTOR will invoice CITY for actual hours worked, with service needs estimated 40 hours per week. Hourly work provided by CONTRACTOR not to exceed one thousand two hundred (1,200) total hours and shall be billed at no less than 15-minute increments. Total amount billed for standard hourly services shall not exceed one hundred sixty-two thousand dollars ($162,000).
- A rate of two hundred and twenty-five dollars ($225.00) per hour for remote, after-hours triage work and two hundred and eighty dollars ($280.00) per hour for on-site, after-hours triage work. Total amount billed for after-hours hourly services shall not exceed eighteen thousand dollars ($18,000).

The total value of the contract amendment will include a not-to-exceed amount of one hundred eighty thousand dollars ($180,000). Notably, this proposed amendment includes costs and services that are in-line with market costs for similar services while aligning with IT service level demands of City staff and Scotts Valley residents.

FISCAL IMPACT

The proposed amendment to the agreement with Cyber Ascend Technologies will extend the term through December 31, 2022 add will increase compensation in the amount of one hundred eighty thousand dollars ($180,000). This would be in addition to the original agreement singed in November 2021 that had a total value of forty-five thousand nine hundred dollars ($45,900). Total costs of IT services with Cyber Ascend Technologies would not exceed two hundred twenty-five thousand nine hundred dollars ($225,900).

Funding for the original agreement and the proposed amendment have been included in the FY 2021-22 Amended Budget and the FY 2022-23 Final Proposed Budget.

STAFF RECOMMENDATION

Staff recommends the City Council authorizes the City Manager to negotiate and sign an amendment to the Professional Services Agreement, in a form approved by the City Attorney, between the City and Cyber Ascend Technologies.

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AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services ("Agreement") is made and entered into as of November 29, 2021, by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "CITY", and Cyber Ascend Technologies, hereinafter referred to as "CONSULTANT".

RECITALS

A. CITY desires to retain Consultant for certain professional services as set forth in this Agreement.

B. CONSULTANT is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

C. CONSULTANT possesses the skill, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, CITY and CONSULTANT agree as follows:

AGREEMENT

1. **Employment of CONSULTANT**: CITY agrees to, and hereby does, retain and employ CONSULTANT to perform the professional services as outlined in the Scope of Work attached hereto and incorporated herein as Exhibit "A". CONSULTANT'S work product shall be performed pursuant to generally accepted standards of practice in effect at the time of performance.

2. **Responsible Personnel**: CITY has relied upon the professional training and ability of CONSULTANT to perform the services hereunder as a material inducement to enter into this Agreement. Primary personnel responsible for the completion of the work described in this Agreement shall be: Phil Neuman, Founder/CEO, Cyber Ascend Technologies, whose address is 4615 Scotts Valley Drive, Suite A, Scotts Valley, CA 95066. Telephone: (831) 621-2440; Email: info@cyastech.com

3. **Scope of Work:** CONSULTANT shall perform the services as specified in Exhibit A in a professional manner.

4. **Time of Performance:** The services of CONSULTANT are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the CITY. All such work shall be completed no later than June 30, 2022. Time is of the essence in the performance of this Agreement. No waiver by either party hereto of the nonperformance or any breach of any term, provision, or condition of this Agreement, or any default hereunder shall be considered to be or operate as a waiver of any subsequent nonperformance, breach or default.

5. **Compensation:** CONSULTANT shall accept compensation for services performed as set forth in Section 3 in an amount not to exceed $45,900.00. Periodic payments to CONSULTANT shall be made upon submittal of invoices by CONSULTANT to CITY for review and approval by the City Manager. Invoices will be paid by CITY within a reasonable time after the invoices are received and approved.

6. **Insurance:** CONSULTANT agrees to have and maintain, for the duration of the contract, the following:

i. General Liability insurance policies insuring him/her and his/her firm to an amount not less than One Million Dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

ii. Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than One Million Dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. CONSULTANT agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is sufficient to insure CONSULTANT for professional errors or omissions in the performance of the particular scope of work under this agreement.

iv. CONSULTANT shall provide to the CITY all certificates of insurance, with original endorsements effecting coverage. CONSULTANT agrees that all certificates and endorsements are to be received and approved by the CITY before work commences.

v. The CONSULTANT'S insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self -insurances maintained by the CITY, its officers, officials, employees or volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.

7. **Indemnity:** CONSULTANT shall hold harmless, indemnify and defend CITY, its elective and appointive boards, commissions, officers, agents, servants, volunteers, and employees from and against any and all claims, costs, damages, liability, losses, or suits (including court costs and attorney fees) for personal injury (including death), property damage and any other damages of any sort whatsoever, arising out of, or alleged to have arisen out of, the willful or negligent acts, errors, or omissions of CONSULTANT or CONSULTANT'S contractors, subcontractors, agents, or employees in the performance of this Agreement. This indemnity shall not apply to any claims brought by CONSULTANT for default of this Agreement, or for claims brought by CITY or any third party where the

underlying injury or damage is finally determined by a court of competent jurisdiction to arise solely from the negligent or willful misconduct of CITY.

8. **Termination:** This Agreement may be terminated by the CITY immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, CONSULTANT shall be entitled to compensation for services performed up to the effective date of termination.

CONSULTANT shall accept, for itself, as full payment for services rendered and all work to be done and performed hereunder and in complete satisfaction of all claims against CITY by reason of voluntary abandonment or suspension of work or termination of the Agreement, the sum determined on an hourly basis in accordance with the provisions of this Agreement, or any modification of amendment thereto, plus all direct expenses incurred, including those expenses incurred which are directly attributable to the incomplete portion of the work which could not be canceled.

In the event of termination, CONSULTANT shall deliver as a condition to the payment of the compensation provided for above, or otherwise make available to CITY, all research data, reports, estimates, summaries, and other such information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether completed or in process in accordance with Section 9 of this Agreement.

9. **Documents:** Notes, studies, chain, computations, electronic files, and other data and information obtained by CONSULTANT for this project shall, upon receipt of payment for services rendered, be made available to CITY by CONSULTANT at CITY'S request and shall become the property of CITY. In the event CITY alters the document, CITY agrees CONSULTANT shall have no responsibility whatsoever for any claim arising out of, or alleged to have risen out of, use of the altered document.

All plans, studies, documents, charts, computations, and electronic files prepared by and for CONSULTANT, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the CITY upon payment to CONSULTANT for such work, and the CITY shall have the sole right to use such materials in its discretion without further compensation to CONSULTANT or to any other party. CONSULTANT shall, at CONSULTANT'S expense, provide such reports, plans, studies, documents and other writings to CITY upon written request.

10. **Independent Contractor:** CONTRACTOR is an independent contractor retained by CITY to perform the work described herein. ALL personnel employed by CONSULTANT are not and shall not be deemed to be employees of CITY. CONSULTANT shall obtain no rights to retirement benefits or other benefits that accrue

to CITY'S employees, and CONSULTANT hereby expressly waives any claim it may have to such rights. CONSULTANT shall comply with all state and federal laws pertaining to employment and compensation of its employees and its agents, including the provision of Workers' Compensation.

11. **Licenses:** CONSULTANT represents and warrants to CITY that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of CONSULTANT to practice its profession. Consultant shall maintain a City of Scotts Valley business license.

12. **Assignment:** The parties recognize that a substantial inducement to CITY for entering into this Agreement is the professional reputation, experience and competence of CONSULTANT. Assignments of any or all rights, duties or obligations of the CONSULTANT under this Agreement will be permitted only with the express consent of the CITY. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the CITY. If the CITY consents to such subcontract, CONSULTANT shall be fully responsible to CITY for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between CITY and subcontractor nor shall it create any obligation on the part of the CITY to pay or to see to the payment of any monies due to any such contractor other than as otherwise required by law.

13. **Binding on Successors:** This Agreement is binding on the heirs, successors and assigns of the parties hereto.

14. **Amendment:** This Agreement may be amended, modified or changed by the parties, provided that said Agreement, modification or change is in writing and approved by the authorized representative of the parties.

15. **Applicable Law and Attorney's Fees:** This Agreement shall be construed and enforced in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Santa Cruz. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision of the Agreement, the prevailing party of such action shall be entitled to recover its reasonable litigation expenses, including attorney fees.

16. **Entire Agreement:** This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings. Whether oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. The

drafting and negotiation of this Agreement have been participated in by each of the parties and/or their counsel, and for all purposes this Agreement shall be deemed to have been drafted jointly by all parties.

17. **Waiver:** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this agreement.

18. **Severability:** If any term or portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

WITNESS WHEREOF this Agreement is executed by CITY and by CONSULTANT on this 29 day of November, 2021, at Scotts Valley, California.

CONSULTANT:	CITY: CITY OF SCOTTS VALLEY
DocuSigned by: Phil Neuman B7010000ED324DF...	DocuSigned by: Casey Estorga BE27D37DCF224ED...
By: Phil Neuman, Founder/CEO	Casey Estorga, Acting City Manager
APPROVED AS TO FORM:	ATTEST:
DocuSigned by: Kirsten Powell 00F15E0E71244B4...	DocuSigned by: Tracy Ferrara 554BD60C6488411...
Kirsten M. Powell, City Attorney	Tracy A. Ferrara, City Clerk

EXHIBIT "A"

SCOPE OF WORK

1. CONTRACTOR shall support CITY's day-to-day information technology (IT) needs by performing the following primary functions:

    a. Act as a technical liaison between CITY and other IT contractors; and

    b. Make recommendations to CITY related to IT project prioritization, IT project scope definition, and general IT project management services based on findings in the IT Assessment prepared by Management Partners, dated January 25, 2019 (attached); and

    c. Provide technical support for large-scale IT projects, including technical support for an upgrade to the City's telephone system and technical support for IT improvements related to the introduction hybrid City Council meetings; and

    d. Provided user desktop support as needed, especially as it relates to issues impacting multiple users; and

    e. Make recommendations to CITY about IT best practices, including training and safety protocols as well as the use of contemporary hardware, software, and/or IT services with an emphasis on risk management and continuity of operations; and

    f. Other IT services as mutually agreed upon by CONTRACTOR and CITY.

2. CONTRACTOR shall be paid at the following rate:

    a. A lump sum of five thousand four hundred dollars ($5,400.00) for 40.00 hours of work at a rate of $135.00 per hour for the start-up work necessary to familiarize themselves with CITY's technology infrastructure, to review and analyze the IT Assessment plan prepared by Management Partners, and to attend necessary start-up meetings between CITY and other IT contractors, and other general activities necessary to best serve the CITY in this agreement.

    b. A rate of one hundred thirty-five dollars ($135.00) per hour for all other time spent providing direct services to CITY. CONTRACTOR will invoice CITY for actual hours worked, with service needs at approximately 10-20 hours per week. Hourly work provided by CONTRACTOR not to exceed three hundred (300.00) total hours and shall be billed at no less than 15-minute increments. Total amount billed for hourly services shall not exceed forty thousand five hundred dollars ($40,500.00).

c. Total value of this agreement shall not exceed forty-five thousand nine hundred dollars ($45,900.00).

Management Partners

To: Jenny Haruyama, City Manager
Tony McFarlane, Administrative Services Director

From: Nancy Hettrick, Management Partners
Joan Schoening, Management Partners

Subject: Observations and Preliminary Recommendations on the Assessment of Information Technology for the City of Scotts Valley

Date: January 25, 2019

Management Partners was retained to conduct an assessment of information technology (IT) at the City of Scotts Valley and identify service gaps and recommendations to strengthen the services provided to customer departments. The assessment of information technology functions included interviews with each City department, staff responsible for IT projects and the outsourced IT services vendor.

Background

The City of Scotts Valley has established technology solutions in some City departments (i.e., RIMS, GFS Municipal Software, Active Net, Wonderware, and Civic Plus) to support the business needs and requirements of the organization and community. Several departments use access databases developed by a former employee (i.e., FERD). This provides staff the ability to collect data; however, the databases are no longer supported, some reports do not work properly and staff does not have confidence in the accuracy of data. There is still a high reliance on paper and the use of tools such as excel to track information. Some solutions are meeting the expectations of the City, others do not.

Observation on Staffing

In June of 2011 the City contracted with Stepford to provide information technology services. The scope of services includes:

- Discovery, gap analysis and needs assessment (one time)
- Propose a list of non-recurring initial projects to bring facilities, technology and processes up to a maintainable condition; the projects would include a business case and justification for each item
- Provide technical support (based on a defined list of services) to be completed for a fixed monthly fee accomplished via onsite, or remote support via phone, e-mail and remote desktop support

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3152 Red Hill Avenue, Suite 210 • Costa Mesa, California 92626 • 949 222 1082 • Fax 408 453 6191

- Special projects to be defined as needs arise and the vendor would provide a proposal, quote for labor and materials and a work plan. Ad-hoc service requests that require on-site technician out of the scope of regular visits are billed as additional hours
- Emergency services that require on-site support out of the scope of regularly scheduled visits are billed separately at established rates (i.e., billed as overtime rates).

The oversight of technology is currently managed by the Police Department (PD) Services Supervisor. She was identified as the City's IT Project Manager and supports the technology needs of all City departments, including linking staff to Stepford for basic support. She provides day-to-day end user desktop support (including all PD software and patrol vehicles technology), network, server and application support; manages and directs outsourced IT vendor, manages the technology budget and projects, and purchases technology.

Managing the City's technology requires prioritization of available resources to support core and critical technology operations for the City. It is a challenge to do all this with the capacity limitations of the PD Services Supervisor and available time through the outsourced IT vendor contract.

Observations on CORE IT Service Delivery
There were several common themes that emerged during interviews.

- There is confusion about the responsibilities of the outsourced IT vendor and the vendor's responsiveness (lack of)
- Staff rely on paper and standalone applications (i.e., Excel) and there is a general lack of automation and software systems to process City business
- Understanding the best tools / options available to use for the varying level of consumers in the City is needed; there is a lack of training
- Ensuring the availability of technology
- Some software systems are outdated;
- The lack of a long-term plan to fund technology or manage the investment in technology is worrisome to all (staff understands the City's financial limitations)
- There is minimal oversight and analysis by a technology expert

Overall, staff reported that while there are some areas where the City has advanced technology in place, in most cases the systems are outdated or nonexistent. Staff is frustrated by the lack of modern software systems; only a few who rely on paper are comfortable with existing processes. All City staff believe fiscal constraints have impacted the City's ability to put the right resources in place to help.

Recently IT has focused technology resources on updating and stabilizing the network servers and infrastructures. In order to manage the outsourced vendor within available hours, the priority has been to ensure the network is reliable, to upgrade critical equipment and provide day to day support. In essence, the priority has been to keep existing systems running. The PD Services Supervisor recognizes that the City needs to enhance technology and understands the impact it would have on the organization but limited by personnel and funding resources and the realities of old equipment.

The Table below provides examples of issues observed in eight IT core service areas.

	Core Service Area	Level of Service			Example of Service or System Failure
		Reasonable	Gaps	Critical	
I.	Strategic Planning and Governance		✓	✓	• IT is fit into the schedule of existing staff • Lack of City IT policies (IT Use Policy, Cell Phone, Electronic Communication Policy, Critical Infrastructure Procedures, Change Management, File Retention Schedule) • No policy/procedures on how technology is brought into the organization • Existing IT Contract contains no service level agreement (SLA) metrics such as availability, reliability and services • Staff unable to dedicate time to long term project planning and management
II.	Information Security Management		✓	✓	• No independent security review by an expert has been completed; of critical concern there is no in-house security expert and the City's contract with outsourced service does not provide the City adequate oversight • PD has a Password Policy, but City Hall network does not. • Non-PD employees are not required to change passwords, ever. • List of PD employee passwords are kept in locked cabinet • Potential Payment Card Industry (PCI) compliance concerns related to credit card use
III.	Third Party Application Support/ Maintenance		✓	✓	• Some departments have no software applications to manage department requirements (planning, permitting) • Use of access database applications that are no longer supported; some functions no longer work (i.e., FERD) • Do not fully utilize existing software modules to allow for automation (Recreation)

	Core Service Area	Level of Service			Example of Service or System Failure
		Reasonable	Gaps	Critical	
IV.	Budget and Financial Management		✓		• Lack of resources to maintain inventories • Limited IT funding • Pay as you go practice
V.	Desktop Hardware/ Software Maintenance Support	✓	✓	✓	• Malware identified as issue, but virus scans in some cases are manual rather than automated scans • No backup to PD Services Supervisor role • Staff confusion on difference between need to use Terminal Server versus desktop applications; results in staff believing they cannot do what they need via Terminal • Java plugin issues impact staff's ability to use software • Use of local administrative rights for certain users is a security risk • No user satisfaction surveys are done to know level of satisfaction with IT Services • Lack of technology training leads to more support calls
VI.	Server Support/ Administration		✓		• No citywide Disaster Recovery/Continuity Plan • Not utilizing group policy to push updates; resulting in manual work
VII.	Telecommunication		✓	✓	• City has three different phone systems, no ability to manage centrally • Wiring and network improvements are needed prior to implementation of a new phone system (VoIP)
VIII.	Network Management	✓	✓		• Limited funding delays equipment replacement • Building generator needs to be replaced

Within these core service areas, some gaps and risks have been identified that can be used to guide the City in a work plan.

I. Strategic Planning and Governance

Technology Resources, Strategic Planning and Project Management

The primary City staff person responsible for IT is responsible for project management, day-to-day administration of servers, networks and desktops along with managing a critical area in the Police Department as the Services Supervisor for dispatch and records. The Services Supervisor responsibilities include regular interaction with other County agencies. Organizations with limited resources assigned to technology will find managing the normal day to day technology along with short-term IT projects lead to a reactive technology effort. Technology is naturally disruptive, every day something is likely to occur that will require attention or focus. It is difficult to work on the plan and management of citywide technology projects to the degree that is needed when combined with the other duties.

The assigned IT staff person understands that the City has many technology challenges and focuses the resources on ensuring things that must get done are completed and works to renew technology as funds are available. The current technology plans have focused in key areas including network, infrastructure (i.e., wiring), servers, and desktops.

The City's current outsourced contract was signed in 2011. The contact has been renewed annually with no changes to the original contract. The contract services (noted in the background section above) are limited. Today, many agencies are evaluating how managed services providers (MSP) can provide outsourced IT support. A technology services provider will manage and assumes responsibility based on a defined set of services. It would be beneficial for the City to reassess their IT needs and consider a request for proposals (RFP) for Managed Service providers. A full needs assessment would be needed to determine the type and quantity of services the City may need.

Recommendation 1. Conduct an IT needs assessment of all technology support requirements related to the current environment and identify key strategic objectives and initiatives (i.e., software systems) to identify scope of services for an outsourced contractor.

Recommendation 2. Contract with a consultant experienced in managed services providers to create an RFP for outsourced IT services that may include sections such as: definition of services, roles, responsibilities, service level metrics, service reporting, pricing, and service level agreements (SLA).

Recommendation 3. Identify an IT champion within the City who will ensure IT projects and systems are discussed regularly with City Management.

Recommendation 4. Initiate a short-term engagement for an IT Manager to assist the City with key recommendations. (#1, #2, #5, #9, #11, #12, #13). The temporary IT Manager could help expedite the City's ability to implement key recommendations and assist the City with a long-term strategic plan.

Policies and Procedures

The lack of formal policies and procedures have made it difficult for staff to implement standards and procedures which has resulted in inadequate internal controls. Standard IT policies and forms for citywide and IT staff do not exist or were not found. Typically, policies would include an IT Use Policy, Internet Policy, Security Policy, Electronic Communication Policy, Remote Access Policy, New Project Request, New/Replacement System Request, Citywide technology standards, disposal of old equipment, and a document/file retention schedule. The Police Department has IT policies incorporated into to their general orders.

Procedures necessary to ensure systems are well-managed and documented are either not in place or not maintained regularly**.** Typically, IT would have daily operational polices and backup procedures documented to identify who is responsible to do the work, define the tasks to be completed and document the work completed. Change management logs are extremely useful to ensure changes are documented (i.e., software patches applied) so they can easily be rolled back if needed.

Other documented procedures typically include: management of software licenses; backup/restore testing programs; patch management; identification, creation and maintenance of critical information technology systems; maintenance of software, documentation of major application systems; disaster recovery plan; emergency replacement of equipment; and reviews of security across network and applications (user account reviews, risk assessments, protection from unauthorized use, PCI compliance, encryption strategies). In Scotts Valley's case, this would be included as part of the IT outsourced contract.

Recommendation 5. Develop and adopt comprehensive IT policies and procedures and train staff citywide as part of the implementation.

II. Information Security Management

Cyber Security and Resilience

Cyber-security is an ongoing issue that every city faces and it requires a skilled expert to provide this oversight. Many agencies are finding it is not practical to develop this expertise in house and are relying on contract services to provide it. A security audit is needed to ensure the City and the public safety networks are secure and meet all City requirements. The audit should be completed to identify any potential issues in the City's current network. Most agencies conduct such an assessment. Staff noted the City had just completed a Department of Justice (DOJ) audit related to CLET's but a formal security audit is needed above and beyond a DOJ audit.

Police department staff change their passwords regular to meet Department of Justice guidelines related to CLETS use. For Police department employees, the PD Services Supervisor keeps a list of staff passwords in a locked cabinet to troubleshoot issues when the staff member is away from their desk. This is of serious concern and not needed to troubleshoot issues. At no time should IT know the passwords of staff. At no time should IT maintain a list of passwords. Staff should reset their own passwords.

City Hall staff do not have to change their password. Anytime a password needs to be changed, the PD Services Supervisor does it for the employee (asks what they want to password to be, then sets it).

Recommendation 6. Eliminate use of a list of user passwords.

Recommendation 7. Implement the ability for all city staff to reset their passwords. Typically, IT provides a temporary password and then the system force the user to change at next login.

Recommendation 8. Implement the same Police department password policy Citywide.

Recommendation 9. Hire a professional security firm to conduct a comprehensive IT security audit of the City's network.

a. Ensure compliance with requirements such as those required by the Department of Justice and PCI.
b. Implement an annual review to ensure the security requirements are maintained.

Recommendation 10. Implement a security awareness plan and training for all employees. Consider outside resources to provide the service.

III. Third Party Application Support / Maintenance

Software Systems

The City has some software applications in place to support the needs of departments, but the lack of software in key areas has led the City to rely on paper and manual processes. This reliance on paper rather than an automated system means that staff will take longer to process a simple request from the public in a timely manner. City staff are used to using manual processes and some do not necessarily see the value that software applications and automation would provide because of their comfort with existing procedures and processes. Community Development and Public Works are especially impacted by the lack of software systems.

Software System	Responsible Department	Observations
GFS	Finance	Finance Department uses GFS to process general ledger, accounts payable, payroll, accounts receivable, fixed assets, and purchasing. The system is only available to Finance staff. Departments use paper transactions (e.g., purchase orders), which are then entered into the GFS system by Finance staff. Timecards are paper-based. Departments use Excel to create time cards, charging projects or seeking reimbursements is not accurately processed (measured as impact to general fund).

Software System	Responsible Department	Observations
		City staff have no ability to run reports; must rely on Finance to produce.
Business Licenses	Finance	Business Licenses are manual. A pdf form is available on the City's website. A database contain information but there is no way to research or monitor new businesses. The City only accepts checks and cash (no credit cards at City Hall). Staff indicated that processing existing renewals in accounts receivable is not time consuming; processing new accounts is time consuming for Finance staff. The assigned staff is not available to the public.
Human Resources	City Clerk	The City utilizes software for basic personnel data and payroll but there is not a full human resources information system (HRIS). Employee reviews are manual. Recruitment process is all manual (paper applications only).
GIS	Public Works	GIS needs are supported by a consultant. Described as simplistic, there are some layers and shape files but not in a specific system. Standalone use of AutoCAD
Maintenance Systems (CMMS)	Public Works	No software system in place. Paper processes. Staff would like a computer maintenance system and a system to help manage projects (i.e., CIP)
Building Permits	Community Development	No software system in place. Paper processes. City uses contract inspectors but no software. Staff would like a permitting system with integration to Land Management, Code Enforcement and Planning Permits (potentially business licenses).
Land Management	Community Development	No software system in place. Paper processes. To look up APN information must go to three different sources. Staff would like a permitting system with integration to Building Permits, Code Enforcement and Planning Permits (potentially business licenses).
Plan Review and Permits	Community Development	No software system in place. Paper processes, log kept in excel. Access database exists for some records, some reports do not work, no staff know Access. Lack of confidence of data due to lack of quality assurance over the years. City uses consultants, without a system to track is problematic. No ability to submit plans electronically. Staff would like a permitting system with integration to Land Management, Code Enforcement and Building Permits (potentially business licenses), electronic submittal and some public access for status of permits. Fee calculate completed in Excel. Tracking of permit deposits in excel, have to ask Finance for reports to see status.
Code Enforcement	Community Development	No central tracking; cannot see code enforcement issues as it relates to permits.
Agenda / Records Management	City Clerk	The Clerk's office is heavily reliant on paper. No software system in place. Paper processes. Agendas are pdf files. Typically, software systems include: document management systems, agenda management systems, on-demand web streaming of council meetings. None are available in Scotts Valley

Software System	Responsible Department	Observations
ActiveNet	Recreation	Staff uses the system well but noted there are features and components they haven't implemented that they could probably benefit from (senior center classes, leagues, events, membership).
SunRidge CAD/RMS Mobile	Police Department	SunRidge software is used throughout the SF Bay Area. It is a reliable system, well supported and has a strong user base.

Recommendation 11. Create a citywide technology steering committee to prioritize technology projects.

Recommendation 12. Develop a citywide technology plan for implementation of new or replacement technology systems to automate city services that benefit both City staff and the public.

Recommendation 13. Utilize consultants to conduct a needs assessment related to each department's operational requirements. Based on the needs assessment develop functional and specification requirements and assist the City in a Request for Pricing (RFP) process to purchase the necessary software systems for the City.

Recommendation 14. Conduct a GIS needs assessment and develop a GIS strategic plan to support citywide needs.

IV. Budget and Financial Management

Like many cities, Scotts Valley has delayed replacing equipment due to limited budget resources. As funding became available staff prioritized replacement of dated equipment over implementing new technology. A recent organizational scan identified some of the same issues identified in the report.

Recommendation 15. Ensure long term planning for desktop hardware is included in the technology project plan. (Recommendation 12)

V. Desktop Hardware/Software Support

Support of desktop hardware and software is provided by the outsourced IT vendor, IT Project Manager and City staff. City staff indicated that the outsourced vendor used to be more proactive, come onsite and ask about things; but now typically provides most of the support over the phone with limited onsite work. Issues that require onsite assistance delay staff from completing work.

Typically, a network login account runs with minimum permissions (least-privilege) to secure and protect the network. On certain desktops, the City's outsourced vendor granted additional permissions to the local workstation (i.e., local administrative rights). In one documented instance a computer in Finance (running with evaluate privileges) became infected with malware. The vendor stated they were able to isolate the computer. The risk of allowing users to run with local administrative rights increases the chance that malicious software (malware) could be installed as well as enables staff to install unapproved software. The lack of automated virus scanning throughout the organization is also problematic (vendor stated they find two to three computers a month infected with malware).

IT training is limited; usually only new employees receive training. There was frustration by both City staff and the IT project manager on this issue. This is a resource issue. There are no dedicated resources available to ensure staff is trained on a regular basis.

Recommendation 16. Implement solutions to ensure staff do not require "local admin rights."

Recommendation 17. Evaluate opportunities to provide on-going technology training for City staff.

VI. Server Support / Administration

Disaster recovery and system backup

The City's servers are backed up daily and include replication at an off-site co-location center in Sacramento. However, the City's current disaster recovery and business continuity plan is deficient and does not include sufficient contingency plans. Business continuity includes disaster recovery planning and business resumption planning. A disaster recovery plan addresses how each City business unit will continue to do business in the event of a disruption or disaster. Activities in a plan include: (1) identifying the possible issues that might disrupt critical or important operations, (2) anticipating the impacts and effects from the operational disruptions, and (3) developing and documenting contingent responses to recovery as quickly as possible. Restoring the technical infrastructure and systems is only one part of the plan. A department cannot assume that because the City is backing up systems and using redundant and reliable systems, they will be able to continue to work.

As recent as March 22, 2018, the City of Atlanta was just the latest City to suffer a cyber-attack which impacted Atlanta's ability to do business with the public. Atlanta staff were directed to not use their computer systems till March 26. The incident involved ransomware encrypted files and demanded payment to release them. In most cases, agencies can recover when they have an up-to-date backup and an incident response plan to restore the City's systems. Scotts Valley had an incident in one department where ransomware was found. In this case the computer was protected but there are older computers where active scans are not able to run and could impact the City.

Recommendation 18. Implement a plan to ensure every computer is scanned weekly and software updates are managed weekly.

Recommendation 19. Implement solutions to push updates to City computers rather than require manual installs by vendor or City staff.

Recommendation 20. Create a citywide disaster recovery and business continuity task force to ensure each operational unit has the ability to function effectively in the event of an interruption due to the loss of information, loss of personnel or loss of access to information and facilities. Seek expert advice from outside consultants to assist in the development of a business continuity plan tailored for each department. Assign appropriate operating department resources to create the plan.

VII. Telecommunication

Phone System and Internet Service Provider (ISP)

The City has multiple phone systems with no integration. There is no ability to transfer phones between the buildings. Voice mail is hosted at City Hall and is no longer under contract. The PD Services Supervisor has a plan. The first step is to replace wiring infrastructure throughout City facilities. In addition to the wiring, there are other infrastructure improvements needed such as improving connectivity between the City facilities before a new citywide phone system can be implemented. Staff is also working to improve Internet Service Provider (ISP) as part of the improvements necessary for a new phone system.

Recommendation 21. Continue the Voice over IP (VoIP) readiness program and utilize a professional telecommunications firm to ensure the City is prepared for VoIP. Develop a project plan to present to City Manager a detailed the scope and tasks; identify tentative timeline and include costs estimates.

Recommendation 22. Contract with a professional firm with VoIP/RFP experience to assist the City via an RFP process to replace the phone and voice mail system.

Recommendation 23. Continue to improve ISP services to include redundancy.

VIII. Network Management

Daily Management and Administration

Network management is performed by the outsourced IT vendor. The IT Project Manager meets regularly with the staff assigned to City of Scotts Valley. The vendor contract calls for contract staff to be onsite once a week for eight hours. The onsite work is typically related to network and server management. The vendor will adjust the one day a week to complete the tasks identified by the IT Project Manager, such as work two half days or consecutive days and skip a week to adhere to the limit of 32 hours a month written in to the contract. The vendor has set-up monitoring and notifications go to the company's group email. The IT Project Manager and Stepford are responsible for the administration of the servers, firewalls and related network equipment.

Due to limited funding options staff is creative and willing to purchase refurbished equipment (includes warranty) but waiting for availability of these items can delay projects. The IT Project Manager noted that the building generator and transfer switch need to be replaced and are designated high priorities. Wastewater treatment plan technology is also in need of upgrades.

> **Recommendation 24. Ensure projects such as the building generator and Wastewater Treatment Plant upgrades are included in the City's technology project plans. (Recommendation 12)**
>
> **Recommendation 25. Ensure existing hardware and technology equipment is part of the City's technology project plan. (Recommendation 12)**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Steve Walpole, Chief

APPROVED: Mali LaGoe, City Manager

SUBJECT: **SECOND READING AND ADOPTION OF THE SCOTTS VALLEY MUNICIPAL CODE REGULATIONS REGARDING SMOKING AND TOBACCO PRODUCTS**

SUMMARY OF ISSUE

On May 18, 2022, the City Council approved the first reading and introduction of Ordinance No. 188.1 of the City Council of the City of Scotts Valley amending Title 5, Chapter 5.22 of the Scotts Valley Municipal Code (SVMC) requiring tobacco retailer licenses and amending Chapters 8.20 and 8.25 of the SVMC to regulate the sale of tobacco products including prohibiting the sale of flavored tobacco and prohibiting smoking in outdoor dining areas.

This item fulfills the requirement of a second reading of the proposed ordinance and SVMC amendments. If adopted, Ordinance No. 188.1 will take effect in 30 days, on July 15, 2022.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this ordinance.

STAFF RECOMMENDATION

It is recommended that City Council approve the second reading and adoption of Ordinance No. 188.1 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 and waive the reading thereof.

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ORDINANCE NO. 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

WHEREAS, the City of Scotts Valley desires to amend certain chapters of the Scotts Valley Municipal Code relating to the regulation of smoking and flavored tobacco products to protect the public health, safety, and welfare by discouraging the sale and distribution of flavored tobacco products and prohibiting smoking in certain areas within the City; and

WHEREAS, in 2009, the federal Food and Drug Administration (FDA) banned all flavored cigarette products (with the exception of menthol); and

WHEREAS, following the FDA ban, tobacco use by youth decreased by 6% and decreased the likelihood of becoming a cigarette smoker by 17%; and

WHEREAS, federal law does not restrict the sale of menthol cigarettes or flavored non-cigarette tobacco products, such as cigarillos or electronic smoking devices, and the solutions used in these devices; and

WHEREAS, mentholated and flavored non-cigarette products have been shown to be “starter” products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction; and

WHEREAS, tobacco use remains the number one most preventable cause of death and disease in the United States; and

WHEREAS, evidence and studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties; and

WHEREAS, in the last 2 years, vaping has increased 218% by middle schoolers and 135% by high schoolers; and

WHEREAS, 96% of kids who vape use flavors; and

WHEREAS, in 2016, an estimated 82% of tobacco retailers in California sold flavored non-cigarette tobacco products, over 90% of tobacco retailers sold menthol cigarettes, and 8 of 10 tobacco retailers near schools sold flavored, non-cigarette tobacco products.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

<u>SECTION 1.</u> Section 5.22.010 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

"5.22.010 DEFINITIONS.

The following words and phrases, whenever used in this chapter, shall have the meanings defined in this section unless the context clearly requires otherwise:

(a) "Arm's Length Transaction" means a sale in good faith and for valuable consideration that reflects the fair market value between two informed and willing parties, neither of which is under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for which a significant purpose is avoiding the effect of the violations of this chapter is not an arm's length transaction.

(b) "Chief of Police" shall refer to the City of Scotts Valley Chief of Police or the person designated by the Chief of Police.

(c) "Drug paraphernalia" shall have the definitions set forth in California Health and Safety Code Section 11014.5, as that section may be amended from time to time.

(d) "Electronic Smoking Device" means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. "Electronic Smoking Device" includes any component, part, or accessory of the device, and also includes any substance that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine.

(e) "Flavored Tobacco Product" means any Tobacco Product that contains a taste or smell, other than the taste or smell of tobacco, that is distinguishable by an ordinary consumer either prior to, or during the consumption of, a tobacco product, including, but not limited to, any taste or smell relating to fruit, menthol, mint, wintergreen, chocolate, cocoa, vanilla, honey, or any candy, dessert, alcoholic beverage, herb, or spice.

(f) "Moveable place of business" means any form of business that is operated out of a kiosk, truck, van, automobile or other type of vehicle or transportable shelter and not a fixed address store front or other permanent type of structure authorized for sales transactions.

(g) "Person" shall mean any natural person, partnership, cooperative association, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

(h) “Pharmacy” shall mean any retail establishment in which the profession of pharmacy is practiced by a pharmacist licensed by the State of California in accordance with the Business and Professions Code and where prescription pharmaceuticals are offered for sale, regardless of whether the retail establishment sells other retail goods in addition to prescription pharmaceuticals.

(i) “Proprietor” shall mean a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ten percent or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person can or does have or share ultimate control over the day-to-day operations of a business.

(j) “Self-Service Display” means the open display or storage of Tobacco Products in a manner that is physically accessible in any way to the general public without the assistance of the retailer or employee of the retailer and a direct person-to-person transfer between the purchaser and the retailer or employee of the retailer.

(k) “Tobacco Product” means:

> (1) any product containing, made of, or derived from tobacco or nicotine that is intended for human consumption or is likely to be consumed, whether inhaled, absorbed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
> (2) any electronic smoking device as defined in this section and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine; or
> (3) any component, part, or accessory of (1) or (2), whether or not any of these contains tobacco or nicotine, including, but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, and pipes.
>
> “Tobacco Product” does not mean drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act.

(l) “Tobacco Retailer” means any person who sells, offers for sale, or does or offers to exchange for any form of consideration tobacco or Tobacco Products. “Tobacco Retailing” shall mean the doing of any of these things. This definition is without regard to the quantity of Tobacco Products sold, offered for sale, exchanged, or offered for exchange.

(m) “Significant Tobacco Retailer” means any Tobacco Retailer for which the principal or core business is selling Tobacco Products as evidenced by the fact that (1) twenty percent (20%) or more of floor or display area is devoted to Tobacco Products, Tobacco Paraphernalia, or both; (2) sixty-seven percent (67%) or more of gross sales receipts are derived from Tobacco Products; or (3) fifty percent (50%) or more of completed sales transactions include Tobacco Products.

(n) “Youth-sensitive area” means a parcel in the City that is occupied by:

a. A private or public kindergarten, elementary, middle, junior high, or high school;
b. A library open to the public;
c. A playground open to the public;
d. A youth center, defined as a facility where persons under the age of 18 come together for programs and activities;
e. A recreational facility open to the public, defined as an area, place, structure, or other facility that is used either permanently or temporarily for community recreation, even though it may be used for other purposes. “recreational facility” includes but is not limited to, a gymnasium, playing court, playing field, and swimming pool;
f. A park open to the public or to all residents of a private community;
g. A licensed child-care facility or preschool, other than a small family day care facility as defined in California Health and Safety Code § 1596.78.”

SECTION 2. Section 5.22.020 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

“**5.22.020 TOBACCO RETAILER LICENSE – REQUIREMENTS AND VIOLATIONS.**

(a) It shall be unlawful for any person to act as a Tobacco Retailer, without complying with Chapter 8.20 and obtaining and maintaining a valid Tobacco Retailer’s license pursuant to this chapter for each location at which that activity is to occur.

(b) It shall be unlawful for any Tobacco Retailer or any of the Tobacco Retailer’s agents or employees to sell or offer for sale, or to possess with intent to sell or offer for sale, any Flavored Tobacco Product. A public statement or claim made or disseminated by the manufacturer of a tobacco product, or by any person authorized or permitted by the manufacturer to make or disseminate public statements concerning such tobacco product, that such tobacco product has or produces a taste or smell other than tobacco shall constitute presumptive evidence that the tobacco product is a Flavored Tobacco Product.

(c) Tobacco Retailing by persons from a movable place of business is prohibited. Only fixed-location businesses are eligible to be licensed for Tobacco Retailing.

(d) Each Tobacco Retailer license shall be prominently displayed in a publicly visible location at the licensed location.

(e) Positive Identification Required. No person engaged in Tobacco Retailing shall sell or transfer a Tobacco Product to another person without first verifying by means of government-issued photographic identification that the recipient is at least 21 years of age. Verification is not required for a person over the age of 30. That the person appeared to be 30 years of age or older does not constitute a defense to a violation of this subsection.

(f) Minimum Age for Persons Selling Tobacco. No person who is younger than 21 years of age shall engage in Tobacco Retailing.

(g) Self-Service Displays Prohibited. Tobacco Retailing by means of a self-service display is prohibited.

(h) In the course of Tobacco Retailing or in the operation of a business or maintenance of a location for which a Tobacco Retailer's license has been issued, it shall be a violation of this chapter for a licensee, or any of the licensee's agents or employees, to violate any local, state or federal law applicable to Tobacco Products or Tobacco Retailing.

(i) All sales of Tobacco Products to consumers shall be conducted in-person at the licensed location. It shall be a violation of this chapter for any Tobacco Retailer or any of the Tobacco Retailer's agents or employees to deliver Tobacco Products or to knowingly or recklessly sell Tobacco Products to any person that intends to deliver the Tobacco Product to a consumer in the City. For purposes of this subsection, "Deliver" means the commercial transfer of Tobacco Products to a consumer at a location not licensed pursuant to this chapter."

SECTION 3. Section 5.22.040 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

"5.22.040 APPLICATION PROCEDURE.

(a) Application for a Tobacco Retailer's license shall be submitted in the name of each proprietor proposing to conduct retail tobacco sales and shall be signed by each proprietor or an authorized agent thereof. The application shall include a statement signed by each proprietor that no drug paraphernalia is or will be sold at the location for which the license is sought.

(b) It shall be the responsibility of each proprietor to be informed regarding all laws applicable to Tobacco Retailing, including those laws affecting the issuance of a Tobacco Retailer's license.

(c) No proprietor may rely on the issuance of a Tobacco Retailer's license as a determination by the city that the proprietor has complied with all laws applicable to Tobacco Retailing.

(d) A license issued contrary to this chapter, contrary to any other law, or on the basis of false or misleading information supplied by a proprietor shall be revoked pursuant to Section 5.22.090.

(e) Nothing in this chapter shall be construed to vest in any person obtaining and maintaining a Tobacco Retailer's license any status or privilege to act as a Tobacco Retailer in contravention of any provision of law.

(f) All applications shall be submitted on a form supplied by the City Police Department and shall contain the following information:

(1) The name, address, and telephone number of each proprietor of the business that is seeking a license.

(2) The business name, address, and telephone number of the single fixed location for which a license is sought.

(3) A single name and mailing address authorized by each proprietor to receive all communications and notices (the "authorized address") required by, authorized by, or convenient to the enforcement of this chapter. If an authorized address is not supplied, each proprietor shall be understood to consent to the provision of notice at the business address specified in subsection (f)(2).

(4) Proof that the location for which a Tobacco Retailer's license is sought has been issued a valid state Tobacco Retailer's license by the California State Board of Equalization, if the Tobacco Retailer sells products that require such license.

(5) Whether a proprietor has previously been issued a Tobacco Retailer's license pursuant to this chapter that is or was at any time suspended or revoked, and, if so, the dates and locations of all such suspensions or revocations.

(6) Whether or not any proprietor or agent of the proprietor has admitted to violating, or has been found to have violated, this chapter, and if so, the dates and locations of all such violations within the previous five years.

(6) Such other information as the Chief of Police deems reasonably necessary for the administration or enforcement of this chapter.

(7) All information required to be submitted in order to apply for a Tobacco Retailer's license shall be updated with the City Police Department whenever the information changes. A Tobacco Retailer shall provide the City Police Department with any updates within ten business days of a change."

SECTION 4. Section 5.22.050 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

"**5.22.050 ISSUANCE OF TOBACCO RETAIL LICENSE.**
Upon the receipt of a complete application for a Tobacco Retailer's license and the license fee required by this chapter, the city planning department shall forward the application to the Chief of Police. The Chief of Police may approve or deny the application for a license, or it may delay action for a reasonable period of time to complete any investigation of the application or the applicant deemed necessary. The Chief of Police may deny an application for a Tobacco Retail license based on any of the following:

(a) The application seeks authorization for Tobacco Retailing at a location for which a current proprietor's suspension is in effect pursuant to this chapter, for which a current proprietor's license has been revoked pursuant to this chapter, or for which this chapter otherwise prohibits issuance of Tobacco Retailer licenses;

(b) The application seeks authorization for Tobacco Retailing for a proprietor to whom a suspension is in effect pursuant to this chapter for the subject location or another location, whose license has been revoked pursuant to this chapter for the subject location or another location, or to whom this chapter otherwise prohibits a tobacco retailer license to be issued;

(c) The city has information that the proprietor or his or her agent or employee has violated any local, state or federal tobacco control law, including this chapter, within the preceding twelve months;

(d) The information presented in the application is inaccurate or false. Intentionally supplying inaccurate or false information shall be a violation of this chapter; or

(e) The application seeks authorization for Tobacco Retailing that is prohibited pursuant to this chapter or Chapter 8.20, that is otherwise unlawful pursuant to this code, or that is unlawful pursuant to any other local, state, or federal law.

Any denial of an application shall be in writing and shall set forth the reasons for denial of the permit. Such denial shall be subject to appeal in accordance with Section 5.22.130 of this code."

<u>SECTION 5.</u> Section 5.22.060 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

"5.22.060 LICENSE RENEWAL AND EXPIRATION.
(a) A Tobacco Retailer license is invalid unless the appropriate fee has been paid in full and the term of the license has not expired. The term of a Tobacco Retailer license is one year beginning each fiscal year on July 1st and ending on June 30th of the same year. Each Tobacco Retailer shall apply for the renewal of his or her Tobacco Retailer's license and submit the license fee no later than thirty (30) days prior to expiration of the term.

(b) A Tobacco Retailer's license that is not timely renewed shall expire at the end of its term. To reinstate a license that has expired, or to renew a license not timely renewed pursuant to subsection (a), the proprietor must:

(1) Submit the license fee, if required.

(2) Submit a signed affidavit affirming that the proprietor:

(i) Has not sold and will not sell any Tobacco Product after the license expiration date and before the license is renewed; or

(ii) Has waited the appropriate ineligibility period established for Tobacco Retailing without a license, as set forth in Section 5.22.090(b) before seeking renewal of the license."

<u>SECTION 6.</u> Section 5.22.070 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

"5.22.070 LICENSE NONTRANSFERABLE.
(a) A Tobacco Retailer's license may not be transferred from one person to another or from one location to another. Whenever a Tobacco Retailing location has a change in proprietor a new Tobacco Retailer's license is required.

(b) Notwithstanding any other provision of this chapter, prior violations at a location shall continue to be counted against a location and license ineligibility periods shall continue to apply to a location unless:

(1) The location has been fully transferred to a new proprietor or fully transferred to entirely new proprietors in an arms length transaction; and

(2) The new proprietor(s) provides the city with clear and convincing evidence that the new proprietor(s) has acquired or is acquiring the location

in an arm’s length transaction. “

SECTION 7. Section 5.22.130 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

“**5.22.130 TOBACCO RETAILING WITHOUT A LICENSE – SEIZURE.**
(a) Tobacco Products or Flavored Tobacco Products offered for sale or exchange in violation of this chapter are subject to seizure by the Chief of Police, or any peace officer, and shall be forfeited after the licensee and any other owner of the Tobacco Products or Flavored Tobacco Products seized is given reasonable notice and an opportunity to demonstrate that the Tobacco Products or Flavored Tobacco Products were not offered for sale or exchange in violation of this chapter.

(b) Forfeited Tobacco Products or Flavored Tobacco Products shall be maintained and destroyed pursuant to the Police Department’s policy for seized evidence. Tobacco Products or Flavored Tobacco Products that are hazardous waste shall be properly disposed of according to applicable hazardous waste regulations.”

SECTION 8. Section 5.22.140 of Chapter 5.22 of Title 5 of the Scotts Valley Municipal Code, Tobacco Retailer Licenses, is hereby amended to read as follows:

“**5.22.10 ENFORCEMENT.**
(a) The remedies provided by this chapter are cumulative and in addition to any other remedies available at law or in equity.

(b) Whenever evidence of a violation of this chapter is obtained in any part through the participation of a person under the age of eighteen years old, such a person shall not be required to appear or give testimony in any civil or administrative process brought to enforce this chapter, and the alleged violation shall be adjudicated based upon the sufficiency and persuasiveness of the evidence presented.

(c) Violations of this chapter are hereby declared to be public nuisances.

(d) In addition to other remedies provided by this chapter or by other law, any violation of this chapter may be remedied or prosecuted pursuant to Title 4 of this code.

(e) (1) A first violation of this chapter shall constitute an infraction punishable by a fine of three hundred dollars.

(2) A second violation of this chapter committed within one year of a first violation shall constitute an infraction punishable by a fine of one thousand dollars.

(3) A third violation of this chapter committed within one year of a second

violation shall constitute an infraction punishable by a fine of three thousand dollars.

(4) A fourth or subsequent violation of this chapter committed within one year of a prior violation shall constitute a misdemeanor punishable by a fine of five thousand dollars.

Each day a violation of this chapter exists is a separate offense.”

SECTION 9. Section 8.20.040C of Chapter 8.20 of Title 8 of the Scotts Valley Municipal Code, Smoking and Tobacco Regulations, is hereby amended to read as follows:

“**SECTION 8.04.020C.** Smoking shall be prohibited in the following non-enclosed public places within the city:

1. Service lines for retail, service or entertainment venues;
2. City parks, except where posted "smoking permitted";
3. Community pools or play areas (such as in multifamily developments), except where posted "smoking permitted";
4. Within twenty-five feet of the main entrance used by employees or customers of any business, except for those places specifically exempted by Section 8.20.060;
5. Ticket, boarding and waiting areas for public transit, except for areas posted "smoking permitted”;
6. Designated outdoor dining areas of restaurants or eating establishments.”

SECTION 10. Section 8.25.020H of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code, Regulation of Tobacco and Electronic Cigarettes Advertising and Sales, is hereby amended to read as follows:

“8.25.020H “Retail tobacco store” means a retail store that sells, offers for sale, or does or offers to exchange for any form of consideration Tobacco Products.

SECTION 11. Section 8.25.020J of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“8.25.020J “Tobacco Product” means:
(1) any product containing, made of, or derived from tobacco or nicotine that is intended for human consumption or is likely to be consumed, whether inhaled, absorbed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
(2) any electronic smoking device as defined in this section and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine.

(3) any component, part, or accessory of (1) or (2), whether or not any of these contains tobacco or nicotine, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, and pipes.

“Tobacco Product” does not mean drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act.”

SECTION 12. Section 8.25.020L of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“8.25.020L “Electronic Smoking Device” means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. “Electronic Smoking Device” includes any component, part, or accessory of the device, and also includes any substance that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine.

SECTION 13. Section 8.25.020M of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“8.25.020M “Flavored Tobacco Product” means any Tobacco Product that contains a taste or smell, other than the taste or smell of tobacco, that is distinguishable by an ordinary consumer either prior to, or during the consumption of, a tobacco product, including, but not limited to, any taste or smell relating to fruit, menthol, mint, wintergreen, chocolate, cocoa, vanilla, honey, or any candy, dessert, alcoholic beverage, herb, or spice.

SECTION 14. Section 8.25.020N of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“8.25.020N “Tobacco Retailer” shall mean any Person who sells, offers for sale, or does or offers to exchange for any form of consideration, Tobacco Products. “Tobacco Retailing” shall mean the doing of any of these things. This definition is without regard to the quantity of Tobacco Products sold, offered for sale, exchanged, or offered for exchange.”

SECTION 15. Section 8.25.030D of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“8.25.030D Positive Identification Required. Positive Identification Required. No person engaged in Tobacco Retailing shall sell or transfer a Tobacco Product to another person without first verifying by means of government-issued photographic identification that the recipient is at least 21 years of age. Verification is not required for a person over the age of 30. That the person appeared to be 30 years of age or older does not constitute a defense to a violation of this subsection."

SECTION 16. Section 8.25.030E of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"8.25.030E Minimum Age for Persons Selling Tobacco. No Person who is younger than the minimum age established by State law for the purchase of Tobacco Products shall engage in Tobacco Retailing."

SECTION 17. Section 8.25.030F of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"8.25.030(f) Self-Service Displays Prohibited. Tobacco Retailing by means of a self-service display is prohibited."

SECTION 18. Section 8.25.030 of Chapter 8.25 of Title 8 of the Scotts Valley Municipal Code is hereby amended by adding subsection 8.25.030G to read as follows:

"8.25.030G Flavored Tobacco Sales Prohibited. The sale of Flavored Tobacco Products is prohibited."

SECTION 19. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 20. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 21. CEQA. The City Council finds and determines that the enactment of this Ordinance is statutorily exempt from environmental review pursuant to the State CEQA Guideline Section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 22. EFFECTIVE DATE. This Ordinance shall take effect thirty (30) days after the date of its adoption. Prior to the expiration of fifteen (15) days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This Ordinance was introduced on the 18th day of May, 2022, and passed and adopted by the City Council of the City of Scotts Valley on the 15th day of June, 2022, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

____
Donna Lind, Mayor

ATTEST:

____
Cathie Simonovich, City Clerk

APPROVED AS TO FORM:

____
Kirsten Powell, City Attorney

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Chris Lamm, Public Works Director/City Engineer

APPROVED: Mali LaGoe, City Manager

SUBJECT: **PUBLIC HEARING: SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1; RESOLUTION NO. 1555-SP-34, ANNUAL ENGINEER'S REPORT**

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:

	Proposed FY 23/23	**Estimated FY 21/22**	**Actual FY20/21**
Assessments	$41,751	$41,751	$41,751
Transfer from Insurance Fund	$0	$12,000	$12,000
Total Revenue	**$41,751**	**$53,751**	**$53,751**
Expenses			
Utilities	$15,000	$15,000	$16,045.84
Landscape Maintenance/Repairs*	$45,314	26,614	$52,397
Expense Subtotal	*$56,314*	*$40,614*	*$68,443*
Self Insurance Fund – Slope Stability	$0	$13,137	$0
Total Expenses	**$60,314**	**$53,751**	**$68,443**

*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.

This public hearing is being held to receive additional testimony from property owners, overrule any protests received if appropriate, approve the FY 2022-2023 Annual Engineer's Report, and adopt Resolution No. 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 the City Council hold a public hearing, overrule any protests received, approve the FY 2022/2023 Annual Engineer's Report, and approve Resolution No. 1555-SP-34 ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Skypark Open Space Maintenance Assessment District.

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RESOLUTION NO. 1555-SP-034

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

SKYPARK OPEN SPACE MAINTENANCE DISTRICT

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

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

WHEREAS, June 1, 2022 at the hour of 6:00 p.m. and June 15, 2022 at the hour of 6:30 p.m., via zoom was appointed and fixed as the time and place of a public meeting and a public hearing to act upon the Engineer's Report and Resolution No. 1555-SP-034; and

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

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

NOW, THEREFORE, IT IS ORDERED, as follows:

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

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

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

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

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

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

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

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto,

contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

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

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

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

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 15th day of June, 2022, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

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)	
	BALANCE TO ASSESSMENT	**$**	**41,750.60**

RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No., 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15.

2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.

3. The benefit derived has been determined to be equal for all parcels.

Certificates

I, 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. No.	Assessor's Parcel No.	Property Owner	Assessment Amount
1001	22-691-01	Mario Guerrero Magno & Marife Arcinas	$ 219.74
1002	22-691-02	Jyri 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 Mueting	$ 219.74
1066	22-713-06	Elsa Marmolejo	$ 219.74
1065	22-713-07	Manish N. & Alpa M. Patel	$ 219.74
1064	22-713-08	Justin R. Rishoff	$ 219.74
1063	22-713-09	John Roman Mueller	$ 219.74
1062	22-713-10	Christine & Nicholos 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	$ 219.74

TOTAL ASSESSMENTS **$ 41,750.60**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Chris Lamm, Public Works Director/City

APPROVED: Mali LaGoe, City Manager

SUBJECT: **PUBLIC HEARING: PINEWOOD ESTATES LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT; RESOLUTION 1213.36; ANNUAL ENGINEER'S REPORT**

SUMMARY OF ISSUE

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

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

As required, all 25 owners were notified of the June 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.

This public hearing is being held to receive additional testimony from property owners, overrule any protests received, if appropriate, approve the FY 2022-23 Annual Engineer's Report, and adopt 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 hold a public hearing, overrule any protests received, approve the FY 2022-23 Annual Engineer's Report, and approve Resolution No. 1213.36 ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Pinewood Estates Landscaping Maintenance District

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RESOLUTION NO. 1213.36

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

PINEWOOD ESTATES LANDSCAPE MAINTENANCE DISTRICT

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

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

WHEREAS, June 1, 2022 at the hour of 6:00 p.m. and June 15, 2022 at the hour of 6:30 p.m., via zoom was appointed and fixed as the time and place of a public meeting and a public hearing to act upon the Engineer's Report and Resolution No. 1213.36.

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

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

NOW, THEREFORE, IT IS ORDERED, as follows:

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

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

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

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

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

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

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

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said

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

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

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

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

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 15th day of June 2022, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: ______________________________
Donna Lind, Mayor

Attest: ______________________________
Cathie Simonovich, City Clerk

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	$ 5,420.00
Incidental Expenses		
City administration		$ 600.00
	Subtotal	$ 600.00
	Total Estimated Cost	$ 6,020.00
	Net Amount to be Assessed	**$ 6,000.00**

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

Assessment Number	Assessor's Parcel No.	Property Owner	Assessment Amount
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	$240
6	021-172-06	WOLF MARSHALL E & KRISTIA BURGESS TRUSTEES	$240
7	021-172-07	HALL EUGENE J & JENNIFER M	$240
8	021-172-08	O CONNOR MICHAEL CHARLES & SARAH WRIGHT 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	$240
		TOTAL ASSESSMENTS:	**$ 6,000**

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Mali LaGoe, City Manager

SUBJECT: **APPROVE LEASE AGREEMENT FOR 251B KINGS VILLAGE ROAD WITH THE SCOTTS VALLEY COMMUNITY THEATER GUILD AND APPROVE THE RELEASE OF $95,000 LENNAR FUNDS TO REIMBURSE EXPENSES RELATED TO FACILITY IMPROVEMENTS**

SUMMARY OF ISSUE

In June 2019, the City of Scotts Valley (City) issued a Request for Proposals to Lease the 9,080 square foot space adjacent to the Scotts Valley Branch Library at 251B Kings Village Road. Two proposals were received and on October 2, 2019, the City Council directed staff to enter into lease negotiations with the selected tenant, the Scotts Valley Community Theater Guild (Guild). On March 4, 2020 the City Council approved a lease agreement between the City and the Guild anticipating final construction and the opening of the theater to occur months later.

Just weeks later, the COVID-19 pandemic began and impacted the Guild's ability to complete construction as well as halted all in person events for most of the last two years. Because of these impacts, the performance terms of that lease were unattainable and the lease terms are no longer relevant. The City Manager has met with the Guild representative, Larry Smith, several times over the last two months to negotiate a new lease. The current situation reflects that the theater construction is almost complete, and the Guild anticipates a summer 2022 occupancy permit and opening of the new theater space.

The City and the Guild have negotiated terms and the lease is presented for Council approval. The major terms of the lease include:

TERM: The initial term commences on July 1, 2022, for two years ending June 30, 2024, plus an option to extend for two additional years, or through June 30, 2026.

USE: The Guild will use the space for a multi-use and community, cultural and performing arts center, which shall offer a robust and varied assortment of educational, entertainment, vocational, informative, cultural arts and other suitable programming and events.

RENT: $1/year subject to conditions of use and programming minimum requirements. If conditions are not met, monthly rent will be charged at $1000/month. In addition, the Theater will reimburse the City for 41% pro-rata share of the City's costs to maintain the shared parking lot and landscaping around the shared parking lot.

PERFORMANCE: In Year 1, at a minimum, Tenant shall hold 5 major performing arts productions open to the public and shall rent the Premises at least 2 times per month for other uses. During Year 2 of the Lease, Tenant shall hold a minimum of 7 major performing arts productions and shall rent the Premises at least weekly for other uses. If the Lease is extended for two additional years, the programming shall continue with a minimum of the Year 2 performance measures.

COMMUNITY BENEFIT: The Guild will provide use of the facility at no charge for a designated number of days of Scotts Valley Branch Library programming, Scotts Valley Recreation Department programming and Scotts Valley Unified School District programming. In addition, Scotts Valley users will have preference for reservations and the theater will bring in hundreds of people who will take advantage of the City's restaurants, retail establishments and hotels which will generate sales/TOT tax. The theater will offer a unique venue for community groups to rent and will offer discounted rental rates to non-profit organizations for fundraisers and other events.

PROFESSIONAL MANAGEMENT: The Guild will be required to hire and retain professional staff to manage the facility, coordinate rental and use scheduling and oversee day to day operations of the theater.

On August 20, 2014, the City Council pledged $25,000 to the Scotts Valley Theater Guild "to be used for specific items to stay within the theater." In addition, in the 2016-17 CIP budget, $70K was included for the Performing Arts Center for "Fire Code, ADA, Title 24 and other requirements/improvements." Therefore, the City has had budgeted a total $95,000 to support the permanent improvements to the facility. Over the past eight years, the Guild has made numerous permanent improvements to the building including: Fire alarms and sprinkler system, plumbing, electrical and HVAC upgrades, new exterior doors, extensive concrete work to level the floor and new bathroom facilities. At this time, the Guild has expended over $150,000 in these improvements therefore it would be appropriate after the execution of this new lease, to release these obligated funds to the Guild to reimburse for permanent improvements to the building.

FISCAL IMPACT

There is no fiscal impact of this lease agreement as the rent is negligible and the Guild will reimburse the City for its share of maintenance of the parking lot and landscaping. The guild will cover utility and operational costs of the facility.

The $95,000 facility improvement reimbursement is budgeted utilizing Lennar Funds. Approving the release of these funds would reduce the Lennar Fund balance by $95,000.

STAFF RECOMMENDATION

It is recommended that the City Council approve the lease agreement with the Scotts Valley Community Theater Guild for 251B Kings Village Road and authorize the City manager to execute the lease agreement.

Further, it is recommended that the City Council approve the payment of $95,000 to the Scotts Valley Community Theater Guild for costs related to permanent building improvements associated with the theater renovation.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (THE "AGREEMENT") IS MADE THIS 16TH DAY OF JUNE 2022, BY AND BETWEEN THE CITY OF SCOTTS VALLEY ("LANDLORD") AND THE SCOTTS VALLEY COMMUNITY THEATER GUILD ("TENANT")

RECITALS

A. In 2008, the Landlord acquired property located at 251 Kings Village Road, Scotts Valley, California, 95066 (the "Property"). A portion of the property was developed as a Tier II Library of 13,150 square feet.
B. The remainder of the Property was reserved for a civic use to benefit the residents of the City of Scotts Valley (the "Premises").
C. Tenant is a non-profit organization formed to operate and manage a cultural and performing arts center in the City of Scotts Valley.
D. Landlord and Tenant previously entered into those certain lease agreements dated March 1, 2020.
E. Landlord and Tenant desire to enter into a new lease for the Premises which will replace the prior agreements.

NOW, THEREFORE, Landlord and Tenant agree to all the terms and conditions of this Agreement as follows:

ARTICLE 1 - BASIC LEASE PROVISIONS

The following are basic terms applicable to this Agreement. The Sections and Exhibits referenced below in parenthesis explain and define the basic terms specified below and are to be read in conjunction with basic terms herein:

1.01 Commencement of Term. July 1, 2022 (Section 3.01).

1.02 Term. Two (2) year term which expires June 30, 2024, and one option from July 1, 2024 through June 30, 2026, subject to the conditions of Article 3.

1.03 Building. The building located at 251 Kings Village Road, Scotts Valley.

1.04. Premises. A portion of the Building consisting of 9,080 square foot portion of the Building, associated outdoor space at the rear of the Building, sidewalk adjacent to the Premises and common parking shared with the adjacent library.

1.05 Floor Area. 9,080 square feet.

1.06 Rent. $1/year subject to the conditions of Articles 4 and 6.

1.07 Use of Premises. Premises shall be utilized as a multi-use, community, cultural and performing arts center, which shall offer a robust and varied assortment of educational, entertainment, vocational, informative, cultural arts and other suitable programming and events. See Article 6 for full description.

ARTICLE 2 - LEASE OF PREMISES

2.01 City of Scotts Valley as Landlord. Tenant acknowledges and understands that Landlord is a public agency consisting of numerous offices, departments, agencies and districts. Whenever a provision contained in this Agreement, or any extension, modification or amendment, requires the written consent of Landlord, such consent must be obtained from the then acting City Manager of the City of Scotts Valley. Tenant may not rely on any statement or representation by any other employee, agent or representative of Landlord in obtaining such consent and any such statement or representation other than the express written consent of the City Manager shall be null and void and have no effect. Nothing contained in this Section shall limit in any way the authority of any office, department, or agent of the Landlord from approving or withholding consent to any event or activity regulated by local law.

2.02 Premises. Landlord leases to Tenant and Tenant leases from Landlord the Premises. The Premises shall not include, and the Tenant shall have no rights in, the library which is located in the Building. A diagram of the location of the Premises is attached to this Agreement as Exhibit A. A floor plan of the Premises is attached to this Agreement as Exhibit B.

2.03 Reservations. Landlord reserves the right at any time with 24 hours notice to Tenant to make alterations or additions to the exterior of the Premises, the remainder of the building, the parking lot and the landscaping on the property. Landlord also reserves the right to construct other buildings or improvements on the property and to make alterations or additions thereto. Easements for light and air are not granted in this Agreement. Landlord further reserves the right to enter and access the roof of the Premises or to repair and maintain the roof and to use any space within walls or above the ceiling finish and beneath the floor surface for utility lines and conduits.

2.04 Condition of Premises. Tenant acknowledges that it recognizes the uniqueness of the Premises and accepts them in their current and disclosed condition existing on the effective date of this Agreement, subject to all applicable zoning, municipal, county or state laws, ordinances and regulations affecting the use of the Premises. Tenant acknowledges that it has satisfied itself, by its own independent investigation that the Premises are suitable for its intended use and neither Landlord nor its agents or representatives have made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business.

2.05 Public Agency Use of the Premises. The parties recognize that the Premises provide a unique opportunity for the community through the cultural and performing arts events held on the Premises as well as the use of the Premises to offer other programs to the residents of Scotts Valley. The parties hereby recognize that the City, the Scotts Valley Library and Scotts Valley Unified School District shall be entitled to use the Premises as outlined in Exhibit C attached hereto and incorporated herein to offer classes and other programs for the residents of Scotts Valley and the County of Santa Cruz.

2.06 Professional Management. Tenant will be required to hire and retain professional staff to manage the facility, coordinate rental and use scheduling and oversee day to day operations of the Premises. At a minimum, Tenant will be required to hire a "Theater Manager" who will serve as the point of contact for: Public Agencies for scheduling; the City as Landlord as related to this Agreement; and for obtaining approval from the City's Building Official and Fire Department for all event configurations per Section 6.03. Tenant shall notify the City Manager within 3 business days of any time the Theater Manager role becomes vacant. If the vacancy persists beyond 60 days or causes unreasonable delays or prevents the Public Agencies use as described in Exhibit C from occurring, Landlord may consider Tenant in Default Subject to Article 11 of this Agreement and pursue corrective action or termination.

ARTICLE 3 - TERM

3.01 Commencement of Term. The term (the "Term") of this Agreement shall commence on the date specified in Section 1.01 (the "Commencement Date") and shall continue until the date of termination specified in Section 1.02, unless terminated sooner in accordance with the terms and provisions of this Agreement.

3.02 Option to Extend Term. Tenant shall, provided the Lease is in full force and effect, Tenant is not in default under any of the terms and conditions of the Lease and Tenant has met the programming metrics of Years 1 and 2 as outlined in Section 6.07 below, Tenant shall have one (1) option to extend this Lease for a term of 2 years (July 1, 2024 - June 30, 2026), on the same terms and conditions set forth in the Lease, or upon such terms mutually agreeable to Landlord and Tenant.

3.03 Termination. The Landlord may terminate this Lease, if Tenant has not met the established criteria agreed to by the Parties at the end of the 2 year term ending June 30, 2024. If Landlord so terminates the Lease, Tenant shall vacate the Premises and Tenant shall not have any remaining obligations, including rent, from the date of Termination except for its obligations on leaving the Premises in the condition described in this Lease and any indemnification obligations accruing during the time of occupancy. In addition, the Landlord may terminate the Lease in the event of a Default as defined in Article 11 below.

ARTICLE 4 - RENT

The Rent for the Premises shall be paid as follows:

4.01 Rent. In exchange for the Public Agency's use of the theater as defined in Section 2.05, the potential sales tax generation and Tenant's agreement to hire a professional manager as required in Section 2.06, Tenant shall pay Rent in the amount of $1.00 for the first year of the Term. The Annual Rent will remain $1.00 for Year 2 as long as the Use Criteria defined in Section 6.07 is met for the previous year and Tenant maintains a professional manager as required in Section 2.06. If the Use Criteria are not met in the first year or the Tenant fails to maintain a professional manager, Monthly Rent will be charged at $1,000/month during the second year of the Lease ($12,000 annually) and in the case of the failure to maintain the professional manager, until such time as a professional manager is reemployed. If Use Criteria is not met in Year 2 and/or Tenant does not maintain a professional manager in Year 2, the Landlord may, at its sole discretion, not extend the Lease for the additional 2 year optional term.

4.02. Annual rent shall be payable on July 1st of each year. If monthly rent is required in Year 2 as described above, rent shall be payable to Landlord on the 1st of each month.

ARTICLE 5 - TAXES AND ASSESSMENTS

5.01 Personal Property Taxes. Tenant shall pay before delinquency all federal, state or local taxes, assessments, license fees, and other charges that are levied and assessed against Tenant's personal property installed or located in or on the building, and that become payable during the term. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

5.02 Possessory Interest Taxes. Tenant shall pay before delinquency all possessory interest taxes, assessments, license fees, and other charges that are levied and assessed against the leasehold interest. "Possessory Interest Tax" means that tax imposed pursuant to laws of the State of California on leaseholds of tax exempt property and does not include taxes on Tenant's inventory, personal, or any other tax or assessment that is presently or may, in the future be levied. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

ARTICLE 6 - USE

6.01 Use of Premises. Tenant shall use the Premises solely for the use specified in Section 1.07 herein. No other uses shall be permitted.

6.02 Hours of Operation. All uses on the Premises shall take place between the hours of 7:00am and 12:00am (midnight). Tenant shall not operate nor allow someone to operate the Premises in such a way as to cause a nuisance or violate any provisions of local, state or federal law.

6.03 Required Safety Inspections. Tenant intends to utilize various configurations of stage placement and chairs for events in the Premises. Each proposed configuration need to be approved and inspected by the City's Building Department prior to use. Prior to the first 2 uses of each configuration, Tenant shall supply a to-scale drawn plan depicting each configuration and arrange for the City's Building Inspector and the

Scotts Valley Fire District to review the configurations to ensure there are no safety issues created by the configurations.

6.04 Parking. When the Library is closed, Tenant shall have the right to use any parking on the Property. When the Library is open, Tenant shall have the right to use its pro rata share (41%) of the parking on the Property.

6.05 Restrooms. Tenant shall maintain adequate ADA accessible restroom facilities.

6.06 Signs and Advertising Matter.

(a) Tenant has the right to install signs at its sole expense on the outside of the Premises and (if constructed) on a portion of the monument sign located in the parking lot as permitted by the City's Zoning Code and the Town Center Specific Plan. All signage is subject to the prior written consent of Landlord which shall not be unreasonably withheld and is subject to Tenant obtaining and all permits required for any signs. Except as provided above, Tenant will not place, install, maintain or construct or allow any third party to place, install, maintain or construct any sign, banner, flag, awning or canopy, covering, or advertising matter on the roof, or on any exterior door, exterior wall or outside surface of the windows of the Premises without Landlord's prior written consent, which shall not be unreasonably withheld. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or window coverings in good condition and repair at all times.

(b) No advertising medium shall be used or allowed to be used by Tenant which can be heard or experienced outside the Premises, including without limitation, flashing lights, searchlights, loudspeakers, phonographs, radios or television. Except with Landlord's prior written consent, which shall not be unreasonably withheld, Tenant shall not display, paint or place, or cause to be displayed, painted or placed, any handbills, bumper stickers or other advertising devices on any vehicle parked in the parking area of the Property, including those belonging to Tenant, or to Tenant's agent or any other person; nor shall Tenant distribute or cause to be distributed on the Property any handbills or other advertising devices.

6.07 Programming.

(a) Tenant is responsible for scheduling and leasing the Premise to maximize the value of the venue for the Scotts Valley community. When a scheduling conflict occurs, Tenant shall give preference to the Scotts Valley User, when it is reasonable to do so. Appropriate consideration includes but is not limited to the size of the event, economic impact of the event, order of request, broad variety of use, user availability to reschedule at a different time. For the purposes of this subsection, a Scotts Valley User means a Scotts Valley resident, Scotts Valley business, or community group or non-profit organization benefiting the Scotts Valley community.

(b) In Year 1, at a minimum, Tenant shall hold 5 major performing arts productions open to the public and shall rent the Premises at least 2 times per month for other uses consistent with Section 1.07.

(c) During Year 2 of the Lease, Tenant shall hold a minimum of 7 major performing arts productions, and shall rent the Premises at least weekly for other uses consistent with Section 1.07.

(d) If the Lease is extended for two additional years, the programming shall continue with a minimum of the Year 2 performance measures.

(e) For the purpose of Paragraphs (b) and (c) above, a major performing arts production shall be defined as a minimum of 100 patrons at each individual event and can include a single day event or multi-day event. In the case of a multi-day event, the total event held on multiple days shall be counted as one event and the attendance at a multi-day event shall be at least 100 patrons.

(f) Public Agencies have the right to use the facility as outlined in Exhibit C.

6.08 Town Center Project. Tenant acknowledges the plans of the Landlord to develop the Town Center on property adjacent to the Premises. In addition, Tenant acknowledges that the Property is part of the Town Center Specific Plan and as such, it is intended to be incorporated into the development of the Town Center. Tenant will cooperate with Landlord to integrate the theater into the Town Center Project which may include changes to the building including, but not limited to, the installation of an additional entrance to the Building which may reduce the size of the Premises. In the event the Landlord intends to reduce the size of the Premises, Landlord shall meet with Tenant to determine if such change will negatively impact the operations of Tenant. Tenant shall work in good faith with Landlord to effectuate the changes. Tenant shall not be financially responsible for any of the changes required to incorporate the Building into the Town Center Project.

ARTICLE 7 - MAINTENANCE AND REPAIRS

7.01 Landlord's Maintenance Obligations.

(a) Landlord, on behalf of Tenant and any other occupants of the Building, shall maintain in good condition and repair the foundations, roofs and skylights, structural components and exterior surfaces of exterior walls of the Building (exclusive of doors, door frame, door checks, windows, window frames and store fronts); provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Tenant, its officers, employees, representatives, agents, customers, invitees or trespassers or by reason of Tenant's failure to observe or perform any provisions contained in this Agreement or caused by alterations, additions or improvements made by Tenant or its officers, employees, representatives, agents, contractors, subcontractors, laborers or materialmen, the cost of such repairs and replacements shall be the sole obligation of Tenant.

(b) Tenant shall be solely responsible for all repairs to and maintenance of the Premises which are not expressly allocated to the Landlord under this Agreement or by separate written agreement between the Landlord and Tenant, including but not limited to the HVAC system. This provision does not apply to any new installation of an HVAC system by the Landlord, which shall be installed by Landlord and of good quality and in good working order. If a new HVAC is installed and in good working order, Tenant shall be solely responsible for all repairs to and maintenance of the new HVAC system.

(c) Unless Tenant notifies Landlord in writing of the need for repairs under subsection a, Landlord shall not be liable for its failure to make such repairs. Once Tenant notifies Landlord of the need of such repairs under subjection (a), Landlord shall be entitled to a reasonable period of time to affect such repairs upon receipt of said written notice from Tenant. Tenant waives any right of offset against any rent due hereunder and agrees not to assert as an affirmative defense in any judicial proceeding or arbitration brought by Landlord against Tenant on claims made under this Agreement the provisions of Sections 1941 and 1942 of the California Civil Code, or any superseding statute, and of any other law permitting Tenant to make repairs at Landlord's expense.

7.02 **<u>Landlord's Right of Entry</u>**. Landlord, its agents, contractors, employees and assigns may enter the Premises at all reasonable times to: (a) examine the Premises; (b) perform any obligation of, or exercise any right or remedy of, Landlord under this Agreement (c) make repairs, alterations, improvements or additions to the Premises, the Building or to other portions of the Property as Landlord deems necessary; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) show prospective tenants the Premises during the last six (6) months of the Term; and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence to make, and diligently pursue to completion, in a reasonable time as defined by Landlord, Tenant's required repairs after written demand therefore by Landlord. Landlord will give a minimum of twenty-four (24) hours advance notice of such entry when practicable.

7.03 **<u>Tenant's Maintenance Obligations</u>**.

(a) Except as provided elsewhere in this Agreement, Tenant, at its sole cost and expense, shall keep the interior of the Premises in good order, condition and repair and shall make all replacements necessary to keep the Premises in such condition, including maintenance and repair of the HVAC system servicing the Premises, and maintenance and inspection of fire sprinkler systems.

(b) All replacement equipment shall be of a quality equal to or exceeding that of the original equipment or improvements. Should Tenant fail to make these repairs and replacements or otherwise maintain the Premises for a period of fifteen (15) days after delivery of a written demand by Landlord, or should Tenant commence, but fail to complete, any repairs or replacements within a reasonable time after written demand by Landlord, Landlord shall have the right to make such repairs or replacements without liability to Tenant for any loss or damage that may occur to Tenant's stock or business, and Tenant shall pay for all costs incurred by Landlord in making such repairs or replacements, together with interest thereon at the maximum rate permitted by law from the date of commencement of the work through the date of payment. Tenant shall, at its expense, repair promptly any damage to the Premises, Building or the Property caused by Tenant, its agents, employees, customers, invitees, subtenants, assignees or concessionaires, or caused by the installation or removal of Tenant's personal property.

(c) Tenant shall, at its own expense, comply with all requirements of the Landlord's insurance underwriters and any other governmental authority having jurisdiction thereof, regarding the installation and periodic maintenance of fire suppression systems or apparatus.

(d) Tenant is responsible for maintaining the entry area and sidewalk in front of the Premise including removing any trash or debris. Tenant may not install or place, permanently or temporarily, any outside fixtures, signage or other objects that interfere with the ADA path of travel on the sidewalk or parking lot adjacent to the Premise.

7.04 Tenant Improvements. Tenant intends to install improvements to the Premises necessary for the theater. Tenant is responsible for the cost of all improvements to the interior of the Premises. Prior to obtaining any permits for the improvements or beginning construction on improvements to the Premises, Tenant shall obtain the prior written approval of the proposed plans from the City Manager. Tenant shall obtain any and all permits required for such improvements and shall comply with all Federal, State and local laws including, but limited to, the Americans with Disabilities Act and Prevailing Wage laws. Tenant shall defend and indemnify the Landlord from any and all claims associated with the improvements and shall ensure that no liens are recorded against the Building. Tenant is not entitled to make any improvements to the exterior of the Premises without the prior written consent of the Landlord. Any portable restrooms or storage containers brought onto the Premises shall be located behind the Building and not in the parking lot.

7.05 Trade Fixtures. Tenant may install trade fixtures, display items, machinery or other trade equipment in conformance with the all laws, ordinances, directives, rules or regulations of all applicable public and governmental agencies. Tenant shall not remove any trade fixtures, display items, machinery or other trade equipment from the Premises, without Landlord's written consent, if the removal of any such item would cause damage to the Premises which Tenant cannot repair. In the absence of Landlord's written consent to removal and Tenant's inability or unwillingness to repair any damage caused by the removal, any such item shall be deemed a part of the realty and belong to the Landlord at termination of the Agreement.

7.06 Restoration. Except as otherwise provided herein and specifically as required in Section 3.03, Tenant shall return the Premises to the same condition as existed as of the Commencement Date of the Agreement, reasonable wear and tear excepted. Landlord, through Landlord's sole discretion and authority, and upon receipt of written request from Tenant, may consider allowing any Tenant Improvements approved by Landlord under this Agreement to remain. Landlord, at its election, may also require Tenant to remove, at Tenant's sole cost, any improvements, alterations or additions approved by Landlord in accordance with this Agreement. Tenant shall repair, at its sole cost, any damage resulting from the removal of any alterations, improvements, additions, equipment, machinery or trade fixtures.

ARTICLE 8- UTILITIES

8.01 Separate Charges. Tenant shall pay for all water, gas, heat, light, power, telephone service and any other utilities metered or otherwise separately charged to the Premises.

8.02 Jointly Metered Utilities. Tenant shall pay its pro rata share (41%) of the utility charges which are jointly metered or charged. Those utility charges that are jointly metered are water and lighting in the parking lots and landscaped areas of the Property.

8.03 Interruption. Unless due to Landlord's gross negligence or misconduct, Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant to terminate this Agreement.

8.04 Landscape and Parking Lot Maintenance. Tenant shall pay its pro rata share (41%) of the Landlord's cost to maintain the parking lot and landscaping around the parking lot.

ARTICLE 9- INDEMNIFICATION AND INSURANCE

9.01 Indemnification. Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause which is not the result of Landlord's gross negligence. Tenant, as a material part of the consideration for this Agreement, hereby expressly waives and releases all claims against Landlord, its officers, employees, representatives and agents, for any injury or damage to any person or property on or about the Premises arising for any reason other than Landlord's gross negligence. Tenant agrees to indemnify, release, defend and hold harmless Landlord, its officers, employee, representatives and agents from any loss, claim, cost, expense or liability for any injury or damage to person or property, occurring in, on or about the Premises, arising for any reason, including without limitation the condition or use of the Premises or the improvements or personal property located therein and against any loss, claim, cost, expense or liability for injury to the person or property of Tenant, its agents, officers, employees, invitees or trespassers and except as to any such damage is caused by the gross negligence of Landlord. Notwithstanding the foregoing, Tenant's obligations under this Section 11.01 shall not extend to claims, costs, expenses, losses or liability resulting from Landlord's failure to comply with its maintenance and repair obligations under Sections 9.01(a) and 9.01(e) of this Agreement.

9.02 **Insurance Requirements**. Tenant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation, use and improvement of the Premises. The cost of such insurance shall be borne by the Tenant. **Coverage shall be at least as broad as:**

(a) **Commercial General Liability.** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(b) **Workers' Compensation.** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease.

(c) **Property insurance.** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(d) If the Tenant maintains broader coverage and/or higher limits than the minimums shown above, the Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

9.03 **Other Insurance Provisions.** The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) **Additional Insured Status.** The City of Scotts Valley, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10).

(b) **Primary Coverage.** For any claims related to this contract, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Scotts Valley, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

(c) Legal Liability Coverage. The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

(d) Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Landlord.

(e) Waiver of Subrogation. Tenant and Landlord each waive its right of recovery against the other, and each party's successors, assigns, directors, agents and representatives in connection with any loss or damage caused to property belonging to the Tenant or Landlord which is covered by any insurance policy of either the Tenant or Landlord in force at the time of any such loss or damage. Tenant and Landlord hereby waive, on behalf of each party's insurance carriers, any right of subrogation it may have against the other party and each shall notify its carriers of the waiver contained herein.

(f) Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII,

(g) Verification of Coverage. Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(h) Increase in Coverage. Landlord may increase or decrease the amount of commercial general liability insurance required herein, based upon a general review by Landlord of the standard insurance requirements effective July 1st of any year, provided notice of the increase is given to Tenant no later than February 1st of that same year. Such changes in coverage shall be commercially reasonable at the determination of Landlord. Changes in insurance amounts shall occur not more frequently than every two years. Landlord will notify Tenant of any changes under this provision of this Agreement.

(i) No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Premises, or cause a cancellation of any insurance policy covering the Premises or any part thereof. Tenant shall, at its sole cost, comply with any and all requirements regarding the use of the Premises by any company that issues a policy of fire, casualty or public liability insurance to the Landlord. If Tenant's use of the Premises results in a rate increase for the Premises, Tenant shall pay as additional rent within ten (10) days written notice, a sum equal to the additional premium caused by such rate increase.

9.03 <u>Tenant's Failure To Maintain Insurance</u>. Tenant agrees that if Tenant does not maintain any insurance policy required under this Agreement or fails to pay any premiums when due, Landlord may, require that the Premises be immediately closed for business pending reinstatement of insurance by Tenant, or obtain the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be additional rent due by the Tenant and payable on the next date upon which a payment of rent is due.

9.04 **Waiver of Loss and Damage**. Landlord shall not be liable for any damage to inventory or other property of Tenant, or others, located in, on or about the Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise, which is not the direct result of Landlord's negligence, and Tenant waives any claim against Landlord with respect to such property. Landlord shall not be liable to Tenant, Tenant's employees or representatives for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance or plumbing works or from the roof, street or subsurface or from any other places or by any other cause of whatsoever nature, which is not the direct result of Landlord's gross negligence. Landlord shall not be liable to Tenant, Tenant's employees or representatives for any such damage caused by other tenants or persons in the Premises, occupants of the Building, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of Tenant kept or stored on the Premises shall be so kept or stored at the sole risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the willful act or gross neglect of Landlord.

9.06 **Notice by Tenant**. Tenant shall give immediate notice to Landlord in case of fire or accidents in or around the Premises or of any damage or defects in the Premises, or any fixtures or equipment therein.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

The parties acknowledge that this Agreement is a unique relationship between these individual parties. Landlord charges a reduced rent to Tenant due to the services Tenant provides to the citizens of the City of Scotts Valley. Therefore, Tenant cannot assign its rights under this Agreement or its rights to the Premises without the prior written consent of Landlord which may be withheld for any reason or no reason.

ARTICLE 11 - DEFAULT

11.01 **Events of Default.** In addition to the provisions of Section 3.03, the occurrence of any one of the following events shall constitute an event of default on the part of Tenant ("Default"):

(a) The complete abandonment of the Premises by Tenant; and

(b) Failure in the performance of any of Tenant's covenants, agreements or obligations hereunder which failure continues for ten (10) days after written notice thereof from Landlord to Tenant, provided that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) day period despite reasonable diligence, Tenant shall not be in default under this subsection unless Tenant fails thereafter diligently and continuously to cure such failures; and

(c) The failure of Tenant to maintain all insurance coverage as required in Section 9.02; and

(d) Failure to retain professional management as required by Section 2.06.

Tenant agrees that any notice given by Landlord pursuant to the above shall satisfy the requirements for notice under California Code of Civil Procedure Section 1161, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

In the event of any Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and under this Agreement, Landlord shall have the immediate option to terminate this Agreement and all rights of Tenant hereunder by giving written notice of such intention to terminate.

11.02 **<u>Notice of Default and Opportunity to Cure</u>.** Landlord shall give written notice to Tenant of any Event of Default on the part of Tenant. Said notice shall specify the nature of the act, omission, or deficiency giving rise to the Event of Default. In addition, if the Event of Default is curable, and does not give rise to an imminent danger to health or safety, the notice shall also specify the action required to cure the default, and a reasonable date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which Tenant must take or commence such action to cure. If the notice specifies only a commencement date for the cure, Tenant must commence such cure within the specified time and shall diligently pursue the cure to completion within a reasonable time thereafter.

11.03 **<u>Remedies</u>**. In the event of any breach by Tenant, Landlord shall be entitled to any rights or remedies available at law.

(a) Efforts Landlord may make to mitigate the damages caused by Tenant's breach of this Agreement shall not constitute a waiver of Landlord's right to recover damages against Tenant, nor shall anything contained in this Agreement affect Landlord's right to indemnification against Tenant for any liability arising prior to the termination of this Agreement for personal injuries or property damage, and Tenant agrees to indemnify and hold Landlord harmless from any injuries and damages, including all reasonable attorney fees and costs incurred by Landlord in defending any action brought against Landlord for any recovery, and in enforcing the terms and provisions of this indemnification against Tenant.

(b) However, the breach of this Agreement by Tenant, or an abandonment of the Premises by Tenant, shall not constitute a termination of this Agreement, nor of Tenant's right of possession under this Agreement, unless and until Landlord elects to do so, and until that time Landlord shall have the right to recover rent and all other payments to be made by Tenant under this Agreement as they become due; provided, that until Landlord elects to terminate this Agreement and Tenant's right of possession under this Agreement, Tenant shall have the right to sublet the Premises or to assign interests in this Agreement, or both, subject only to the written consent of Landlord, which consent shall not be unreasonably withheld.

(c) In the event that Landlord should take any act to maintain or preserve the Premises on Tenant's behalf, or seek the appointment of a receiver to protect Landlord's interests under this Agreement, such acts shall not constitute a termination of Tenant's right of possession unless Tenant receives written notice from Landlord to regarding Landlord's election to terminate.

ARTICLE 12 - DAMAGE OR DESTRUCTION

12.01 <u>Landlord's Duty To Repair</u>.

(a) If the Premises are destroyed or materially damaged from a cause not insured against, or if the amount of available insurance proceeds, including deductible costs, is not sufficient to completely repair or restore any such damage or destruction, Landlord shall have the right to terminate this Lease by giving written notice of termination to Tenant within thirty (30) days after the date of the damage or destruction. If the Lease is not terminated, then Landlord shall diligently proceed to repair and restore the Premises to the extent that insurance proceeds, including deductible costs, are sufficient to completely repair or restore any such damage or destruction.

(b) If the Premises are materially damaged or destroyed from a cause covered by insurance, and it can be repaired or restored within ninety (90) days after commencement of repair or restoration, then Landlord shall diligently proceed to repair and restore the Premises. If Landlord determines that the Premises cannot be repaired or restored within this period, then Landlord and Tenant shall work out a reasonable time frame for the completion of the repairs or restoration.

(c) Except as otherwise provided in this Agreement, damage to or destruction of the Premises shall not terminate this Agreement or result in the abatement of any rent or other charges payable under this Agreement. Tenant expressly waives any right it may have, in law or equity, to offset any cost incurred by Tenant for repairs or restoration to the Premises against Tenant's obligations to pay rent in connection with Landlord's duties of repair and restoration under this Lease.

(d) Landlord's duties of repair and restoration under the provisions of this Lease shall extend only to those portions of the Premises insured under a policy of insurance, and Landlord shall not be responsible for any loss, damage, or destruction to Tenant's personal property, trade fixtures, merchandise, inventory or equipment.

12.02 Tenant's Duty to Repair or Replace. Except as otherwise provided herein, Landlord's obligation to restore shall not include the restoration or replacement of Tenant's personal property, inventory, trade fixtures, merchandise, or equipment. Tenant shall restore and replace said items in the event that Landlord is obligated or elects to repair any damage or destruction of the Premises.

ARTICLE 13 - ESTOPPEL CERTIFICATES; ATTORNMENT

13.01 Tenant to Furnish Certificate. Tenant shall, within ten (10) business days of written notice from Landlord, execute and deliver to Landlord a written statement certifying that this Agreement is unmodified and in full force and effect or, if modified, stating the nature of such modification. Tenant's statement shall include other details requested by Landlord, such as the date to which rent and other charges are paid and Tenant's knowledge concerning any uncured defaults in Landlord's obligations under this Agreement and the nature of such defaults if they are claimed. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Tenant's failure to deliver such statements within such time shall be conclusive upon the Tenant that this Agreement is in full force and effect, except as and to the extent any modification has been represented by Landlord, and that there are no uncured defaults in Landlord's performance.

13.02 Additional Documents. Tenant, upon request of any party in interest, shall execute promptly such instruments and certificates necessary to carry out the intent of the foregoing Sections as shall be requested by Landlord.

ARTICLE 14 - MISCELLANEOUS

14.01 Hazardous or Toxic Materials.

(a) Tenant shall comply, at its expense, with all federal, state and local statutes or regulations concerning environmental conditions, emissions, pollutants and controls concerning Hazardous Materials that Tenant or its contractors, employees, invitees and guests bring, or allow on, the Premises and on the Property on which the Premises are located during the Term. Tenant shall not cause, store, use or permit any Hazardous Material, including without limitation asbestos or polychlorinated biphenyls, to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business, does not violate any requirements of the Landlord's policies of fire, causality or public liability insurance and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises.

(b) If Tenant breaches any of its obligation stated herein, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant during the Term results in contamination of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgment, damages, penalties, fines, costs, liabilities or losses, including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees which arise during or after the lease term as a result of such contamination. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

(c) As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" shall include without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601), and any amendments or successor statutes thereto.

(d) Notwithstanding anything herein to the contrary, Tenant shall have no responsibility or liability related to any Hazardous Material which existed prior to the Term of Tenant's occupancy hereunder, unless brought on or allowed to be brought on by Tenant during one of Tenant's previous lease tenancies in the Premises.

14.02. Compliance with Governmental Regulations. Tenant shall, at its sole cost and expense, comply with all of the requirements of all local, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises. With regard to the use of the Premises, Tenant shall faithfully observe all local ordinances and state and federal statutes now in force or which may hereafter be in force.

14.03 Americans With Disabilities Act. If Tenant makes any improvements to the Premises or installs any fixtures or equipment in the Premises, Tenant acknowledges and expressly accepts full responsibility and shall incur all costs and expenses for compliance with the requirements of the Americans with Disabilities Act (ADA) and any other local, state or federal law or regulation regarding the accessibility of the Premises by disabled individuals for those improvements, fixtures, equipment and use of the Premises. Tenant agrees to release, indemnify, defend and hold Landlord harmless for any claim, loss, expense or liability arising from Tenant’s failure to fully comply with all such laws or regulations.

14.04 Attorneys’ Fees. In the event of any legal action, arbitration or proceeding between the parties, the prevailing party shall be entitled to reasonable attorneys’ fees and expenses as a part of the judgment or award resulting therefrom.

14.05 Transfer, Sale or Lease of the Premises by Landlord. Notwithstanding any provisions of this Agreement, Landlord may assign in whole or in part Landlord’s interest in this Agreement and may sell or transfer all or part of Landlord’s leasehold interest in the real estate of which the Premises are a part, however, subject to the terms of this Lease. In the event of any transfer, sale or exchange of the Premises by Landlord and assignment by Landlord of this Agreement, Landlord shall be entirely freed and relieved of all liability under all covenants and obligations contained in or derived from this Agreement or arising out of any act, occurrence or omission relating to the Premises which occurs after the consummation of such sale, exchange or assignment except as provided in the Pass Through Agreement and all amendments thereto.

14.06 Liability to Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto who shall be jointly and severally liable for the covenants contained herein.

14.07 Interpretation. Whenever the singular number is used in this Agreement, the same shall include the plural. Reference to any gender shall include the masculine, feminine and neuter genders, and the word “person” shall include corporation, firm or association, when required by the content.

The headings or titles to the paragraphs of this Agreement are for convenience only and do not in any way define, limit or construe the contents of such paragraphs. This instrument contains all of the agreements and conditions made between the parties with respect to the hiring of the Premises and may not be modified orally or in any manner except by a written instrument signed by all the parties to this Agreement.

The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Agreement and such other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions, one which would render the provision void and one which would render the provision valid, the provision shall be interpreted in the manner which would render it valid.

Except as may otherwise be expressly stated, each payment required to be made by the Tenant shall be in addition to and not in substitution for other payments to be made by Tenant.

14.08 **Time**. Time is of the essence in this Agreement.

14.09 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to that resulting from such prevention, delay or stoppage.

14.10 **Notices**. All notices to be given by one party to the other or options to be exercised under this Agreement shall be in writing, mailed or delivered to Landlord and Tenant at the following addresses:

Landlord
City of Scotts Valley
Attn: City Manager
1 Civic Center Drive
Scotts Valley, CA 95066

Tenant
Scotts Valley Community Theater Guild
P.O. Box 66438
Scotts Valley, CA 95067-6438
Attn: President

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid, and shall be deemed to have been given on the date of posting in the United States Postal Service.

The parties listed above may, by proper notice, at any time designate a different address to which notices shall be sent.

14.11 Waiver. The waiver by either of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Agreement shall be deemed to have been waived by either, unless such waiver is in writing by such party.

14.12 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Agreement provided.

14.13 Authority. If Tenant is a corporation or partnership, each individual executing this Agreement on behalf of such entity represents or warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such entity and that such entity shall be bound by all the terms and provisions hereof.

14.14 Broker's Commission. Each party represents and warrants that there are no claims for brokerage commissions or finder's fees arising from that party's activities in connection with this Agreement, and each party agrees to indemnify and hold the other party harmless from all liability arising from any such claim.

14.15 Assessment District Establishment. Tenant agrees not to unreasonably protest the establishment of an assessment district for purposes of public improvements, including, but not limited to, sidewalks, streets, lighting, utilities. Notwithstanding the foregoing, Tenant may protest the establishment of an assessment district if Tenant believes it adversely affects Tenant's business.

The parties have executed this Agreement as of the date first written above.

LANDLORD:

City of Scotts Valley

By: ______________________________
Mali LaGoe
Its: City Manager

TENANT:

Scotts Valley Community Theater Guild

By: ______________________________
Larry Smith
Its: President

Exhibit A
Location of Premises
251 Kings Village Road, Scotts Valley, CA 95066

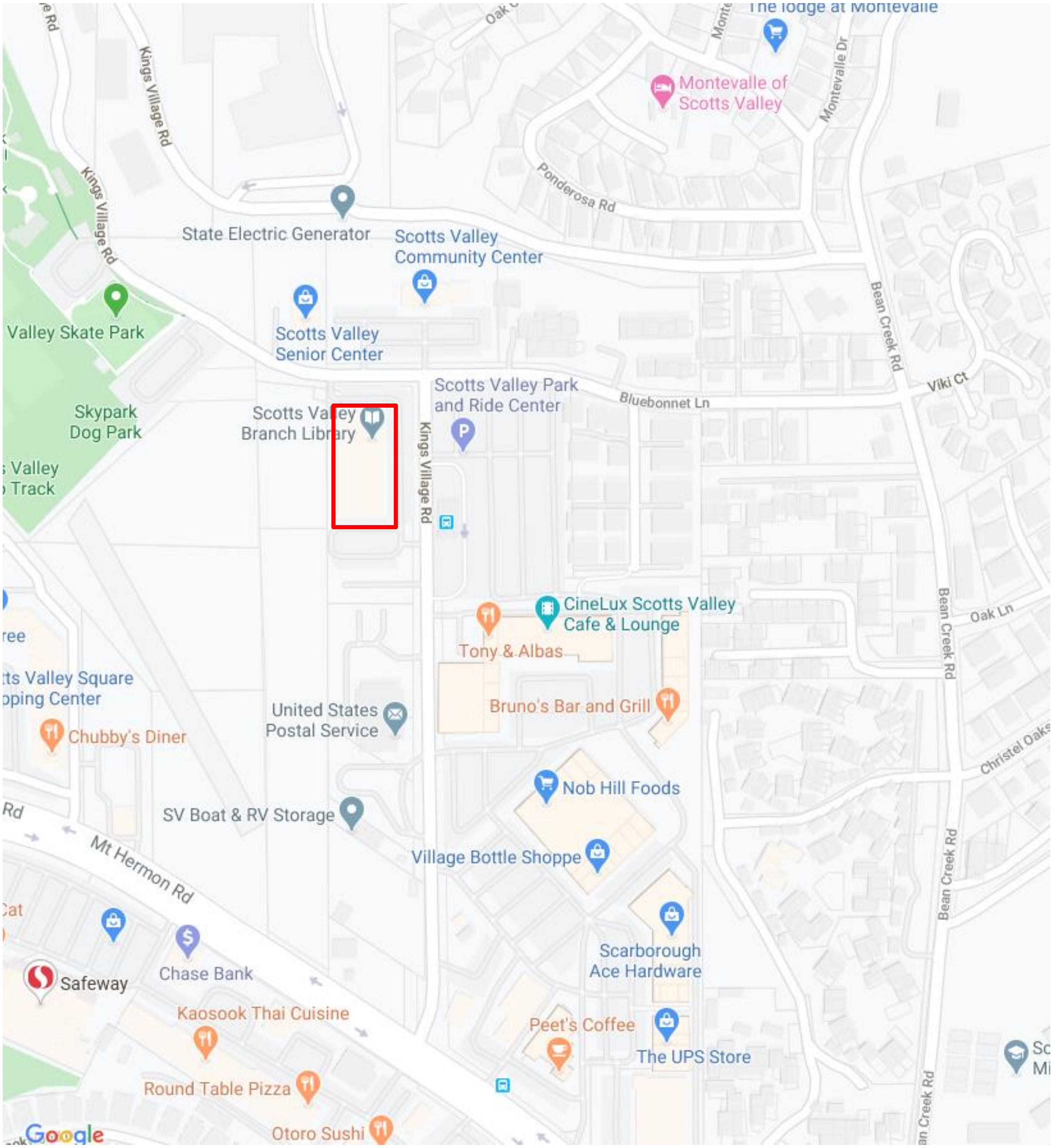

Exhibit B
Floor Plan of Premises

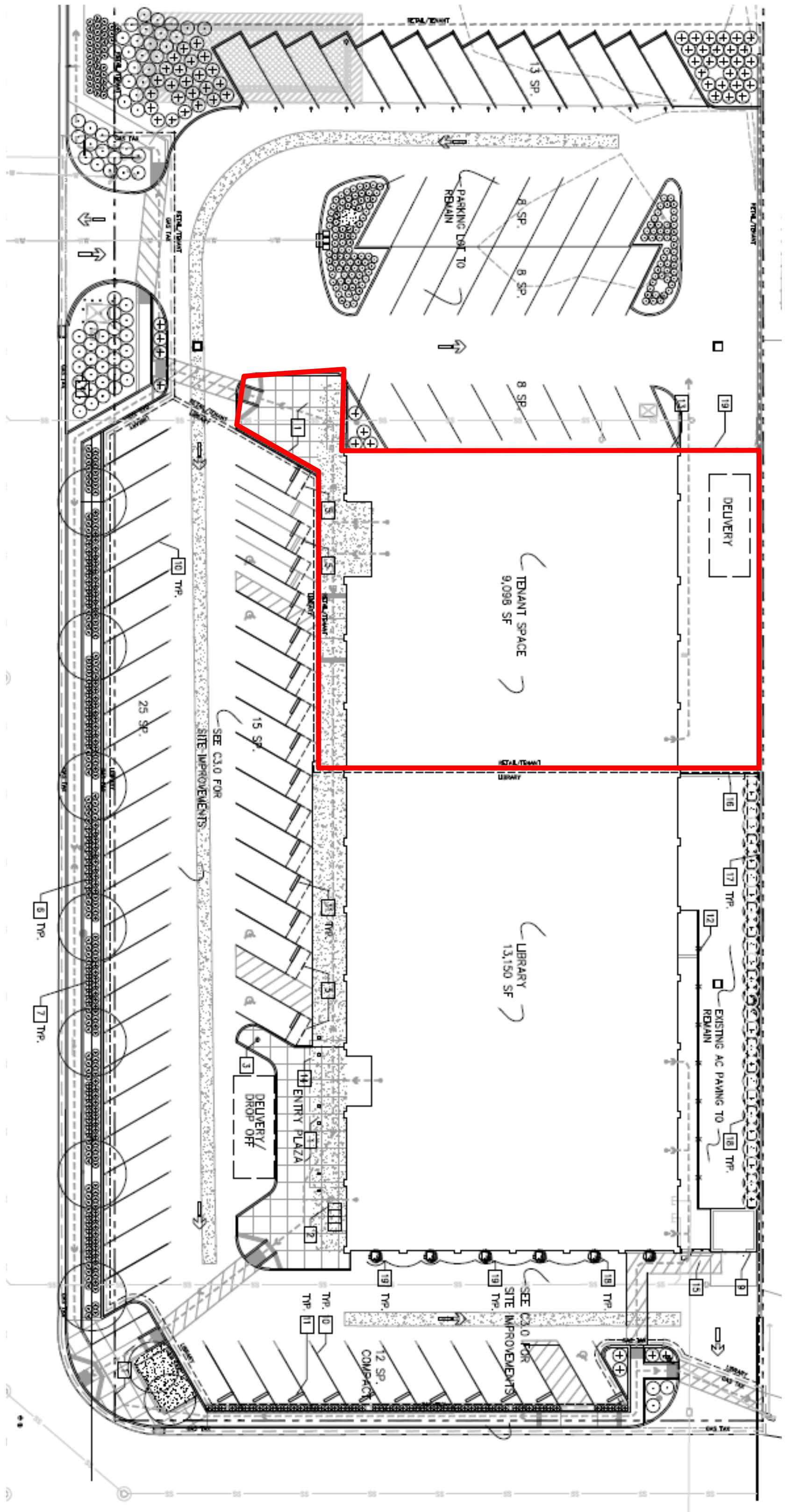

Exhibit C

<u>Public Agency Use of the Premises</u>

Public agency use of the Premises at no charge will be provided in consideration for the Tenant's reduced rent and to enhance the community benefit from the facility and increase its use. To facilitate the use of the Premises by the Scotts Valley Library, the City of Scotts Valley Recreation Department and the Scotts Valley Unified School District ("Scotts Valley Public Agencies"), shall be entitled to priority booking Monday through Thursday as follows:

Each calendar year prior to February 15, Theater shall share the schedule for the upcoming calendar year with the Scotts Valley Public Agencies. The Agencies may the reserve their dates of use subject to the purposes and times outlined below and subject to any previously scheduled events identified on the provided calendar for the upcoming year. The Tenant and the Public Agonies will coordinate to ensure annual public agency events are reserved in advance. After February 15, the Scotts Valley Public Agencies can reserve the Premises for the permitted times but will no longer have preference. However, Tenant has the right to reserve the Premises for the first 3 weekends in December for major theater performances.

The Tenant will maintain a booking calendar that is shared with the Scotts Valley Library and City Recreation Department at least semi-annually and more frequently as requested to plan for public agency use of the facility. The Tenant-owned equipment and furnishings may be used with prior approval from Tenant and specific equipment may only be operated by individuals approved by the Tenant to operate such equipment. A Use Policy will be developed by Tenant and Landlord to define expectations and responsibility for use of the space, to encompass set-up, break-down, cleaning and damages.

<u>Scotts Valley Library Use:</u>

- Library Protected Uses include author talks, book clubs, performances, events, library programming and Friends of the Library events and programming. Additional uses outside of these Library Protected Uses may be requested by the Library and considered by the Tenant.
- Use of facility for up to 12 full days for per year (pro rata for partial years) for Library Protected Uses. Events would be bookable one year in advance and subject to the scheduling terms outlined above.

<u>City Use:</u>

- Tenant recognizes the City's interest in hosting events and recreation activities at the Premise that align with Article 1, 1.07 of this agreement and agrees to meet with the City's Recreation Division Manager to discuss a use agreement for such events to be hosted by the City's Parks and Recreation Division and/or a City contracted vendor for City programming.

- The City shall be entitled to the equivalent of up to 12 days (or 96 hours) of such use. Additional uses may be requested by the City and considered by the Tenant.

Scotts Valley Unified School District Use:

- School District Protected Uses include theatrical performances, musical performances, celebratory ceremonies, all-school events, fairs, or similar events that enrich the education of students and connect students with the Scotts Valley community.
- Use of facility for up to 6 performance days per year (pro rata for partial years) and up to 8 rehearsal days per year. Events would be bookable one year in advance and subject to the scheduling terms outlined above.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Mali LaGoe, City Manager

SUBJECT: **APPROVE FEE DEFERRAL AGREEMENT BETWEEN CRDSV, LLC dba RESIDENCE INN SCOTTS VALLEY AND THE CITY OF SCOTTS VALLEY**

SUMMARY OF ISSUE

On March 16, 2016, the City Council approved a General Plan Amendment, a Land Division, a Zoning Change, a Planned Development Permit, Use Permits and Design Review for the development of 50 townhouse-style condominiums, a 120-room hotel, and related property improvements on a vacant parcel located at the end of Santa's Village Road. The property was previously designated as commercial property and had been planned as Phase II of the Borland Campus. An integral part of this project, and a significant basis for the decision to amend the General Plan of the City was to convert this property to residential, was the hotel component of the project. The hotel would generate significant transit occupancy tax, which would assist the City in proving services to the residents of Scotts Valley.

The townhome portion of the project was built by City Ventures and the land for the hotel was subsequently sold to Coast Redwood Group who was working with Marriott Hotels to build a Residence Inn at the site. The project was stalled for several years due to economic and pandemic related challenges; however, the developer is now ready to begin construction of the previously approved hotel. The permits for the project were approved in 2017 and are being updated to current building codes. Construction financing has been secured, however supply chain issues and inflationary concerns has led to a request by the developer to defer payment of associated permit and development impact fees totaling $580,827.55, until after the construction is complete, the hotel opens and the developer has the opportunity to refinance to a lower interest rate, long-term loan. The developer has agreed that the payment of the fees will be secured by a promissory note which will require the full payment to the City no later than July 1, 2025.

Current projections indicate that a new 120-room Residence Inn will generate $775,698 annually in TOT for the City. In addition, guests at the hotel will increase sales tax revenues in the City. This money can be used to provide services and amenities to the residence of the City. The Hotel is projected to open in 2024.

FISCAL IMPACT

The fiscal impact will be in the delayed collection of permit and development impact fees totaling $580,827.55 from FY21/22 to no later than July 1, 2025 or the first day of FY25/26.

STAFF RECOMMENDATION

It is recommended that Council approve the attached Fee Deferral Agreement with CRDSV, LLC dba Residence Inn Scotts Valley and authorize the City Manager to sign the agreement.

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DEFERRAL AGREEMENT

This DEFERRAL AGREEMENT is entered into this 15 day of June, 2022, by and between the City of Scotts Valley ("City") and CRDSV, LLC dba Residence Inn Scotts Valley, a California LLC ("Hotel").

RECITALS

A. Hotel is the developer of a proposed 120 room hotel located at APN 024-031-19 in Scotts Valley, CA (the "Project").

B. It is estimated that upon completion of the Project, the Project will generate approximately $775,698 annually in transient occupancy tax ("TOT") for the City.

C. The Hotel owes approximately $580,827.55 in development impact fees and permit fees (collectively referred to as "Fees") associated with the Project which are typically due when building permits are pulled.

D. Due to rising costs of construction and construction lending, Hotel has requested that the Fees be deferred until after a certificate of occupancy permit for the Project is issued by the City.

E. The Hotel has agreed that the payment of the Fees will be secured by a promissory note which will require the payment of Fees no later than July 1, 2025.

F. The City is willing to defer the payment of the Fees subject to the terms of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the City and Hotel agree as follows:

AGREEMENT

1. Justification for Payments. The parties agree that the addition of the hotel to the City business community would be benefit to the City and its residents. Without some financial assistance, Hotel is unable to complete the construction of the Project. Based on conservative projections, it is anticipated that the hotel will generate $775,698 annually in TOT for the City. In addition, guests at the hotel will increase sales tax revenues in the City. This money can be usedto provide services and amenities to the residents of the City.

2. Development Impact and Permit Fee Deferral. Hotel owes the City $580,827.55 in Fees for the 120 room hotel. The payment of the Fees is hereby deferred and shall be paid to the City in full no later than July 1, 2025. The payment of the Fees shall be secured bythe Promissory Note (Exhibit A1) and Deed of Trust (Exhibit A2) attached hereto.

3. Termination of Agreement. This Agreement shall terminate at such time as Hotel has paid the City the Fees and any accrued interest.

4. Cessation of Hotel Operations in Scotts Valley. During the term of this Agreement, if the hotel ceases to operate or Hotel sells the property to another entity, the total amount of the Fees and accrued interest shall be immediately due and payable.

5. General Provisions.

A. Notices. All written notices and demands of any kind which either party may be required or may desire to serve upon the other party in connection with this Agreement may be served (as an alternative to personal service) by registered or certified mail, overnight courier service or facsimile (followed promptly by hard copy) at the addresses set forth below:

As to City:

City of Scotts Valley
One Civic Center Drive
Scotts Valley, CA 95066
Attn: City Manager
Telephone: (831) 440-5600
Facsimile: (831) 438-2793

As to Hotel:

CRDSV, LLC dba
Residence Inn Scotts
Valley
P.O. Box 35
Ben Lomond, CA 95005
Attn: Bijal Patel, CEO
Telephone: (831) 818-5279
Facsimile: (831) 532-7653

Any such notice or demand so served by registered or certified mail or overnight courier shall be sent with postage or charges thereon fully prepaid and addressed to the party to be served at the addresses set forth above.

B. Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

C. Compliance with Laws. Hotel warrants to City that it shall comply with all local, state and federal laws applicable to the construction and operation of the hotel and compliance with the terms of this agreement.

D. Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, whether or not incurred in trial or on appeal, incurred therein by the successful party, all of which may be included in and as a part of the judgment rendered in such litigation. Any indemnity provisions herein shall include indemnification for reasonable attorneys' fees and costs, whether or not suit be brought and including fees and costs on appeal.

E. Time of Essence. Time shall be of the essence hereof.

F. Governing Law. This Agreement shall be governed by the laws of California and the parties hereto agree that any litigation between the parties hereto relating to this Agreement shall take place (unless otherwise required by law) in a court located in Santa Cruz County, State of California. Each party waives its right to jurisdiction or venue in any other location.

G. Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the City and Hotel, their respective heirs, successors (by merger, consolidation or otherwise), assigns, devisees, administrators and representatives, except as provided in Section 4 above.

H. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which will be deemed one instrument.

I. Amendment. This Agreement may be amended, modified or changed by the parties, provided that said Agreement, modification or change is in writing and approved by the authorized representative of the parties.

J. Entire Agreement. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings, whether oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. The drafting and negotiation of this Agreement have been participated in by each of the parties and/or their counsel, and for all purposes this Agreement shall be deemed to have been drafted jointly by all parties.

K. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this agreement.

L. Severability. If any term or portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HOTEL:
CRDSV LLC, dba Residence Inn Scotts Valley, a California LLC

By:__________________________________
Name: Bijal Patel
Title: Chief Executive Officer

CITY:
THE CITY OF SCOTTS VALLEY, a California municipal corporation

By:__________________________________
Name: Mali LaGoe
Its: City Manager

RECORDED AT THE REQUEST OF:

City of Scotts Valley

WHEN RECORDED MAIL TO:

City of Scotts Valley - CITY CLERK

One Civic Center Drive

Scotts Valley, CA 95066

Exempt from Recording Fees per GC 27383

(Space above this line for recorder's use only)

PROMISSORY NOTE

$580,827.55 Scotts Valley, California

FOR VALUE RECEIVED, the undersigned ("Debtor") promises to pay in lawful money of the United States of America, to the City of Scotts Valley ("Holder"), the principal sum of $580,827.55 on or before July 1, 2025. Said principal sum shall be repaid by July 1, 2025, or upon the sale or transfer of the property located in Scotts Valley, CA, APN 024-031-19, whichever shall occur first.

This Note can be prepaid. Debtor reserves the right at any time to prepay all or a portion of the principal balance remaining due on the Note with no penalty.

Failure to make any payment within ten (10) days of due date shall, at Holder's option and without notice to Debtors, be deemed an event of default and shall entitle Holder at its option to declare the entire balance of the indebtedness represented by this Note immediately due and payable. Should any event of default occur under the terms of this Note, the Debtors shall pay all reasonable costs and expenses of collection, including attorneys' fees incurred by the Holder in the collection hereunder.

This Note shall be governed by the laws of the State of California. In the event that any provision of this Note shall be held invalid or unenforceable, the remaining provisions shall continue to be valid and enforceable in accordance with their terms.

This Note is the personal obligation of the Debtor.

DEBTOR:
CRDSV, LLC dba Residence Inn Scotts Valley

(Notarized Signature) ______________________________________

By: Bijal Patel

Its: Chief Executive Officer

REC 05 - Rev 10/07

RECORDED AT THE REQUEST OF:

City of Scotts Valley

WHEN RECORDED MAIL TO:

City of Scotts Valley - CITY CLERK

1 Civic Center Drive

Scotts Valley, CA 95066

Exempt from Recording Fees per GC 27383

(Space above this line for recorder's use only)

EXHIBIT A2

DEED OF TRUST

THIS DEED OF TRUST (herein "Deed of Trust") is made this 15th day of June, 2022 among CRDSV, LLC dba Residence Inn Scotts Valley, (herein "Borrower"), the City of Scotts Valley (herein "Trustee"), and theBeneficiary, the City of Scotts Valley, whose address is 1 Civic Center Drive, Scotts Valley, California (herein" Lender"). Borrower owes Lender the principal sum of $580,827.55. This debt is evidenced by Borrower's Note dated the same date as this Deed of Trust ("Note"). The Note provides that the full debt, together with other amounts owing shall be due andpayable on or before July 1, 2025, or upon sale or transfer of the Property located in the Cityof Scotts Valley, County of Santa Cruz, California, Assessor's Parcel No. 024-031-19 as more particularly described in Exhibit A, whichever shall occur first.

The loan evidenced by the Note and secured by this Deed of Trust (the "Loan") is being made for the purpose of enabling Borrower to construct a hotel within the City of Scotts Valley.

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the City of Scotts Valley, County of Santa Cruz, State of California:

Assessor's Parcel No. 024-031-19, which has the address of TBD, ScottsValley, CA, (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property".

This Deed of Trust secures to Lender: a) The repayment of the indebtedness evidenced by the Note with interest as provided in the Note and all renewals, extensions and modifications of the Note; b) The payment of all other sums, with interest as provided by the Note, advanced in accordance herewith to protect the security of this Deed of Trust; c) The performance of the covenants and agreements of Borrower herein contained; and d) To further secure to Lender.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

2. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

3. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

   The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewal thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the polices and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Deeds of Trust, provided Lender is named on such policies as loss payee as its interest may appear and is named as an additional insured. If lender requires, Borrower shall promptly give to Lender copies of all receipts of paid premiums renewal notices and policies.

   In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

   If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust, subject to the rights of the holders of any mortgage deed of trust, security instrument or other lien superior in priority to this Deed of Trust.

5. **Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall perform all of Borrower's obligations under any recorded documents.

The portion of the Property that is subject to public view (including all improvements from time to time erected thereon, including paving, walkway, landscaping and ornamentation) shall be maintained in good repair and in a neat, clean and orderly conditions. In the event that there should arise at any time a condition in violation of the above maintenance standard, upon written notification from the Lender, the Borrower shall have thirty (30) days from the receipt of such notice to cure said condition. In the event Borrower fails to cure the condition within the time allowed, the Lender shall have the right to perform all acts necessary to cure such a condition, or to take other recourse at law or equity to Lender may then have and to receive from the Borrower the Lender's cost in taking such action pursuant to Paragraph 6 below.

6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, the Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance asa condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to paragraph 5 or paragraph 6, of this agreement shall accrue interest, at the lesser of 10% or the maximum amount permitted by law, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in paragraph 5 or 6 shall require lender to incur any expense or take any action hereunder.

Borrower shall provide Lender with proof of payment of property taxes and payments under any superior liens on the Property upon request of Borrower.

7. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

8. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject and subordinate to the rights

of the holder of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

9. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

10. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Deed of Trust, but does not execute the Note, (a)is co-signing this Deed of Trust only to grant and convey said Borrower's interest in the Property of Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trustor the Note, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

11. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein.

    Any notice provided for this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

12. **Governing Law; Severability.** The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

14. **Loan Charges.** If a law which applies to this loan and which sets maximum loan charges is finally interpreted so that the interest to other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: 1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and 2) any sums already collected which exceed permitted will be refunded to Borrower. Lender may choose to make this refund

by reducing the principal owing under the Note or by making a direct refund to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

15. **Acceleration; Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 11 hereof and all senior lienholder specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date of notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or other defense of Borrower to acceleration and sale. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 15, including, but not limited to reasonable attorney's fees.

Except for a conveyance to the trustee under the First Deeds of Trust, or transfer exceptions as described on Page 1, Paragraph 1, Subsection a, if all or any part of the Property or any interest therein is sold or transferred in any manner or way, whether voluntarily or involuntarily, without the written consent of the Lender being first had and obtained. Lender shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, immediately due and payable.

If lender exercises this option, Lender shall give Borrower and all senior lien holders prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower. Notwithstanding Lender's right to invoke any such remedies, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the holders of the First Deed of Trust at least 60 days prior to written notice.

The Borrower and the Lender agree that whenever the Note or this Deed of Trust gives the Lender the right of approval or with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise, and a right of approval or consent with regard to the same matter is also granted to the holder of the First Deed of Trust, such senior lienholder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recital in the Trustee's deed shall be prima facie evidence of the truth of the statement made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

16. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceeding begun by Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of judgement enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreement of Borrower contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in paragraph 15 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

17. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Borrower shall not rent the Property without the prior written consent of Lender, which consent can be withheld for any reason or no reason. If Borrower rents the Property without the prior written consent of Lender, Lender may exercise its right of acceleration in accordance with paragraph 16 of this Agreement.

Upon acceleration under paragraph 16 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to premiums on receiver's bonds and reasonable attorneys' fees, add them to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

18. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust to Trustee, Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitles thereto. Such person or persons shall pay all costs of recordation, if any.

19. **Substitute Trustee.** Lender, at Lender's option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of Santa Clara County. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Instrument is recorded and the name and address of the successor trustee. The successors trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

20. **Request for Notices.** A request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Property shall be recorded by Lender in the Office of the Recorder of Santa Clara County for the benefit of Lender under the procedure specified in Civil Code Section 2924b. Lender may declare a default under this Deed of Trust upon receipt of any notice given to Lender pursuant to Civil Code Section 2924b, and may exercise any rights available to it under this Deed of Trust.

21. **Statement of Obligation.** Lender may collect a fee not to exceed $50 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code California.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

BORROWER:
CRDSV, LLC dba Residence Inn Scotts Valley

(Notarized Signature) ________________________________

By: Bijal Patel

Its: Chief Executive Officer

LEGAL DESCRIPTION

To be attached.

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: June 15, 2022

TO: Honorable Mayor and City Council

FROM: Mali LaGoe, City Manager

SUBJECT: **STRATEGIC PLAN FOLLOW UP AND WORKPLAN**

SUMMARY OF ISSUE

On March 22 and April 7th, the City Council held two Strategic Planning Study Sessions to review the City's strategic goals and discuss the City's strategic priorities, as we rebuild and recover from the COVID-19 pandemic. The study sessions focused on clarifying what success would look like for each of the City's four strategic goals. These discussions helped to inform budget priorities for the FY22-23 budget and focus areas for City services moving forward.

Of the City's four goals, two focus on high performance city operations while the other two focus on what makes the City of Scotts Valley the "right place" for people to live, work and visit.

City Operations	Community Value
➢ Ensure long-term financial stability ➢ Implement operational initiatives to enhance city services	➢ Encourage business development & expand the City's economic base ➢ Maintain quality of life for residents

The Council identified a few priorities related to these goals, and the Executive Team has further built out a workplan to address these and related priorities. Specifically, the Council prioritized developing a plan to address the City's long-term pension and OPEB obligations and focusing resources on improving our parks and facilities. In addition, the Council expressed support for investments in technology and continued efforts to develop the Town Center.

Strategic Workplan Development

The Executive Team took this information and assessed the City's current situation through questions such as: *Where are we now? What opportunities or resources do we have (or need) to support where we want to go? And, what challenges or obstacles will inhibit our progress?* The resulting information was used to define strategies that can be deployed over the next 2-4 years and tactics to implement in the next 1-2 years as presented in the attached Strategic Workplan.

Flexibility and readiness are key to capturing emerging opportunities such as funding or partnerships while always keeping our sights on the end goal. Therefore, staff will remain ready to continuously adjust and adapt through the tactics in this plan to changing circumstances, while the goals set by Council remain our “north star”. Further, this Workplan is intended to be specific, but must also be agile and iterative to allow for continuous improvement in a volatile, uncertain, changing, and ambiguous environment. It is intentionally not rigid with deadlines and metrics that could stifle creativity, ambition, and openness to reprioritization when it makes sense to do so. As this plan is implemented, the City Manager will provide timely updates to Council and future agenda items will be brought to the Council that execute the tactics included in this plan. New tactics will be added as information and opportunities emerge and current tactics will be removed once completed.

The City’s FY22-23 Budget includes funding related to this plan, specifically for:

- Consultants to conduct a Fee Schedule Study, advise the City on pension/OPEB debt strategy, assist the City with the Town Center project, advise on information technology needs, and conduct various park/facility assessments.
- Contracts with the economic development partners, DEI trainers, and design and construction contractors for CIP projects.
- Technology such as software upgrades for Finance, HR, Public Works and Community Development; and hardware upgrades at City Hall, Wastewater Treatment Plant and Council Chambers.
- Staffing to fill key positions to manage and oversee these projects.

All City staff have a responsibility to know the City’s goals (as identified by Council) and Strategic Workplan (as developed by the Executive Team) and use those as their daily guide to prioritize tasks, decisions, and teamwork. A summary of this Workplan was presented at an All Staff Meeting on June 7th by the City Manager to convey the importance of this strategic alignment and invite staff to contribute their ideas. Staff were also asked to share their individual values which will be used to further develop a set of mission, vision, and values statements for the City of Scotts Valley over the next year.

FUNDING IMPACT

There is no fiscal impact resulting from this presentation.

STAFF RECOMENDATION

Receive a presentation from the City Manager regarding the City’s Strategic Workplan.

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City of Scotts Valley
Strategic Workplan - June 2022
Goals, Strategies and Tactics

Goal I: Ensure long-term financial stability

Strategies	Tactics
Stabilize revenue sources	• Conduct Fee Schedule Study and prepare updated fees for FY23/24 meeting cost recovery goals • Monitor and support tax revenue growth opportunities under existing tax structure • Research potential new revenue sources
Address pension & OPEB liability	• Hire a financial advisor to assess all pension/OPEB cost containment tools and develop strategy to manage/minimize liability • Once a strategy is developed, implement initial steps
Strengthen financial forcasting tools	• Implement financial/budgetting software solution (ERP) to improve financial data and reporting • Enhance 5 and 10 year forecasting tool for mulitple scenarios • Develop tool to track economic performance indicators

Goal II: Encourage business development and expand the City's economic base

Strategies	Tactics
Implement electronic systems & increase capacity for permit processing	• Implement OpenGov software for permit processing • Implement OpenGov Business License software • Address staffing shortages through recruitment and contracts
Prepare Town Center site for development	• Complete surface level environmental clean up • Secure site control for Santa Cruz parcels • Develop master site plan with stakeholder input
Support post-pandemic economic recovery	• Partner with the Chamber, SBDC and Workforce Santa Cruz County to offer resources to all Scotts Valley businesses • Partner with the Santa Cruz Arts Council to support Scotts Valley professional artists • Continue to seek resources to assist recovering businesses

Strategies (2-4 years) Tactics (1-2 years)

City of Scotts Valley
Strategic Workplan - June 2022
Goals, Strategies and Tactics

Goal III: Implement operational initiatives to enhance city services

Strategies	Tactics
Implement Technology Solutions	• Contract with a new IT service provider for tech support, cyber security and IT management • Implement hardware upgrades at City Hall and Wastewater • Implement software solutions in Finance, Human Resources, Public Works and Community Development
Enhance organizational culture	• Develop a city mission, vision, values statements as guiding documents with input from staff • Increase bidirectional communication about priorities, workload, problems and solutions • Provide Diversity Equity & Inclusion training to all staff
Seek community feedback on priorities and service satisfaction	• Implement a simple survey tool to ask for resident feedback about city amenities and services • Implement service request tool for public works services

Goal IV: Maintain quality of life for residents

Strategies	Tactics
Maintain Police Service levels	• Invest in training, mentoring, resources for Officers • Upgrade facilities and technology where needed • Focus on succession planing for leadership positions in the PD
Prioritize catch-up maintenance at City parks	• Implement contracted landscape services for select areas • Prioritize CIP projects related to park infrastructure • Complete Parks Master Plan
Support a sense of community through gatherings, activities, inclusivity, and arts	• Implement recreation assessment recomendations • Support local non-profit community events • Support the Theater Guild in opening the Performing Arts Center • Provide grants to local non-profits serving SV residents • Promote diversity, equity and inclusion in the SV Community

Strategies (2-4 years)   Tactics (1-2 years)