

City of Capitola Agenda

Mayor: Ed Botorff
Vice Mayor: Stephanie Harlan
Council Members: Jacques Bertrand
Dennis Norton
Michael Termini
Treasurer: Christine McBroom



REVISED

CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, OCTOBER 27, 2016

7:00 PM

**CITY COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010**

**CLOSED SESSION - 6:00 PM
CITY MANAGER'S OFFICE**

An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the Open Session Meeting.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code § 54956.8)

Property: 4400 Jade Street, APN 034-551-02, Capitola, CA
City Negotiator: Jamie Goldstein, City Manager
Negotiating Parties: Soquel Union Elementary School District
Under Negotiation: Terms of Joint Use Agreement

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Gov' t Code § 54956.9(d)(1)]

(One case)

City of Capitola v. Water Rock Construction, Inc.
Santa Clara Superior Court Case No. 16CV295795

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7:00 PM

All correspondences received prior to 5:00 p.m. on the Wednesday preceding a Council Meeting will be distributed to Councilmembers to review prior to the meeting. Information submitted after 5 p.m. on that Wednesday may not have time to reach Councilmembers, nor be read by them prior to consideration of an item.

All matters listed on the Regular Meeting of the Capitola City Council Agenda shall be considered as Public Hearings.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Dennis Norton, Stephanie Harlan, Jacques Bertrand, Michael Termini and Mayor Ed Bottorff

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

Additional information submitted to the City after distribution of the agenda packet.

- A. Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program

4. ADDITIONS AND DELETIONS TO AGENDA

5. PUBLIC COMMENTS

Oral Communications allows time for members of the Public to address the City Council on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Council Members/City Treasurer/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration.

7. CONSENT CALENDAR

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the public or the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.

Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.

- A. Consider the September 29, 2016, and October 1, 2016, Special City Council Minutes
RECOMMENDED ACTION: Approve Minutes.
- B. Approval of City Check Registers dated September 2, September 9, September 16, September 23 and September 30, 2016
RECOMMENDED ACTION: Approve Check Register Reports.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

All items listed in "General Government" are intended to provide an opportunity for public discussion of each item listed. The following procedure pertains to each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.

- A. Receive a Report on the Widening of Capitola Wharf and Ten-Year Schedule of Improvements
RECOMMENDED ACTION: Accept a report on the widening of Capitola Wharf and 10-year expenditure plan update. If Measure F is successful, direct the Public Works Department to develop a plan for a Project Manager to oversee and manage the wharf and beach projects.
- B. Consideration of a Village Parklet Pilot Program
RECOMMENDED ACTION: Accept presentation and provide direction.
- C. Consider Amendments to Various Finance Administrative Policies
RECOMMENDED ACTION: Approve Amendments.
- D. Authorize Participation in the Public Agencies' Post-Employment Benefits Trust Program
RECOMMENDED ACTION: Authorize participation in the Public Agencies' Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) with U.S. Bank as trustee, appointing the City Manager as the Plan Administrator, and authorizing the City Manager to negotiate and execute the documents to implement the Program.
- E. Consider Amendments to the Administrative Policy I-7 Regarding the Memorial Program
RECOMMENDED ACTION: Approve Amendment to Administrative Policy I-7.

9. ADJOURNMENT

Note: Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes "final." Please be advised that in most instances the decision become "final" upon the City Council's announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
October 27, 2016

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 7:00 p.m. (or in no event earlier than 6:00 p.m.), in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City's website: www.cityofcapitola.org and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.cityofcapitola.org by clicking on the Home Page link "Meeting Video." Archived meetings can be viewed from the website at anytime.



REVISED STAFF REPORT CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Community Development

SUBJECT: Consideration of a Village Parklet Pilot Program

RECOMMENDED ACTION: Accept presentation and provide direction.

BACKGROUND: Parklets are sidewalk extensions which typically occupy one or more on-street parking spaces. Parklets are often developed to provide additional outdoor dining space for adjacent restaurants, but may also be less formal public spaces which provide a place for people to relax and socialize. In addition to seating, parklets may also include landscaping (shrubs, flowers, vines, etc.) sun umbrellas, bike parking, lighting, or public art. Parklets are generally constructed, financed, and maintained by private entities.

The Planning Commission and City Council discussed and considered allowing parklets in the Central Village zoning district during Zoning Code update hearings. The Planning Commission ultimately recommended removing allowances for parklets from the Draft Zoning Code. The City Council concurred with the Planning Commission recommendation, but directed staff to present a Village Parklet Pilot Program for their consideration.

DISCUSSION: A number of cities have initiated parklet programs over the past several years as a means to develop “complete streets” and to enhance the vibrancy of their commercial districts. Although parklets have been successful in many cities, they also present a number of policy issues which warrant careful consideration before launching a parklet program.

Staff has prepared a draft administrative policy (Attachment 1) for a two-year pilot program for the City Council’s consideration. Key issues which require City Council direction include the following:

Location: There are limited areas within the Village Mixed-Use Zoning District that could accommodate a parklet intended to serve an existing restaurant use. The only streets which offer street parking and include restaurant uses are the Esplanade, San Jose Avenue, Monterey Avenue, and Capitola Avenue (between Stockton and the trestle).

There was general consensus during previous discussions with the Planning Commission and City Council that adding parklets along the Esplanade may not be desirable. Capitola Avenue has street parking which could accommodate a parklet, but has only one restaurant (Bella Roma Caffé), a coffee shop (Calypso), and a wine bar (It’s Wine Tyme). Accordingly, the draft administrative policy limits the allowable locations to:

- San Jose Avenue between the Esplanade and Capitola Avenue, and
- Monterey Avenue between Esplanade Park and Park Place.

The Council may consider adding locations or reducing locations at the hearing.

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL)

Number of parklets: Based on previous City Council discussions, the administrative policy has been drafted to allow a total of two parklets, each occupying a maximum of two parking spaces. Diagonal parking spaces in the Village are approximately 9-feet by 18-feet, or 162 square feet per stall and parallel spaces are typically 9-feet by 25-feet, or 225 square feet per stall. As drafted, the policy requires a specific buffer between the parklet and remaining parking spaces. Therefore, a parklet that occupies two parking spaces would provide approximately 216 to 378 square feet to accommodate seating and any other amenities such as landscaping or bike parking.

Cost: The City Council has a number of options to establish a cost for a parklet application. Potential costs to an applicant could include lost parking meter revenue, a pro-rata payment for in-lieu parking spaces, and fees to process required encroachment and development permits. The following table outlines potential costs for the Council's consideration:

Application Costs	Amount
Major Revocable Encroachment Permit Fee	\$513
Coastal Development Permit Fee	\$770
Design Permit/Conditional Use Permit	\$3,000 (deposit)
Building Fee Estimate	~\$500 - \$800
Parklet Removal Security Deposit	\$1,000 (refundable)
TOTAL	\$9,003 - \$9,303 \$5,783 - \$6,083
Annual Costs	
Parking Meter Revenue (per space)	\$3,220/year
In-Lieu Parking Fee (per space)	~\$1,500 - \$2,000/year ¹

Based on the anticipated up-front cost to applicants to construct a parklet, and the limited term of the proposed pilot program, it appears that assessing all of these costs on applicants would likely mean there would be limited participation in the pilot program.

Looking at programs in other cities, it appears that in some cases cities initially established the fee for the program at a lower rate to encourage participation.

Design and Operational considerations: The draft administrative policy includes several design and operational requirements which are based on best practices from other cities with parklet programs. Notably, staff recommends parklets include buffer zones between adjacent parking spaces, landscaping, "soft-hit" posts, wheel stops, and a prohibition on lighting, signage, and advertisements. Parklets would also be required to comply with ADA and stormwater regulations.

Coastal Issues: City staff conferred with California Coastal Commission (CCC) staff about a potential Village parklet pilot program. CCC staff expressed concern over the loss of public parking spaces and questioned the need for additional public spaces or outdoor dining areas in the Village. CCC staff suggested they would prefer parklets to be publicly accessible rather than for the exclusive use of restaurant patrons; however, they were not prepared to either support or oppose the program at this time.

FISCAL IMPACT: The fiscal impact of the pilot program depends on the cost model established by the City Council; specifically, whether parklet applicants would be responsible for parking meter revenue and permit fees.

ATTACHMENTS: (1)Draft Administrative Policy

Report Prepared By: Rich Grunow, Community Development Director

¹ Annual in-lieu fee based on \$30,000-\$35,000 cost per space, at 3.5%-4% interest rate

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Joy2bake@sbcglobal.net
Sent: Sunday, October 23, 2016 3:50 PM
To: City Council
Subject: "Parklet" program

Dear City Council Members,

I am an owner of the residence located at 112 Esplanade, Capitola, one of the six sisters across from Zelda's. I am unable to find additional information on the city's website as to what is being proposed for the "Parklet" pilot program.

Without having read what is being proposed, I can tell you, as I am sure you are aware, that it is extremely difficult to find parking next to our home. Any reduction in parking places will only add to the burden. Parking is an issue when we show up loaded with luggage and gear for the weekend. Parking is an issue when we arrive with groceries bags and beverages that have to be carried into the house. Parking is an issue if we leave at any time and want to return mid-day. Family members have even been ticketed while loading and unloading bags on an empty corner with children in car seats. Leaving toddlers unattended blocks away while packing up is unacceptable.

Years ago, our neighbor used to store his boat on his front lawn. If I had the power to turn my front lawn into a parking space, I would. To accommodate restaurants and their increasing profits at the detriment and expense of the homeowners and residents seems biased. If parking is being reduced in our neighborhood, one solution might be to create an unloading and loading yellow zone in front of the six sisters for their exclusive use.

If written details about the "Parklet" pilot program are available, I would like to have them emailed to me. Thank you very much,

Victoria DeSmet

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Bob Edgren <agren7@yahoo.com>
Sent: Saturday, October 22, 2016 4:08 PM
To: Goldstein, Jamie (jgoldstein@ci.capitola.ca.us); City Council; PLANNING COMMISSION
Subject: parklets and transparency

Dear Mgr. Goldstein, Council and Planning,

A couple times I have mentioned the city and departments lack a sense of priority. I think discussing "parklets" are a prime example. Parklets may or may not be a good idea, but from observing discussion both in the Council and Planning, there is plithera of confusion and variables surrounding them. This kind of self inflicted proposal, similar to "shared hours", can only eat away at valuable time to address more pressing issues of our city. If staff does not grasp parklets, how do you expect the people and merchants to? It's like opening a can of worms. I kind of understand the concept but have been approached by several merchants with questions and concerns;

1. Who will have them?
2. They will take away parking for my customers.
3. Will they be seasonal?
4. How much will they cost?
5. How does the seating affect our Coastal Commission requirement?
6. How many tables and chairs will be allowed?
7. Is it month to month or a long term lease?
8. Who will maintain them?
9. Can alcohol be served on them?
10. Can full meals be served on them?
11. Can two restaurants share one?
12. Who will carry liability for them?
13. What is the process for selecting who gets one?
14. Is it fair that one restaurant gets one and another does not?
15. I have apartments or a house in the village and these will decrease my parking.
16. I have a dress shop in the village and this will decrease my customer parking.
17. Are they ADA compliant?
18. Will dogs be allowed on them?

So, some of the comments I have heard. Again, if you want to engage in a real time eater...open up the discussion on parklets. I would hope we have more important issues facing us.

I realized from this, that I would be the only Council person with real retail experience. Interesting.

Transparency.

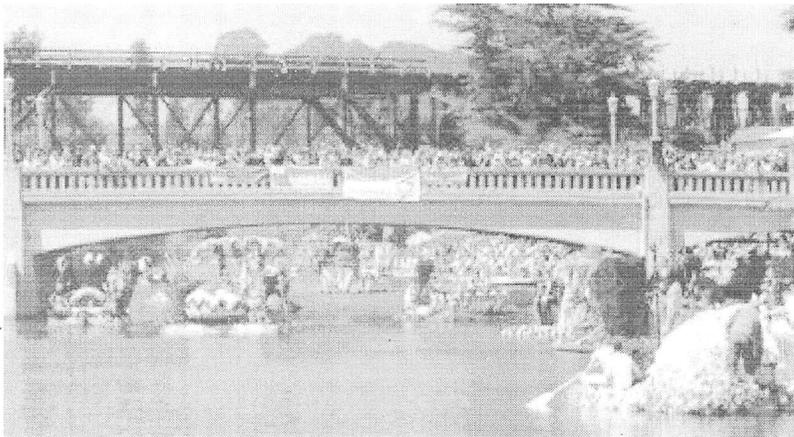
I am also hearing out there that there is concern about public notices and information. We live in a fast changing world where traditional avenues of news and information is changing. The old "public notice" in the newspaper is gone by the way side. The little green cards are often overlooked. One thing we can do I mentioned is have people sign up with their email for notices and news of the city.

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL)

Okay, have to go campaigning...

Bob Edgren
agren7@yahoo.com
831-402-2111

Traffic Solutions, War On Gangs - Bob Edgren - Capitola, CA



Traffic Solutions, War On Gangs - Bob Edgren - Capitola, CA

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Molly Ording <mollyording@yahoo.com>
Sent: Tuesday, October 25, 2016 8:59 AM
To: City Council
Subject: Parklets!

Good Morning City Council Members!

I am sorry to not attend your meeting Thursday night to listen and watch your discussion of this issue...such a bad idea on SO many levels! We are out of town babysitting but trust you will, in your general, usual wisdom, reject the parklet proposal decisively and finally!

I know you all are familiar with **all** the downsides of this...I actually cannot think of one upside - other than perhaps for the two restaurants who *might* be willing to foot the considerable expenses of construction, maintenance, etc. etc. And, even for them, given our weather and our village traffic and congested parking & sidewalk conditions, would these parklets even be attractive or at all enticing to dine within? I have seen them in many places that have SPACE, which we do not, and where the proprietors have been willing to spend CONSIDERABLE DOLLARS to make them really attractive, but somehow I seriously doubt that is the case in our small, over-crowded village! They just do not fit! (Think of the lack of support, both space or dollar-wise, you have gotten from village restaurants for any kind of sensible or attractive sign ordinance!!!)

The other issue is that on the Traffic and Parking Commission we have heard one plea after another for years from village residents and neighborhoods that are over-run with cars, cut through traffic or tourists and employees parking on their streets, **WHY ON EARTH WOULD YOU NOT HELP OUT THESE BELEAGUERED RESIDENTS?** If you are going to "give away" 4 precious parking spaces, why not lobby the Coastal Commission to create even more 4 Permit Parking places in these...our neighborhoods! If you are not aware of the problems these neighbors deal with, for lack of reliable permit parking, then you haven't been listening!

I hope you are listening now! Please do not make this mistake. Focus your efforts on projects that are actually beneficial to the Village, its residents and our visitors! Thanks for your attention!

Most sincerely,

Molly Ording

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Nels Westman <nels@bestwestman.com>
Sent: Tuesday, October 25, 2016 7:29 AM
To: City Council
Subject: 10/27/16 Agenda Item 8b - Parklets

Greetings, City Council

The conversion of Village parking spaces to additional seating for restaurants is bad parking management and blatantly discriminates against all Village parking users in favor of one or two Village restaurant owners. The proposal is to dedicate two spaces for each business in a two year trial program. No trial program is necessary. Just accept this for what it is - a bad idea.

How often will restaurant customers actually opt to sit in the street rather than inside the restaurant? Only when the restaurant is full with a long waiting list and when the customer desperately wants to eat there. Only during warm afternoons and evenings. At best we are talking about die hard diners on Saturday and Sunday late afternoons and early evenings during the summer....if at all. I would guess meals might actually be served maybe 40 days per year during maybe a 6 hour window.....something like 240 hours per year. If you do the math, that is less than 3% of the time that those spaces could otherwise be used for parking. Is that mediocre utilization truly worth the loss of access to Village parking for Village residents including their overnight parking, retail businesses, locals and visitors? That parking is lost 24/7/365. It boggles my mind that anyone thinks this is a good idea or a sensible trade-off..

On average each Village parking space currently generates over \$3,200 per year in meter revenues to the city. It will rise significantly in the event of parking rate increases. If a contractor, for example, needs to use a Village parking space to park a dumpster for his construction project, he pays the city \$18 per day to compensate the city for lost meter revenue and the inconvenience to the public of that lost space. If a restaurant opts to convert public parking to extra dining space, they should pay a comparable amount as an absolute minimum for every day that the parking space is blocked. That's \$6,570 per year per space. The restaurant should pay the cost of fabricating the platform which occupies the space. There should be a careful design process to come up with the most attractive standard parklet unit. There should be a comprehensive City Policy developed on fees and operational rules before any parklet is permitted. The restaurant should pay the cost to install it, to remove it and to store it if necessary. It should be both safe and attractive so as not to be a blight on our Village. This represents thousands of dollars of additional expense which should absolutely not be borne by the taxpayers. Media reports in Berkeley indicate fabrication and installation costs of \$45,000-\$50,000 per parklet. In Los Angeles the guidelines say allow \$40,000 to \$80,000.

The fabrication and installation costs plus permitting fees plus lost meter revenue reimbursement will be around \$65,000 - \$75,000. Clearly there is no way a restaurant like Caruso's, for example, could remotely afford to create and operate a parklet. It will be misery for all parties.

The worst parking configuration for parklet is diagonal parking. The few cities that have tried a diagonal parklet require a 3' setback or buffer down both sides of the parklet for vehicle access, opening cars doors, etc. plus a physical barrier (planter boxes and such). Therefore, a diagonal parklet would mandate using two contiguous spaces (this means DOUBLE fees) and would still only yield a usable dining area less than 10' wide and maybe 16' long. Where is the proposed trial to be? Along San Jose Ave in diagonal spaces. Another bad idea.

Faced with a bad City policy to allow the conversion of Village parking spaces to additional restaurant parking, the taxpayers should absolutely expect the restaurant to fully pay for all permitting costs, construction costs, installation and removal costs and all maintenance costs including graffiti removal and damage from adjacent parking vehicles. The City should also be reimbursed by the restaurant for the maximum amount of meter revenue lost for every day that space is

blocked by the restaurant. The rate of reimbursement should be automatically adjusted upward by the same percentage as any future meter rate increases. The idea of the City deeply discounting or waiving any of these fees or costs in this trial program is an insult not only to all the Village parking stakeholders but also to all Capitola taxpayers. It would be nothing less than a generous rent subsidy to private businesses.

We've all seen San Jose or Monterey Avenues become virtual rushing rivers during heavy rains and high tides. How can you possibly design a parklet structure in such a way that won't become a mini dam diverting storm water up onto the sidewalks and into adjacent businesses and residences? A bad idea.

And the other Village parking stakeholders get doubly screwed by this proposal when the theoretical additional customers in parklet dining compete for the reduced number of Village spaces in which to park their cars. I hope the irony of this is not lost on you. As they sit at their parklet table they will no doubt be complaining about how hard it is to find parking in the Village.

The unavoidable consequence of this proposal is to intensify Village use and congestion while simultaneously reducing parking and eroding city revenues. The community is speaking loudly that this is not what they want to see happen in the Village. It's a bad idea.

Thanks for your attention.

Nels

October 21, 2016

TO: Capitola City Council

From: Gary Wetsel

Subject: Consideration of a Village Parklet Pilot Program

OCT 24 2016
CITY OF CAPITOLA
CITY CLERK

Mayor and Council Members:

All of you know I have been a merchant in the village for over 19 years. I have severed on various committees for the Village, not the least of which was the original "Blue Ribbon" Committee on Village Parking (3 years) and the also original Village "Traffic and Parking Commission" (5 years). I have also been an officer of the Capitola Village and Wharf Business Improvement Association (B.I.A.), serving as the President, Treasurer and now Chairman for the last two years. Based on this experience I believe I have a very good working knowledge of many of the issues relating to the consideration of a Village Parklet Pilot Program. The following are my thoughts for your consideration:

1. Traffic and Parking have been a very serious problem facing the Village and merchants since the proliferation of the automobile. Many groups have attempted to alleviate the parking aspect and have finally achieved significant success with the temporary addition of the lower parking lot. Hopefully this will be replaced by a parking structure when funds are available. The elimination of even a few parking spaces in the Village goes in the face of our mutual quest to attack the parking shortfall.
2. These obstructions (Parklets) will increase traffic congestion as people cross the street to reach these units rather than use the marked walkways.
3. Currently we have significant challenges in keeping our streets, sidewalks and garbage cans clean. While we can say that this is the responsibility of the merchants, we know full well by experience that this is inconsistent, at best, among merchants.
4. The merchants that utilize this concept that have liquor licenses would probably need to obtain a modification to their license to allow outdoor sale. This also leads to alcohol drinking off premise and a loss of proprietor control as it is outside of a closed area. These units would then need to be "fenced in".
5. The idea of a "pilot" in this Village has not been historically successful. Unfortunately these concepts become "permanent" as major objections will be encountered if the idea is rescinded. In addition there is no reasonable way of measuring their success as success means different things to different people. (As an example 2 hour moving to 3 hour parking)
6. When merchants purchased, or most often leased, their premises they were well aware of the size and capacity of the unit. If they need more space, there is (unfortunately) a large turnover in space in the Village.

Communication: Item 8.B. Revised Staff Report and Public Communications regarding the Village Parklet Pilot Program (ADDITIONAL

7. This proposed trial would only benefit a very few. The B.I.A. made up of all Village merchants has a list of many items that they would wish the Council to consider before this request.
8. I do not believe that any concession of cost should be made (I also believe the cost estimates are too low). If this "pilot" is approved it should be financially viable to the merchant to pay full price. (I doubt it will be financially justifiable)
9. I believe the areas where this may be available are narrower sidewalks. These sidewalks will therefore be partially blocked as servers go back and forth to serve customers. Further if this "pilot" is approved how does the Council say no to restaurants such as mine, with a large sidewalk, to a request for sidewalk seating? (I am not requesting this.)
10. Interesting the Staff recommendation only includes restaurants. While I am against the concept of Parklets, the bias toward restaurants is clear.
11. I am not privy to the reasons the Planning Commission and the Council did not support this idea initially but I assume the reasons above and others were considered.
12. I would also like to see the recommendation of the Traffic and Parking Commission, as this is very central to their charter.
13. Lastly I would very much like to see how the B.I.A. (as a quasi City agency) could provide input to issues that affect the Village and merchants. Perhaps by the staff soliciting input for their reports to the Council on applicable areas.

Respectively submitted,

Gary Wetsel, Owner of Paradise Beach Grille



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: City Manager Department

SUBJECT: Consider the September 29, 2016, and October 1, 2016, Special City Council Minutes

RECOMMENDED ACTION: Approve Minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the subject meetings.

ATTACHMENTS:

1. September 29, 2016, Draft Minutes
2. October 1, 2016, Draft Minutes

Report Prepared By: Susan Sneddon
City Clerk

Reviewed and Forwarded by:

A handwritten signature in blue ink, appearing to be "JG", is written over a horizontal line.

Jamie Goldstein, City Manager

10/21/2016

**DRAFT MINUTES
CAPITOLA CITY COUNCIL
SPECIAL MEETING ACTION MINUTES
THURSDAY, SEPTEMBER 29, 2016
6:00 PM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Councilmember Dennis Norton: Present, Mayor Ed Bottorff arrived at 6:45 PM, Council Member Jacques Bertrand: Present, Vice Mayor Stephanie Harlan: Present, Council Member Michael Termini: Present.

2. ADDITIONAL MATERIALS (None provided)

3. ADDITIONS AND DELETIONS TO THE AGENDA (None provided)

4. PUBLIC COMMENTS (None provided)

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Termini encouraged those that participated in Vision Capitola to be involved in the City Council meeting discussions regarding the Zoning Code Update.

Vice Mayor Harlan stated that the next Special City Council Meeting to discuss the Zoning Code Update will be held on Saturday, October 1, 2016.

City Manager Goldstein provided an update regarding the Police Chief recruitment; interviews will be held on October 11, 2016.

6. CONSENT CALENDAR

RESULT:	ADOPTED <u>ITEM 6.A.</u> [UNANIMOUS]
MOVER:	Michael Termini, Councilmember
SECONDER:	Jacques Bertrand, Councilmember
AYES:	Norton, Bertrand, Harlan, Termini
ABSENT:	Bottorff

- A. Consider the September 8, 2016, Regular City Council Minutes, and the September 15, 2016, Special City Council Minutes
RECOMMENDED ACTION: Approve minutes.

7. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Zoning Code Update [730-85]
RECOMMENDED ACTION: Receive the staff presentation on the proposed Zoning Code Update beginning with Chapter 17.74, Secondary Dwelling Units, review subsequent chapters as time allows, and continue the public hearing to the Saturday, October 1, 2016, Special City Council meeting.

Attachment: September 29, 2016, Draft Minutes (1313 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
September 29, 2016

Zoning Code Section	Page Reference ¹	City Council consensus on the following:
17.88.030.A.1	Page 88-1	Remove reference to figure 17.88-1.
17.74.030.B.2 and 17.74.040.H	Page 74-2	Review of DETACHED two-story secondary unit requires a minor use permit and minor design permit. Neighbor is notified and can request a hearing. Second story attached automatically triggers a design permit reviewed by the Planning Commission.

RESULT:	APPROVAL OF DETACHED TWO-STORY SECONDARY UNIT THAT MEETS ALL THE R-1 REQUIREMENT WITH THE FOLLOWING VOTE:
MOVER:	Dennis Norton, Council Member
SECONDER:	Michael Termini, Council Member
AYES:	Norton, Bertrand, Termini, Bottorff
NOES:	Harlan

Table 17.80-2	Page 74-3	Setback standards and height standards should match the standards for a shed.
17.74.040.L	Page 74-4	Change "relate to" to "complement"
17.74.050.F	Page 74-5	Add: adjacent "residential" properties.
17.74.050.J	Page 74-5	Add: protects "public" views.
Table 17-76-1	Page 76-3	Add note [1] to hotel with 20 guest rooms. Note to require that Parking Demand Study is paid for by the applicant, contracted by the City, and approved by the Planning Commission.
17.76.030.C.1	Page 76-7	Remove "generally".
17.76-050.B and E.5	Page 76-12	Prohibit shared parking in the Village.
Bob Edgren, local resident, provided		comments regarding shared parking in the Village
17.76-050.F.4	Page 76-13	Exclude hotel from maximum of 25% valet parking.
17.76-050.H	Page 76-14	Bring back Transit Center credit and limit it to the Mall property with the outer limits being Clares Street, Capitola Road, and 41st Avenue.

¹ Draft Zoning Code Update.

Attachment: September 29, 2016, Draft Minutes (1313 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
September 29, 2016

RESULT:	APPROVAL OF TRANSIT CENTER PARKING CREDIT AND LIMIT IT TO THE MALL PROPERTY WITH THE OUTER LIMITS BEING CLARES STREET, CAPITOLA ROAD, AND 41ST AVENUE. WITH THE FOLLOWING ROLL CALL VOTE:
MOVER:	Dennis Norton, Council Member
SECONDER:	Jacques Bertrand, Council Member
AYES:	Norton, Bertrand, Termini, Bottorff
NOES:	Harlan

Zoning Code Section	Page Reference	City Council consensus on the following:
17.76.I.1	Page 76-14	In-Lieu parking. Reword to add that in-lieu program applies to hotel uses only per the adopted Council policy.
17.76.060.D.2	Page 76-17	Change "permitted" to "Preferred".
17.76.060.F	Page 76-17	Add "Parking lifts shall be maintained and operable through the life of the project."
17.76.060.G	Page 76-17	Add that all fixtures shall be dark sky compliant.
17.76.060.I.3.e	Page 76-18	Add "masonry wall "and may extend higher with Planning Commission approval."
17.76.070.D.2	Page 76-19	Change to 36 inch box.
17.76.070.E.1	page 76-19	Change to 4 inches high.
17.76.080.H	page 76-22	Delete "and at least 7 feet above the floor or ground."

8. ADJOURNMENT

The meeting was closed at 9:30 PM.

Ed Bottorff, Mayor

ATTEST:

Ryan Safty, Assistant Planner

Attachment: September 29, 2016, Draft Minutes (1313 : Approval of City Council Minutes)

**DRAFT MINUTES
CAPITOLA CITY COUNCIL
SPECIAL MEETING ACTION MINUTES
SATURDAY, OCTOBER 1, 2016
10:00 AM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Councilmember Dennis Norton: Present, Mayor Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Vice Mayor Stephanie Harlan: Present, Council Member Michael Termini: Present.

2. ADDITIONAL MATERIALS (None provided)

3. ADDITIONS AND DELETIONS TO THE AGENDA (None provided)

4. PUBLIC COMMENTS (None provided)

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Bertrand stated that Police Chief Escalante's September 30th Retirement event was a success.

6. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Zoning Code Update [730-85]

RECOMMENDED ACTION: Receive the staff presentation on the proposed Zoning Code Update and continue the public hearing to the Thursday, October 13, 2016, Special City Council meeting.

Zoning Code Section	Page Reference¹	City Council consensus on the following:
17.76.040.E.	Page 76-20	Covered Bicycles Racks in Multi-Family Residential.

RESULT:	APPROVAL TO PROPOSE ONE 2' X 6' BICYCLE STORAGE SPACE PER MULTI-FAMILY RESIDENTIAL UNIT WITH THE FOLLOWING VOTE:
MOVER:	Dennis Norton, Council Member
SECONDER:	Michael Termini, Council Member
AYES:	Norton, Bertrand, Termini
NOES:	Harlan, Bottorff

Table 17.76-6	Page 76-21	Require 1 space per unit for long term multi family dwelling and group housing.
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¹ Draft Zoning Code Update

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
 October 1, 2016

Zoning Code Section	Page Reference ²	City Council consensus on the following:
17.80.050.A.16	Page 80-6	Vacation rental signs up to 8 1/2 by 11. Allow one year from adoption of zoning code to come into compliance.
17.80.050.A	Page 80-6	Add garage sale signs limited to the day of the garage sale.
17.80.060.T	Page 80-7	Change to inflatable signs and balloons.
17.80.080.C.9	Page 80-11	#9 repeats #4. Delete #9.
17.80.090.A	Page 80-18	Remove limit of 5 foot candles of light.
17.80.100.A.2	Page 80-22	Maximum number of signs: 1 sign.
17.80.100.A.8	Page 80-22	Limit size of vacation sign to 8 1/2 x 11. Amortization for 1 year after code adoption.

RESULT:	APPROVAL TO LIMIT THE SIZE OF TRANSIENT RENTAL OVERLAY SIGNS TO ONE SQUARE FOOT; AMORTIZATION FOR ONE YEAR AFTER ZONING CODE ADOPTION [UNANIMOUS].
MOVER:	Dennis Norton, Council Member
SECONDER:	Ed Bottorff, Mayor
AYES:	Norton, Bertrand, Harlan, Termini, Bottorff

17.84 Page 84-1 Historical Preservation

Chris, local resident, stated that he owns a home listed in the potential historic residences and wanted to know what implications there would be if he wants to remodel.

Ron Graves, local resident, provided comments regarding the Historical Resource List.

17.84.020 Page 84-1 Reword and "the" potential historic resources "list."
 17.88 Page 88-1 Incentives for Community Benefits

RESULT:	APPROVAL ON INCENTIVES FOR COMMUNITY BENEFITS- PROPERTIES ELIGIBLE WITH THE FOLLOWING VOTE:
MOVER:	Dennis Norton, Council Member
SECONDER:	Michael Termini, Council Member
AYES:	Norton, Bertrand, Bottorff, Termini
NOES:	Harlan

² Draft Zoning Code Update

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
October 1, 2016

Zoning Code Section	Page Reference ³	City Council Consensus on the following:
17.88.010	Page 88-1	Remove the word "high."
17.88.030.A.1	Page 88-1	Remove "as shown in figure 17.88-1."
17.88.040.A.10	Page 88-3	Include example of entertainment.
17.88.050.A	Page 88-3	Need to describe area better so it is understood that Capitola Road is included.
17.88.070.A.	Page 88-4	Add requirement for flagging to display height of Village Hotel.
17.92.080.D.	Page 92-6	Involuntary Damage or Destruction.

Ron Gravies, local resident, provided comments regarding non-conforming structures.

RESULT:	APPROVAL TO KEEP SECTION D: INVOLUNTARY DAMAGE OR DESTRUCTION WITH THE FOLLOWING VOTE:
MOVER:	Dennis Norton, Council Member
SECONDER:	Michael Termini, Council Member
AYES:	Norton, Bertrand, Termini
NOES:	Harlan, Bottorff

Table 17.92-1	Page 92-6	Remove "Structural" throughout table. Staff to ensure third item from top is correctly categorized under Design Permit. "Modification and additions that alter or affect the nonconforming aspect of the structure." Add exceptions for residing and reroofing. Remove the word addition. That would fall under the fourth category.
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Section 17.96.050	Page 96-5	Intersection Sight Distance.
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Chris, local resident, provided comments regarding vegetation in the public right-of-way.

17.96.120.B	Page 96-12	Placement of Underground Utilities.
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RESULT:	APPROVAL TO REMOVE B: EXCEPTIONS FOR THE UNDERGROUND UTILITIES WITH THE FOLLOWING VOTE:
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Michael Termini, Council Member
AYES:	Bertrand, Harlan, Termini
NOES:	Bottorff, Norton

³ Draft Zoning Code Update

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
October 1, 2016

Zoning Code Section	Page Reference ⁴	City Council consensus on the following:
17.96.120.B	Page 96-12	Remove exceptions to underground utilities.
17.96.130.G and J	Page 96-13	Only allow attended facilities. Within location, require that facilities are a minimum of 100 feet from residential. Update Hours of operation to be solely hours of operation.
17.96.150	Page 96-18	Add solar hot water systems.
17.96.160.E	Page 96-18	Add "permeable" surface variations.
17.96.160	Page 96-18	Add requirement for overhead clearance of 8 feet.
17.96.170.C.8	Page 96-20	Conversion of On-Street Parking Spaces

Nels Westman, local resident, recommended that no public dining be permitted in the public right-of-way in the Village.

Ron Graves, local resident, recommended that a public hearing regarding parklets be scheduled.

7. ADJOURNMENT

The meeting was closed at 2:30 PM.

Ed Bottorff, Mayor

ATTEST:

Ryan Safty, Assistant Planner

⁴ Draft Zoning Code Update



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Finance Department

SUBJECT: Approval of City Check Registers dated September 2, September 9, September 16, September 23 and September 30, 2016

RECOMMENDED ACTION: Approve Check Register Reports.

BACKGROUND: Check registers are attached for:

Account: City Main				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
9-02-16	84589	84644	58	\$146,533.57
9-09-16	84645	84683	43	\$147,249.49
9-16-16	84684	84744	69	\$134,472.38
9-23-16	84746	84804	63	\$307,571.89
9-30-16	84805	84845	43	\$97,296.60

The check register of August 26, 2016, ended with check #84588. Check #84745 was voided due to a printing error.

Account: Payroll				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
9-02-16	4973	4981	99	\$152,655.81
9-16-16	4982	4989	96	\$150,890.55
9-30-16	4990	4999	102	\$174,200.19

Following is a list of checks issued for more than \$10,000.00 and a brief description of each expenditure:

Check	Issued to	Dept	Description	Amount
84615	Monterey Peninsula Engineering	PW	Rosedale area paving project	\$13,370.60
84635	Brookvale Terrace	FN	Assessment district final disbursement	\$16,092.51
eft322	CalPERS Health Insurance	FN	September health insurance	\$60,205.20
eft324	CalPERS Member Services	FN	PERS contributions PPE 8-27-16	\$49,742.06
eft326	IRS	FN	Federal taxes & Medicare	\$27,881.58
84690	Atchison Barisone Condotti & Kovacevich	CM	August legal fees	\$19,525.16

Approval of City Check Registers
October 27, 2016

84715	Kimley-Horn and Associates	PW	Traffic signal adaptive control systems	\$38,784.16
84728	SCC Auditor-Controller	PD	August citation processing	\$13,012.50
84733	Soquel Creek Water District	PW	Monthly water usage	\$11,798.82
84782	Santa Cruz Regional 911	PD	Quarterly regional 911 contribution	\$102,033.25
eft337	CalPERS Member Services	FN	PERS contribution PPE 9-10-16	\$49,673.15
eft339	IRS	FN	Federal taxes & Medicare	\$28,107.44
eft341	CalPERS Health Insurance	FN	October health insurance	\$58,726.69
84828	Pacific Gas and Electric	PW	Monthly utilities	\$15,563.99
84832	Rogers Anderson Malody and Scott	FN	FY15/16 audit progress billing	\$13,000.00
84837	Santa Cruz Regional 911	PD	Regional 911 debt service	\$36,100.00

ATTACHMENTS:

1. 09-02-16 City check register
2. 09-09-16 City check register
3. 09-16-16 City check register
4. 09-23-16 City check register
5. 09-30-16 City check register

Report Prepared By: Maura Herlihy
Account Technician

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

10/21/2016

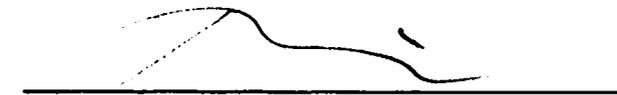
Accounts payable checks dated 9/2/2016, numbered 84589 to 84644, totaling \$85,892.13, plus 2 efts totaling \$60,641.44, 9 payroll checks totaling \$4,251.91 and 90 payroll efts totaling \$148,403.90, for a total disbursement of \$299,189.38, have been reviewed and authorized for distribution by the City Manager.

As of 9/2/2016 the unaudited cash balance is \$4,680,389.96.

CASH POSITION - CITY OF CAPITOLA 9/2/2016

	<u>Net Balance</u>
General Fund	(\$129,447.63)
Payroll Payables	\$144,621.33
Contingency Reserve Fund	\$1,893,345.66
PERS Contingency Fund	\$300,000.00
Facilities Reserve Fund	\$229,870.00
Capital Improvement Fund	\$1,864,881.74
Stores Fund	\$19,495.81
Information Technology Fund	\$103,996.94
Equipment Replacement	\$60,200.28
Self Insurance Liability Fund	\$59,385.45
Worker's Comp. Ins. Fund	\$117,851.79
Compensated Absences Fund	\$16,188.59
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,680,389.96</u></u>

The Emergency Reserve Fund Balance is \$1,262,205.54 (not included above).



 Jamie Goldstein, City Manager

 9/2/2016
 Date

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
84589	09/02/2016	Open			ACCELA INC	\$1,134.00
	Invoice		Date	Description		Amount
	INV-ACC21729		07/25/2016	Legislative management software 2211 - ISF - Information Technology		\$1,134.00
84590	09/02/2016	Open			ALLIANT INSURANCE SERVICES	\$108.00
	Invoice		Date	Description		Amount
	501321		08/04/2016	Quarterly physical damage insurance 2213 - ISF - Self-Insurance Liability		\$108.00
84591	09/02/2016	Open			AT&T/CALNET 2	\$2,055.05
	Invoice		Date	Description		Amount
	0008468247		08/13/2016	May - August telephone and T-1 access 1000 - General Fund 2211 - ISF - Information Technology	\$1,765.23 \$289.82	\$2,055.05
84592	09/02/2016	Open			AT&T/CALNET 3	\$1,485.46
	Invoice		Date	Description		Amount
	0008457931		08/13/2016	Monthly telephone service & T-1 access 1000 - General Fund 2211 - ISF - Information Technology	\$951.86 \$533.60	\$1,485.46
84593	09/02/2016	Open			AUTOTEMP INC.	\$123.75
	Invoice		Date	Description		Amount
	3438		04/30/2016	Project management 1421 - Pac Cove Park		\$123.75
84594	09/02/2016	Open			B & B SMALL ENGINE REPAIR	\$170.34
	Invoice		Date	Description		Amount
	356803		08/26/2016	Synthetic oil and files		\$170.34
84595	09/02/2016	Open			BILL TASHNICK	\$66.00
	Invoice		Date	Description		Amount
	Tashnick82616		08/26/2016	Softball Officials 8/15-8/26/16		\$66.00
84596	09/02/2016	Open			BOB MURRAY & ASSOCIATES	\$4,870.00
	Invoice		Date	Description		Amount
	6886		08/17/2016	Police chief recruitment services		\$4,870.00
84597	09/02/2016	Open			BRINKS AWARDS & SIGNS	\$32.62
	Invoice		Date	Description		Amount
	81266		08/18/2016	Awards		\$32.62
84598	09/02/2016	Open			CALIFORNIA LAW ENFORCEMENT ASSOCIATION	\$539.00
	Invoice		Date	Description		Amount
	2017-00000160		09/01/2016	September POA LTD plan 1001 - Payroll Payables		\$539.00
84599	09/02/2016	Open			CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OF	\$20.00
	Invoice		Date	Description		Amount
	17834		08/31/2016	M. Herlihy CSMFO membership		\$20.00

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amou
84600	09/02/2016	Open			COVELLO & COVELLO PHOTOGRAPHY	\$826.50
	Invoice		Date	Description		Amount
	6341		08/25/2016	JG Photos		\$826.50
84601	09/02/2016	Open			CRYSTAL SPRINGS WATER CO.	\$196.50
	Invoice		Date	Description		Amount
	CSW073116		07/31/2016	July drinking water		\$196.50
84602	09/02/2016	Open			EWING IRRIGATION	\$202.40
	Invoice		Date	Description		Amount
	2036408		08/18/2016	Emitter access box		\$60.50
	2043576		08/19/2016	Grass seed		\$124.70
	2043577		08/19/2016	Quadra bubblers		\$17.21
84603	09/02/2016	Open			FEDERAL EXPRESS	\$88.02
	Invoice		Date	Description		Amount
	5-518-20167		08/19/2016	Recreation and finance shipping charges		\$88.02
84604	09/02/2016	Open			FIRST ALARM SECURITY & PATROL INC.	\$310.00
	Invoice		Date	Description		Amount
	514926		08/19/2016	September McGregor park security		\$310.00
84605	09/02/2016	Open			FLYERS ENERGY LLC	\$1,513.69
	Invoice		Date	Description		Amount
	16-316600		08/26/2016	100 gallons diesel		\$259.59
	16-316588		08/26/2016	441 gallons gasoline		\$1,253.69
84606	09/02/2016	Open			FRED C. BEYERS	\$165.00
	Invoice		Date	Description		Amount
	Beyers082616		08/26/2016	Softball Officials 8/15-8/26/16		\$165.00
84607	09/02/2016	Open			GARDAWORLD	\$173.42
	Invoice		Date	Description		Amount
	10238083		09/01/2016	September armored transportation		\$173.42
84608	09/02/2016	Open			GRANITE ROCK COMPANY	\$652.67
	Invoice		Date	Description		Amount
	980469		08/20/2016	Flagstone and supplies for City Hall entrance		\$652.67

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amount
84609	09/02/2016	Open			HOME DEPOT CREDIT SERVICES	\$2,460.7
	Invoice		Date	Description		Amount
	6010319		08/10/2016	Glue		\$140.08
	6022688		08/10/2016	K-400 drum machine		\$567.23
	1056661		08/15/2016	Drill bits and chalk markers		\$38.91
	5022841		08/11/2016	Welded steel		\$365.89
	7057253		08/19/2016	Recreation supplies		\$82.85
	7024068		08/19/2016	Lumber		\$118.12
	8023989		08/18/2016	Lumber		\$39.81
	4010314		06/03/2016	Hammer, stakes		\$55.18
	2591158		07/05/2016	Screws		\$2.55
	0011052		08/16/2016	Cutter mattock		\$32.44
	0582194		08/16/2016	Cutting disks		\$21.62
	9011129		08/17/2016	Concrete, PVC, knit glove		\$183.31
	9210742		08/17/2016	Pallet refund		(\$16.24)
	3057837		08/23/2016	Plumbing supplies		\$82.78
	3590022		08/23/2016	Test plug		\$12.47
	9972269		08/17/2016	Concrete mix		\$156.85
	9972286		08/17/2016	Returned concrete mix		(\$156.85)
	0025174		08/26/2016	Lumber		\$29.83
	2012077		08/24/2016	Lumber		\$77.31
	1225049		08/25/2016	Sliding vinyl window, interior door		\$235.15
	1012194		08/25/2016	Lumber		\$206.61
	3581774		08/13/2016	Push broom		\$10.80
	9011138		08/17/2016	Wood - City hall patio		\$2.76
	0012331		08/26/2016	Plumbing supplies		\$17.80
	6012937		08/30/2016	Sidewalk repair		\$133.99
	6050764		08/30/2016	Shopvac filter bags		\$19.45
				1000 - General Fund	\$2,347.65	
				1311 - Wharf Fund	\$113.05	
84610	09/02/2016	Open			HOPE REHABILITATION SERVICES	\$2,007.5
	Invoice		Date	Description		Amount
	S160317		08/15/2016	Litter Abatement, Beach Clean Up & Sidewalk Maintenance		\$2,007.50
84611	09/02/2016	Open			HOSE SHOP	\$184.6
	Invoice		Date	Description		Amount
	390311		08/29/2016	Hose assembly, crimp fitting, clamp		\$184.63
84612	09/02/2016	Open			MACKAY METERS INC	\$449.1
	Invoice		Date	Description		Amount
	1044954		07/31/2016	July MacKay meters and credit card fees		\$449.13
84613	09/02/2016	Open			MID COUNTY AUTO SUPPLY	\$160.1
	Invoice		Date	Description		Amount
	5436		08/15/2016	Ford F550 oil, air, fuel filters		\$49.38
	5892		08/18/2016	Ford F450 oil & fuel filters, coupler		\$110.81

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amou
84614	09/02/2016	Open			MISSION LINEN SUPPLY	\$497.7
	Invoice		Date	Description		Amount
	503086814		08/15/2016	Center mats & mops		\$63.65
	503061397		08/10/2016	Linen service		\$79.68
	503061396		08/10/2016	shop towels, coveralls		\$31.80
	503012488		08/03/2016	shop towels, coveralls, linen maintenance		\$31.80
	503143223		08/22/2016	PD mat service		\$45.39
	503107557		08/17/2016	Shop towels, linen service		\$31.80
	503107558		08/17/2016	Linen and mat service		\$102.15
	503160155		08/24/2016	Shop towels, coveralls		\$31.80
	503160156		08/24/2016	Linen service, towel rolls		\$79.68
84615	09/02/2016	Open			MONTEREY PENINSULA ENGINEERING	\$13,370.6
	Invoice		Date	Description		Amount
	07-07 RET 2		07/21/2016	Rosedale area paving project final payment 1200 - Capital Improvement Fund		\$13,370.60
84616	09/02/2016	Open			O'REILLY AUTO PARTS	\$4.34
	Invoice		Date	Description		Amount
	2763-226911		08/24/2016	Wiper fluid		\$4.34

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
84617	09/02/2016	Open			ORCHARD SUPPLY HARDWARE	\$884.
	Invoice		Date	Description		Amount
	054285		06/16/2016	Battery adapter kit, pry bars		\$216.92
	020504		06/17/2016	CR donut LG		\$17.55
	022412		08/06/2016	Broom and paint brushes		\$31.32
	037411		08/08/2016	Chain coil		\$5.42
	023110		08/09/2016	Painting supplies		\$34.20
	060970		08/10/2016	Rubber mallet		\$37.17
	0061160		08/11/2016	Wheel assembly		\$28.92
	042962		08/10/2016	Bolts and washers		\$0.92
	038370		08/11/2016	Shovel, brush		\$13.93
	039223		08/14/2016	Graffiti supplies		\$12.35
	044223		08/16/2016	Graffiti supplies		\$9.90
	037976		08/10/2016	Washers, bolts, screws		\$6.87
	050273		07/14/2016	Cable ties		\$11.35
	044296		08/16/2016	Supplies		\$12.14
	044201		08/16/2016	Paint		\$69.21
	044094		08/15/2016	drill bits, strap, hex heads		\$19.88
	044100		08/15/2016	Painting supplies		\$7.73
	044221		08/16/2016	Mattock		\$25.82
	030077		08/17/2016	Graffiti paint		\$7.23
	025149		08/18/2016	Step ladder		\$51.63
	030336		08/18/2016	Socket		\$11.05
	045415		08/22/2016	Grease and tire		\$36.31
	045695		08/23/2016	Coupler		\$3.40
	052597		08/22/2016	Cable ties		\$7.22
	0155024		08/23/2016	Mason mix		\$18.56
	031687		08/24/2016	Hand sprayer		\$10.32
	046218		08/25/2016	Router bits		\$28.91
	032047		08/26/2016	Plumbing supplies		\$21.15
	032815		08/29/2016	Pruner, rake, knife, aubergin		\$52.15
	032839		08/29/2016	Lag screws		\$14.21
	053789		08/29/2016	Teflon tape		\$5.11
	0277510		08/30/2016	Folding saw and sockets		\$41.30
	028000		08/31/2016	Chip brushes and filters		\$34.07
	97997		08/19/2016	return hose		(\$19.62)
				1000 - General Fund	\$770.99	
				1311 - Wharf Fund	\$113.61	
84618	09/02/2016	Open			PALACE OFFICE SUPPLIES	\$347
	Invoice		Date	Description		Amount
	384957-0		08/24/2016	Office supplies		\$165.26
	385762-0		08/29/2016	office supplies		\$147.16
	384304-0		08/22/2016	office supplies		\$35.30
				1000 - General Fund	\$182.46	
				2210 - ISF - Stores Fund	\$165.26	
84619	09/02/2016	Open			PHOENIX GROUP INFORMATION SYSTEMS	\$2,397
	Invoice		Date	Description		Amount
	072016070		08/19/2016	July citation processing		\$2,397.89

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
84620	09/02/2016	Open			SAN LORENZO LUMBER	\$246.8
	Invoice		Date	Description		Amount
	56-0053954		08/12/2016	Plants		\$27.38
	55-0197583		08/15/2016	Wood for Hoopers stairs		\$58.44
	55-0198287		08/17/2016	Tools for Cooper		\$132.12
	55-0198915		08/19/2016	Bar		\$7.49
	55-0201529		08/29/2016	Screws and shovel		\$21.41
84621	09/02/2016	Open			SANTA CRUZ COUNTY INFORMATION SERVICES	\$521.9
	Invoice		Date	Description		Amount
	SCC082516		08/25/2016	September open query SCAN charges		\$521.99
84622	09/02/2016	Open			SANTA CRUZ MUNICIPAL UTILITIES	\$780.6
	Invoice		Date	Description		Amount
	SCMU082316		08/23/2016	Monthly water service for medians		\$780.62
84623	09/02/2016	Open			SANTA CRUZ SENTINEL	\$313.9
	Invoice		Date	Description		Amount
	SCSstmnt081916		08/19/2016	PW newspaper subscription		\$313.95
84624	09/02/2016	Open			SERVPRO OF SANTA CRUZ	\$194.6
	Invoice		Date	Description		Amount
	4701		08/19/2016	Biohazard clean up car #161		\$194.66
84625	09/02/2016	Open			SIEMENS INDUSTRY INC.	\$4,650.0
	Invoice		Date	Description		Amount
	400115589		03/04/2014	Crosswalk repairs at Wharf/Woolsey 1310 - Gas Tax Fund		\$4,650.00
84626	09/02/2016	Open			SIGN WAVE	\$129.9
	Invoice		Date	Description		Amount
	2875		08/23/2016	movie night sign		\$129.90
84627	09/02/2016	Open			SOQUEL NURSERY GROWERS INC.	\$59.1
	Invoice		Date	Description		Amount
	333624		08/26/2016	Plants		\$59.19
84628	09/02/2016	Open			SPECTRUM BUSINESS	\$3,064.6
	Invoice		Date	Description		Amount
	2017-00000170		08/19/2016	August internet service		\$3,064.62
				1000 - General Fund	\$1,153.27	
				2211 - ISF - Information Technology	\$1,911.35	
84629	09/02/2016	Open			T MOBILE	\$3,835.9
	Invoice		Date	Description		Amount
	2017-00000172		07/13/2016	Monthly cell phone usage		\$3,835.95
84630	09/02/2016	Open			UNITED STATES POSTAL SERVICE	\$5,100.0
	Invoice		Date	Description		Amount
	67064		08/23/2016	Postage Mailing Late Fall 2016		\$5,100.00

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amount
84631	09/02/2016	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$50.00
	Invoice		Date	Description		Amount
	UW082916		08/29/2016	August United Way employee contributions 1001 - Payroll Payables		\$50.00
84632	09/02/2016	Open			UPEC LIUNA LOCAL 792	\$1,283.25
	Invoice		Date	Description		Amount
	504		08/09/2016	August UPEC employee dues 1001 - Payroll Payables		\$1,283.25
84633	09/02/2016	Open			WE ALL RIDE SANTA CRUZ	\$1,083.56
	Invoice		Date	Description		Amount
	4146934		08/17/2016	2003 BMW R1150RT tires, service		\$1,083.56
84634	09/02/2016	Open			WORKIN.COM INC.	\$219.00
	Invoice		Date	Description		Amount
	52470		08/18/2016	Receptionist/Development srvc tech. job posting		\$219.00
84635	09/02/2016	Open			Brookvale Terrace	\$16,092.51
	Invoice		Date	Description		Amount
	Brookvale082516		08/25/2016	Brookvale assessment district final disbursement 3500 - Brookvale		\$16,092.51
84636	09/02/2016	Open			Cortel Inc.	\$2,790.00
	Invoice		Date	Description		Amount
	15-023		08/31/2016	CUP for wireless facility deposit refund		\$2,790.00
84637	09/02/2016	Open			Kathleen Church	\$161.52
	Invoice		Date	Description		Amount
	Church082616		08/26/2016	Volunteer picnic reimbursement		\$161.52
84638	09/02/2016	Open			MGA Properties	\$3,430.50
	Invoice		Date	Description		Amount
	16-008		08/31/2016	CUP and variance deposit refund		\$3,430.50
84639	09/02/2016	Open			Nexius Solutions Inc.	\$2,998.00
	Invoice		Date	Description		Amount
	15-109		08/31/2016	CUP for wireless facility deposit refund		\$2,998.00
84640	09/02/2016	Open			On Air LLC	\$586.50
	Invoice		Date	Description		Amount
	15-198		08/31/2016	CUP for wireless facility deposit refund		\$586.50
84641	09/02/2016	Open			Satellite Dialysis of Capitola	\$680.00
	Invoice		Date	Description		Amount
	16-117		08/31/2016	Modification to CUP deposit refund		\$680.00
84642	09/02/2016	Open			Stanley or Joan Hanusiak	\$96.00
	Invoice		Date	Description		Amount
	cite166126788		08/29/2016	refund cite 166126788		\$96.00

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/02/2016

Check Number	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amount
84643	09/02/2016	Open			UCSC Foundation	\$25.0
	Invoice		Date	Description		Amount
	UCSC082516		08/25/2016	SC County history fair participation		\$25.00
84644	09/02/2016	Open			T MOBILE	\$1.5
	Invoice		Date	Description		Amount
	TmobileAug2016		08/13/2016	August cell phone usage remainder		\$1.50

Type Check Totals:

\$85,892.1

EFT

322	09/01/2016	Open			CalPERS Health Insurance	\$60,205.2
	Invoice		Date	Description		Amount
	1000749290		08/15/2016	September health insurance		\$60,205.20
				1000 - General Fund	\$2,853.46	
				1001 - Payroll Payables	\$57,351.74	
323	8/26/2016	Reconciled			SUPERIOR PRINTING INC.	\$436.2
	Invoice		Date	Description		Amount
	APchecks082616		08/26/2016	Accounts payable check stock (3,000)		\$436.24

Type EFT Totals:

\$60,641.4

CITY - Main City Totals

	Counts:	Total:
Checks	56	\$85,892.1
EFTs	2	\$60,641.4
All	58	\$146,533.5

WELLS - Payroll Totals

Checks	9	\$4,251.9
EFTs	90	\$148,403.9
All	99	\$152,655.8

Grand Totals

Checks	65	\$90,144.0
EFTs	92	\$209,045.3
All	157	\$299,189.3

Attachment: 09-02-16 City check register (1290 : Approval of City Check Registers)

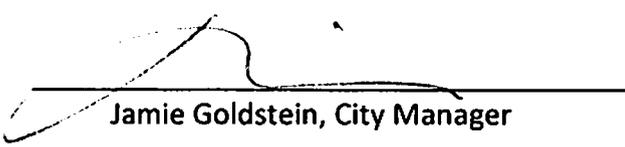
Accounts payable checks dated 9/9/2016, numbered 84645 to 84683, totaling \$61,659.39, plus 4 efts totaling \$85,590.10 for a total disbursement of \$147,249.49, have been reviewed and authorized for distribution by the City Manager.

As of 9/9/2016, the unaudited cash balance is \$4,650,729.41.

CASH POSITION - CITY OF CAPITOLA 9/9/2016

	<u>Net Balance</u>
General Fund	(\$47,543.81)
Payroll Payables	\$45,404.69
Contingency Reserve Fund	\$1,893,345.66
PERS Contingency Fund	\$300,000.00
Facilities Reserve Fund	\$229,870.00
Capital Improvement Fund	\$1,854,304.82
Stores Fund	\$17,436.00
Information Technology Fund	\$104,285.94
Equipment Replacement	\$60,200.28
Self Insurance Liability Fund	\$59,385.45
Worker's Comp. Ins. Fund	\$117,851.79
Compensated Absences Fund	\$16,188.59
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,650,729.41</u></u>

The Emergency Reserve Fund Balance is \$1,262,205.54 (not included above).



Jamie Goldstein, City Manager

9/9/2016

Date

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/09/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84645	09/09/2016	Open			ADRIENNE HARRELL	\$28.6
	Invoice		Date	Description		Amount
	Harrell090216		09/06/2016	Summer 2 Instructor Payment 2016		\$28.60
84646	09/09/2016	Open			ADT SECURITY SERVICES INC.	\$128.2
	Invoice		Date	Description		Amount
	8282016		08/28/2016	Security Services		\$128.23
84647	09/09/2016	Open			AUTOMATION TEST ASSOCIATES	\$40.0
	Invoice		Date	Description		Amount
	43983		08/22/2016	August wharf meter reading and billing calculation 1311 - Wharf Fund		\$40.00
84648	09/09/2016	Open			BELLOWS PLUMBING HEATING & SEWER	\$982.0
	Invoice		Date	Description		Amount
	Z339904		08/27/2016	Wharf sewer line hydrojetting 1311 - Wharf Fund		\$982.00
84649	09/09/2016	Open			BILL TASHNICK	\$66.0
	Invoice		Date	Description		Amount
	Tashnick090916		09/07/2016	Softball Umpire		\$66.00
84650	09/09/2016	Open			BRINKS AWARDS & SIGNS	\$119.6
	Invoice		Date	Description		Amount
	80190		08/31/2016	Sports Trophies		\$119.63
84651	09/09/2016	Open			CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFF	\$40.0
	Invoice		Date	Description		Amount
	170892		09/06/2016	CSMFO GASB 68 update		\$40.00
84652	09/09/2016	Open			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,714.7
	Invoice		Date	Description		Amount
	POA090216		09/02/2016	POA Dues PPE 8-27-16 1001 - Payroll Payables		\$1,714.75
84653	09/09/2016	Open			CLASSIFIED SOUND	\$1,425.0
	Invoice		Date	Description		Amount
	160803-0831A		06/07/2016	Sound engineer for twilight concerts on 8/3,8/10,8/17		\$1,425.00
84654	09/09/2016	Open			COMMUNITY ACTION BOARD	\$2,569.8
	Invoice		Date	Description		Amount
	CAB082416		08/24/2016	July emergency housing program admin/rent assistance 5552 - Cap Hsg Succ- Program Income		\$2,569.89
84655	09/09/2016	Open			D & G SANITATION	\$2,103.9
	Invoice		Date	Description		Amount
	233827		08/31/2016	Fence rental		\$54.25
	233828		08/31/2016	Wharf portable toilets		\$1,198.05
	233829		08/31/2016	BV II parking lot portable toilets		\$425.83
	233830		08/31/2016	McGregor park portable toilets 1000 - General Fund	\$905.91	\$425.83
				1311 - Wharf Fund	\$1,198.05	

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/09/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84656	09/09/2016	Open			DAN REED	\$66.0
	Invoice		Date	Description		Amount
	Reed0909016		09/07/2016	Softball Umpire		\$66.00
84657	09/09/2016	Open			DONALD W ALLEY	\$3,075.5
	Invoice		Date	Description		Amount
	916-02		09/07/2016	Fish & Wildlife Montoring of Soquel Creek Year 3 of 3 FY 16/17		\$3,075.50
84658	09/09/2016	Open			ED MORRISON	\$2,450.0
	Invoice		Date	Description		Amount
	2017-02		09/06/2016	August PW inspections		\$2,450.00
84659	09/09/2016	Open			ELEVATOR SERVICE COMPANY INC.	\$165.0
	Invoice		Date	Description		Amount
	9455		09/01/2016	Elevator quarterly maintenance		\$165.00
84660	09/09/2016	Open			EWING IRRIGATION	\$238.6
	Invoice		Date	Description		Amount
	2098749		08/30/2016	Irrigation supplies		\$100.51
	2106646		08/31/2016	Irrigation supplies		\$114.00
	2106647		08/31/2016	Irrigation supplies		\$24.14
84661	09/09/2016	Open			FRED C. BEYERS	\$132.0
	Invoice		Date	Description		Amount
	Beyers090916		09/07/2016	Softball Umpire		\$132.00
84662	09/09/2016	Open			HOME DEPOT CREDIT SERVICES	\$363.2
	Invoice		Date	Description		Amount
	5590943		08/31/2016	Vacuum for recreation center		\$108.21
	3563902		08/23/2016	Trans cement		\$5.35
	6914285		08/30/2016	Storage chest		\$219.53
	5013049		08/31/2016	Caulking		\$6.43
	3013327		09/02/2016	Rope and chalk		\$23.76
				1000 - General Fund	\$357.93	
				1311 - Wharf Fund	\$5.35	
84663	09/09/2016	Open			HOPE REHABILITATION SERVICES	\$2,190.0
	Invoice		Date	Description		Amount
	S160370		08/31/2016	Litter Abatement, Beach Clean Up & Sidewalk Maintenance		\$2,190.00
84664	09/09/2016	Open			ICMA RETIREMENT TRUST 457	\$5,362.3
	Invoice		Date	Description		Amount
	41239662		09/02/2016	457 contributions PPE 8-27-16		\$5,362.38
				1001 - Payroll Payables		
84665	09/09/2016	Open			JIM CLARK	\$331.0
	Invoice		Date	Description		Amount
	82016		08/30/2016	Backflow tests		\$331.00

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/09/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transactio Amou
84666	09/09/2016	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$2,576.
	Invoice		Date	Description		Amount
	097763120-0716		07/31/2016	Engineering consultant - tennis court RFP specifications 1200 - Capital Improvement Fund		\$2,576.92
84667	09/09/2016	Open			LABORMAX STAFFING	\$5,960.
	Invoice		Date	Description		Amount
	26-65752		08/26/2016	Seasonal labor		\$2,980.38
	26-66083		09/02/2016	Seasonal labor		\$2,980.38
84668	09/09/2016	Open			MIRACLE PLAYSYSTEMS INC	\$657.
	Invoice		Date	Description		Amount
	I2016-1593		08/12/2016	Jade St. Rodeo Rocky		\$657.98
84669	09/09/2016	Open			MUNISERVICES LLC	\$1,450.
	Invoice		Date	Description		Amount
	0000042791		08/31/2016	CAFR report		\$1,450.00
84670	09/09/2016	Open			MV TRANSPORTATION INC.	\$5,054.
	Invoice		Date	Description		Amount
	70739		09/06/2016	August summer shuttle service		\$5,054.84
84671	09/09/2016	Open			NIELS KISLING	\$213.
	Invoice		Date	Description		Amount
	Kisling082616		08/26/2016	Reimbursement for begonia festival hats		\$213.37
84672	09/09/2016	Open			ORCHARD SUPPLY HARDWARE	\$10.
	Invoice		Date	Description		Amount
	053997		08/31/2016	Nuts and bolts		\$1.10
	028270		09/01/2016	Potting soil		\$9.29
84673	09/09/2016	Open			PALACE OFFICE SUPPLIES	\$38.
	Invoice		Date	Description		Amount
	386556-0		09/01/2016	postit notes, paper, correction tape and fluid 2210 - ISF - Stores Fund		\$38.82
84674	09/09/2016	Open			PITNEY BOWES	\$2,020.
	Invoice		Date	Description		Amount
	PB081916		08/19/2016	Postage meter refill		\$2,020.99
84675	09/09/2016	Open			PREFERRED BENEFIT INSURANCE ADMIN.	\$6,167.
	Invoice		Date	Description		Amount
	EIA18527		09/01/2016	September dental & vision insurance 1000 - General Fund 1001 - Payroll Payables		\$6,167.30 (\$58.90) \$6,226.20
84676	09/09/2016	Open			ROYAL WHOLESALE ELECTRIC	\$11.
	Invoice		Date	Description		Amount
	7719-607494		09/01/2016	Flourescent lamps		\$11.96

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/09/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84677	09/09/2016	Open			SANTANA PAVING & GRADING INC.	\$8,000.00
	Invoice		Date	Description		Amount
	2182		05/16/2016	Prep and pave area in BV II parking lot 1200 - Capital Improvement Fund		\$8,000.00
84678	09/09/2016	Open			SPORT ABOUT GRAPHICS	\$298.39
	Invoice		Date	Description		Amount
	7346		08/31/2016	T-shirts		\$298.39
84679	09/09/2016	Open			THOR AUDIO SOLUTIONS	\$1,500.00
	Invoice		Date	Description		Amount
	11825		09/04/2016	Twilight concert audio 8/24 & 8/31		\$1,500.00
84680	09/09/2016	Open			US BANK PARS	\$322.98
	Invoice		Date	Description		Amount
	PARS090216		09/02/2016	PARS contributions PPE 8-27-16 1001 - Payroll Payables		\$322.98
84681	09/09/2016	Open			Lynn Jaye	\$100.00
	Invoice		Date	Description		Amount
	Jaye083116		08/31/2016	Artwork for art and music postcard		\$100.00
84682	09/09/2016	Open			Michele Newby	\$642.15
	Invoice		Date	Description		Amount
	16-150		09/02/2016	Refund tree permit deposit #16-150 1000 - General Fund	\$636.00	\$642.15
				1317 - Technology Fee Fund	\$6.15	
84683	09/09/2016	Open			Ted Burke	\$3,040.67
	Invoice		Date	Description		Amount
	Burke090116		08/31/2016	reimbursement for BIA brochure placement 1321 - BIA - Capitola Village-Wharf BIA		\$3,040.67
Type Check Totals:						\$61,659.39

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/09/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
EFT						
324	09/06/2016	Open			CalPERS Member Services Division	\$49,742.00
	Invoice		Date	Description		Amount
	1000750850-3		09/06/2016	PERS contributions PPE 8-27-16		\$49,742.06
				1000 - General Fund	(\$0.23)	
				1001 - Payroll Payables	\$49,742.29	
325	09/06/2016	Open			EMPLOYMENT DEVELOPMENT DEPT	\$6,848.62
	Invoice		Date	Description		Amount
	0-699-389-568		09/06/2016	State tax deposit PPE 8-27-16		\$6,848.62
				1001 - Payroll Payables		
326	09/06/2016	Open			INTERNAL REVENUE SERVICE	\$27,881.58
	Invoice		Date	Description		Amount
	91940319		09/06/2016	Federal tax & Medicare deposit PPE 8-27-16		\$27,881.58
				1001 - Payroll Payables		
327	09/03/2016	Open			STATE DISBURSEMENT UNIT	\$1,117.84
	Invoice		Date	Description		Amount
	YNPI7VE6657		09/03/2016	Garnishments PPE 8-27-16		\$1,117.84
				1001 - Payroll Payables		
Type EFT Totals:						\$85,590.10

Attachment: 09-09-16 City check register (1290 : Approval of City Check Registers)

CITY - Main City Totals	Counts:	Totals:
Checks	39	\$61,659.39
EFTs	4	\$85,590.10
All	43	\$147,249.49

Accounts payable checks dated 9/16/2016, numbered 84684 to 84744, totaling \$132,973.91, plus 8 accounts payable efts totaling \$1,498.47 and 8 payroll checks and 88 payroll efts totaling \$150,890.55, for a total disbursement of \$285,362.93, have been reviewed and authorized for distribution by the City Manager.

As of 9/16/2016, the unaudited cash balance is \$4,608,640.49.

CASH POSITION - CITY OF CAPITOLA 9/16/2016

	<u>Net Balance</u>
General Fund	(\$215,424.38)
Payroll Payables	\$172,148.94
Contingency Reserve Fund	\$1,893,345.66
PERS Contingency Fund	\$300,000.00
Facilities Reserve Fund	\$229,870.00
Capital Improvement Fund	\$1,854,304.82
Stores Fund	\$17,250.49
Information Technology Fund	\$101,132.46
Equipment Replacement	\$62,586.67
Self Insurance Liability Fund	\$59,385.45
Worker's Comp. Ins. Fund	\$117,851.79
Compensated Absences Fund	\$16,188.59
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,608,640.49</u></u>

The Emergency Reserve Fund Balance is \$1,262,205.54 (not included above).



Jamie Goldstein, City Manager

9/16/2016
Date

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84684	09/10/2016	Open			CAROLYN FLYNN	\$6,000.00
	Invoice		Date	Description		Amount
	CBF-8-2016		09/02/2016	August affordable housing program management		\$6,000.00
				1000 - General Fund	\$2,400.00	
				5552 - Cap Hsg Succ- Program Income	\$3,600.00	
84685	09/16/2016	Open			A TOOL SHED	\$126.00
	Invoice		Date	Description		Amount
	1145081-5		08/26/2016	Skid steer brush cutter		\$126.00
84686	09/16/2016	Open			ADAMS ASHBY GROUP INC	\$800.00
	Invoice		Date	Description		Amount
	1790		08/09/2016	July general admin. - housing program		\$800.00
				1350 - CDBG Grants		
84687	09/16/2016	Open			ALLSAFE LOCK COMPANY	\$42.28
	Invoice		Date	Description		Amount
	48781		09/13/2016	keys		\$42.28
84688	09/16/2016	Open			APTOS LANDSCAPE SUPPLY INC.	\$121.69
	Invoice		Date	Description		Amount
	427482		09/08/2016	Mini bark		\$74.69
	427505		09/08/2016	Mini bark		\$46.75
84689	09/16/2016	Open			AT&T	\$9.23
	Invoice		Date	Description		Amount
	ATT090116		09/01/2016	September telephone charges		\$9.23
				1000 - General Fund	\$4.53	
				2211 - ISF - Information Technology	\$4.70	
84690	09/16/2016	Open			ATCHISON BARISONE CONDOTTI & KOVACEVICH	\$19,525.16
	Invoice		Date	Description		Amount
	ABCK083116		08/31/2016	August legal fees		\$19,525.16
84691	09/16/2016	Open			BAY AREA BARRICADE SERVICE INC.	\$126.15
	Invoice		Date	Description		Amount
	0339798-IN		08/25/2016	Epoxy - K markers/delineators		\$126.15
				1310 - Gas Tax Fund		
84692	09/16/2016	Open			BECKS SERVICE	\$300.00
	Invoice		Date	Description		Amount
	516637		08/27/2016	Swap radio system on motorcycles		\$300.00
84693	09/16/2016	Open			CA DEPARTMENT OF JUSTICE	\$64.00
	Invoice		Date	Description		Amount
	184703		09/06/2016	August fingerprinting applications (2)		\$64.00
84694	09/16/2016	Open			CALE AMERICA INC.	\$1,829.00
	Invoice		Date	Description		Amount
	141798		08/31/2016	August paystation meters		\$1,829.00

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transactio Amou
84695	09/16/2016	Open			CALIFORNIA SOCIETY OF MUNICIPAL FINANC	\$190.00
	Invoice		Date	Description		Amount
	171093		09/12/2016	Intermediate accounting course for M. Herlihy		\$150.00
	171106		09/13/2016	GASB 68 update chapter meeting - M. Welch		\$40.00
84696	09/16/2016	Open			CLASSIC VAPOR CLEANERS	\$483.98
	Invoice		Date	Description		Amount
	CVC090116		09/01/2016	August uniform cleaning		\$483.98
84697	09/16/2016	Open			CLEAN BUILDING MAINTENANCE CO.	\$3,719.13
	Invoice		Date	Description		Amount
	16600		08/31/2016	Monthly Facility Cleaning Fees		\$3,719.13
84698	09/16/2016	Open			COASTAL WATERSHED COUNCIL	\$1,949.00
	Invoice		Date	Description		Amount
	1514		08/31/2016	NPDES Public Education & Outreach		\$1,949.00
84699	09/16/2016	Open			COMMUNITY TELEVISION OF SANTA CRUZ CO	\$1,357.00
	Invoice		Date	Description		Amount
	2317		08/08/2016	City council and planning meeting tech services		\$472.00
	2320		09/08/2016	City council and planning meeting tech services		\$885.00
84700	09/16/2016	Open			COPWARE INC.	\$400.00
	Invoice		Date	Description		Amount
	83500		09/01/2016	California peace officers legal sourcebook site license 2211 - ISF - Information Technology		\$400.00
84701	09/16/2016	Open			COUNTY OF SANTA CRUZ GENERAL SERVI	\$295.50
	Invoice		Date	Description		Amount
	SCC090816		09/08/2016	Tires (12)		\$295.50
84702	09/16/2016	Open			CRESTOR INC.	\$172.66
	Invoice		Date	Description		Amount
	R216063		08/31/2016	Bronze plaque - Pagan 1311 - Wharf Fund		\$172.66
84703	09/16/2016	Open			CRYSTAL SPRINGS WATER CO.	\$334.50
	Invoice		Date	Description		Amount
	CSW083116		08/31/2016	August drinking water		\$334.50
84704	09/16/2016	Open			eFolder Systems	\$125.00
	Invoice		Date	Description		Amount
	INV00069950		08/31/2016	monthly record storage fee 2211 - ISF - Information Technology		\$125.00
84705	09/16/2016	Open			EXTREME TOWING	\$200.00
	Invoice		Date	Description		Amount
	004119		09/05/2016	Towed vehicle for case		\$200.00

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transactio Amou
84706	09/16/2016	Open			FERGUSON ENTERPRISES INC.	\$407.0
	Invoice		Date	Description		Amount
	4935375		08/26/2016	ADA toilet - Evidence trailer		\$326.45
	4942266		08/30/2016	ADA toilet seat - Evidence trailer		\$81.51
84707	09/16/2016	Open			FLYERS ENERGY LLC	\$3,538.0
	Invoice		Date	Description		Amount
	16-320255		08/31/2016	336 gallons ethanol		\$956.98
	16-320256		08/31/2016	116 gallons diesel		\$299.94
	16-324111		09/08/2016	577 gallons ethanol and 225 gallons diesel		\$2,281.86
84708	09/16/2016	Open			G2 FORENSIC INVESTIGATIONS	\$1,200.0
	Invoice		Date	Description		Amount
	359		09/08/2016	PD background check		\$1,200.00
84709	09/16/2016	Open			GEORGE McMENAMIN	\$733.0
	Invoice		Date	Description		Amount
	2016-2		09/12/2016	Riparian Restoration Services 16/17		\$733.91
84710	09/16/2016	Open			HOUSING AUTHORITY OF THE COUNTY OF S	\$970.0
	Invoice		Date	Description		Amount
	17-1CDBG		08/11/2016	July housing rehab & loan admin. 1350 - CDBG Grants		\$970.00
84711	09/16/2016	Open			HUMBOLDT PETROLEUM LLC	\$65.0
	Invoice		Date	Description		Amount
	085789		08/31/2016	vehicle cleaning		\$65.00
84712	09/16/2016	Open			KATHY D'ANGELO	\$476.0
	Invoice		Date	Description		Amount
	000V-07222016		09/09/2016	Shoot/edit Barbara McCrary interview, materials		\$476.10
84713	09/16/2016	Open			KBA Docusys Inc.	\$984.0
	Invoice		Date	Description		Amount
	INV467140		09/02/2016	Recreation copier base and overage charges		\$160.06
	INV466629		09/01/2016	City Hall and Recreation printer contract overage		\$308.43
	INV466630		09/01/2016	City Hall - Canon IR 2525 rental contract overage		\$516.29
				1000 - General Fund	\$176.06	
				2211 - ISF - Information Technology	\$808.72	
84714	09/16/2016	Open			KELLY MOORE PAINT COMPANY INC.	\$261.0
	Invoice		Date	Description		Amount
	803-00000662978		08/24/2016	curb paint		\$156.58
	803-00000665653		09/07/2016	Curb paint		\$105.14
				1310 - Gas Tax Fund		
84715	09/16/2016	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$38,784.0
	Invoice		Date	Description		Amount
	097763118-0516		06/23/2016	Traffic Signal Adaptive Control Systems - Air Board Grant		\$38,784.16
				1310 - Gas Tax Fund		

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84716	09/16/2016	Open			LABORMAX STAFFING	\$3,331.75
	Invoice 26-66434		Date 09/09/2016	Description Seasonal labor		Amount \$3,331.75
84717	09/16/2016	Open			LLOYDS TIRE SERVICE	\$55.00
	Invoice 303421		Date 09/06/2016	Description flat repair		Amount \$25.00
	303463		Date 09/08/2016	Description tire mount and balance		Amount \$30.00
84718	09/16/2016	Open			MACKAY METERS INC	\$423.72
	Invoice 1045198		Date 08/31/2016	Description August meter and credit card transaction fees		Amount \$423.72
84719	09/16/2016	Open			MARK GONZALEZ	\$87.03
	Invoice Gonzalez091016		Date 09/10/2016	Description Food reimbursement for Art & Wine event		Amount \$87.03
84720	09/16/2016	Open			MILLER'S TRANSFER & STORAGE CO.	\$325.95
	Invoice 88201		Date 09/03/2016	Description monthly record storage and warehouse handling		Amount \$325.95
84721	09/16/2016	Open			NATIONAL RECREATION & PARKS ASSOCIAT	\$165.00
	Invoice NRPA103116		Date 09/12/2016	Description National recreation and park assoc. membership		Amount \$165.00
84722	09/16/2016	Open			NORTH BAY FORD	\$101.80
	Invoice 257166		Date 09/06/2016	Description motor cooling system, fan assembly, retainer		Amount \$91.80
	257220		Date 09/08/2016	Description door handle assembly		Amount \$16.35
84723	09/16/2016	Open			O'REILLY AUTO PARTS	\$283.23
	Invoice 2763230731		Date 09/09/2016	Description brake pads		Amount \$83.23
	2763230648		Date 09/08/2016	Description glass cleaner, brake pads, wiper fluid		Amount \$200.48

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transactio Amou
84724	09/16/2016	Open			ORCHARD SUPPLY HARDWARE	\$680.1
	Invoice		Date	Description		Amount
	063296		09/07/2016	cable ties for Art and Wine signs		\$32.52
	028015		08/31/2016	staples, screws		\$30.44
	063907		09/12/2016	spackle supplies		\$26.32
	050526		04/06/2016	Mortar, sponge, trowel		\$27.85
	030513		04/22/2016	Batteries		\$25.81
	045261		04/13/2016	Paint		\$7.23
	041461		05/13/2016	Glue, lawn rake, tray liners		\$82.43
	024866		05/20/2016	Screws		\$1.34
	032367		06/04/2016	Painting supplies		\$31.91
	052428		06/07/2016	Rope, pullies, lock spring		\$79.63
	054494		06/17/2016	Loppers, paint, brushes, angle broom		\$82.61
	028602		09/02/2016	Plug		\$24.86
	035271		09/06/2016	Hex set		\$6.19
	029829		09/07/2016	Waste line - wharf		\$29.95
	029988		09/08/2016	Containers		\$9.29
	054927		09/08/2016	Bucket, wrench		\$39.65
	048929		09/08/2016	Putty, hammer, outlet		\$85.41
	054998		09/08/2016	Gray cover		\$20.65
	048984		09/08/2016	Paint		\$4.53
	055397		09/13/2016	Graffiti paint		\$31.74
				1000 - General Fund	\$625.55	
				1311 - Wharf Fund	\$54.81	
84725	09/16/2016	Open			PALACE OFFICE SUPPLIES	\$145.1
	Invoice		Date	Description		Amount
	387152-0		09/07/2016	Office supplies		\$145.25
				2210 - ISF - Stores Fund		
84726	09/16/2016	Open			PUBLIC ENGINES INC.	\$597.0
	Invoice		Date	Description		Amount
	23722		09/01/2016	Quarterly command central analytics subscription		\$597.00
84727	09/16/2016	Open			ROYAL WHOLESALE ELECTRIC	\$267.1
	Invoice		Date	Description		Amount
	7719-607534		09/02/2016	3 lights		\$52.20
	7719-607340		09/07/2016	Seawall electrical box		\$133.76
	7719-607657		09/08/2016	Electrical box lid		\$59.81
	7719-607588		09/06/2016	Light bulbs		\$21.75
				1000 - General Fund	\$215.32	
				1311 - Wharf Fund	\$52.20	
84728	09/16/2016	Open			SANTA CRUZ COUNTY AUDITOR-CONTROLLE	\$13,012.5
	Invoice		Date	Description		Amount
	SCC083116		08/31/2016	August citation processing		\$13,012.50
84729	09/16/2016	Open			SANTA CRUZ COUNTY INFORMATION SERVIC	\$521.9
	Invoice		Date	Description		Amount
	SCC040116		04/01/2016	April Open Query scan charges		\$521.99

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Amount	Transac Amo
84730	09/16/2016	Open			SANTA CRUZ SENTINEL		\$43
	Invoice		Date	Description		Amount	
	strmt0000991154		08/31/2016	Sales tax measure and planning permit notices		\$431.86	
84731	09/16/2016	Open			SAVE OUR SHORES		\$1,00
	Invoice		Date	Description		Amount	
	2016-28		08/30/2016	Beach cleanups		\$1,000.00	
84732	09/16/2016	Open			SOFTCHOICE CORPORATION		\$35
	Invoice		Date	Description		Amount	
	4340895		08/25/2016	Office 365 agreement (10) 2211 - ISF - Information Technology		\$354.70	
84733	09/16/2016	Open			SOQUEL CREEK WATER DISTRICT		\$11,79
	Invoice		Date	Description		Amount	
	SCWD083116		09/07/2016	Monthly water usage and irrigation fees 1000 - General Fund 1311 - Wharf Fund	\$11,171.77 \$627.05	\$11,798.82	
84734	09/16/2016	Open			SPORT ABOUT GRAPHICS		\$18
	Invoice		Date	Description		Amount	
	7361		09/09/2016	Hats (12)		\$181.86	
84735	09/16/2016	Open			SUMMIT UNIFORMS		\$25
	Invoice		Date	Description		Amount	
	34527		08/17/2016	Volunteer uniform K. Howard		\$145.73	
	34671		08/24/2016	Uniform for S. Ryan		\$109.84	
84736	09/16/2016	Open			SUPPLYWORKS		\$3,72
	Invoice		Date	Description		Amount	
	376651568		08/26/2016	Cleaning supplies		\$1,146.43	
	377320023		09/02/2016	Cleaning supplies		\$2,580.74	
84737	09/16/2016	Open			THE CLEANING MACHINE INC.		\$2,86
	Invoice		Date	Description		Amount	
	6093		09/01/2016	Sidewalk cleaning		\$2,860.00	
84738	09/16/2016	Open			WELLS FARGO BANK		\$5,30
	Invoice		Date	Description		Amount	
	WF090216		09/02/2016	August credit card charges		\$5,301.73	
				Purchases over the \$500 threshold:			
				League of CA Cities conference -Harlan	\$525.00		
				League of CA Cities conference -Bertrand	\$525.00		
				Building Official exam - Van Son	\$995.00		
				1000 - General Fund	\$3,340.42		
				1313 - General Plan Update and Maint	\$26.00		
				1315 - Public Art Fee Fund	\$450.00		
				2210 - ISF - Stores Fund	\$24.95		
				2211 - ISF - Information Technology	\$1,460.36		

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transact Amount
84739	09/16/2016	Open			WESTERN EXTERMINATOR COMPANY	\$10
	Invoice		Date	Description		Amount
	4387084		08/31/2016	City Hall - rodent control		\$54.50
	4387085		08/31/2016	Turnouts - rodent control		\$54.50
84740	09/16/2016	Open			ZEE MEDICAL SERVICE CO.	\$18
	Invoice		Date	Description		Amount
	66606907		09/01/2016	Medical supplies		\$165.90
	66606908		09/01/2016	First aid supplies		\$20.31
				1000 - General Fund	\$165.90	
				2210 - ISF - Stores Fund	\$20.31	
84741	09/16/2016	Open			Alicia Brown	\$7
	Invoice		Date	Description		Amount
	2002732.002		09/09/2016	Class refund		\$70.00
84742	09/16/2016	Open			Daniel Hoefer	\$4
	Invoice		Date	Description		Amount
	Hoefer083016		08/30/2016	Refund cite 188125628		\$48.00
84743	09/16/2016	Open			Jenny Shelton	\$95
	Invoice		Date	Description		Amount
	Shelton090616		09/06/2016	Plein air sandwich boards, advertising reimbursement		\$956.22
84744	09/16/2016	Open			Penelope McGuire	\$9
	Invoice		Date	Description		Amount
	2002734.002		09/09/2016	Class refund		\$95.40
Type Check Totals:						\$132.97

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/16/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Amount	Transa	
EFT								
328	09/12/2016	Open			WELLS FARGO BANK	\$7	3	
	Invoice		Date	Description		Amount		
	WF091216		09/12/2016	September client analysis fees		\$704.08		
329	09/12/2016	Open			STATE BOARD OF EQUALIZATION	\$	5	
	Invoice		Date	Description		Amount		
	BOE091216-1		09/12/2016	Sales tax on Recreation safety supplies		\$20.65		
330	09/12/2016	Open			STATE BOARD OF EQUALIZATION	\$	6	
	Invoice		Date	Description		Amount		
	BOE091216-2		09/12/2016	Sales tax on ammo		\$86.36		
331	09/12/2016	Open			STATE BOARD OF EQUALIZATION	\$1	6	
	Invoice		Date	Description		Amount		
	BOE091216-3		09/12/2016	Sales tax on dog waste bags		\$124.86		
332	09/12/2016	Open			STATE BOARD OF EQUALIZATION	\$	1	
	Invoice		Date	Description		Amount		
	BOE091216-4		09/12/2016	Sales tax on PW supplies		\$48.91		
333	09/12/2016	Open			STATE BOARD OF EQUALIZATION	\$	7	
	Invoice		Date	Description		Amount		
	BOE091216-5		09/12/2016	Sales tax on surplus equipment sold 2212 - ISF - Equipment Replacement		\$44.97		
334	09/13/2016	Open			STATE BOARD OF EQUALIZATION	\$	6	
	Invoice		Date	Description		Amount		
	BOE091316		09/13/2016	Sales tax on surplus vehicles sold 2212 - ISF - Equipment Replacement		\$233.36		
335	09/14/2016	Open			STATE BOARD OF EQUALIZATION	\$	8	
	Invoice		Date	Description		Amount		
	BOE091416		09/14/2016	Sales tax on surplus equipment sold 2212 - ISF - Equipment Replacement		\$235.28		
Type EFT Totals:							\$1,417	17
CITY - Main City Totals							Counts:	\$:
Checks							61	\$132,11
EFTs							8	\$1,17
All							69	\$134,18
WELLS - Pavroll Totals								
Checks							8	\$3,18
EFTs							88	\$147,17
All							96	\$150,15
Grand Totals:								
Checks							69	\$136,19
EFTs							96	\$148,14
All							165	\$285,13

Attachment: 09-16-16 City check register (1290 : Approval of City Check Registers)

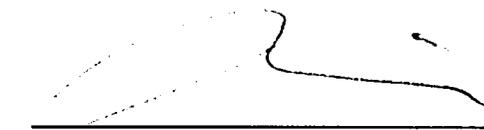
Accounts payable checks dated 9/23/2016, numbered 84746 to 84804, totaling \$164,190.82, plus 4 accounts payable efts totaling \$143,381.07, for a total disbursement of \$307,571.89, have been reviewed and authorized for distribution by the City Manager.

As of 9/23/2016, the unaudited cash balance is \$5,145,479.98.

CASH POSITION - CITY OF CAPITOLA 9/23/2016

	<u>Net Balance</u>
General Fund	\$483,022.74
Payroll Payables	\$19,596.56
Contingency Reserve Fund	\$1,893,345.66
PERS Contingency Fund	\$300,000.00
Facilities Reserve Fund	\$229,870.00
Capital Improvement Fund	\$1,849,293.39
Stores Fund	\$16,535.33
Information Technology Fund	\$97,803.80
Equipment Replacement	\$62,586.67
Self Insurance Liability Fund	\$59,385.45
Worker's Comp. Ins. Fund	\$117,851.79
Compensated Absences Fund	\$16,188.59
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$5,145,479.98</u></u>

The Emergency Reserve Fund Balance is \$1,262,205.54 (not included above).



 Jamie Goldstein, City Manager

 9/23/2016
 Date

Attachment: 09-23-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
84746	09/23/2016	Open			A TOOL SHED		\$247.00
	Invoice		Date	Description		Amount	
	1150541-5		09/16/2016	Sewer camera rental		\$247.00	
84747	09/23/2016	Open			ACCELA INC		\$1,134.00
	Invoice		Date	Description		Amount	
	INV-ACC22474		08/30/2016	September legislative management software 2211 - ISF - Information Technology		\$1,134.00	
84748	09/23/2016	Open			ADAMS ASHBY GROUP INC		\$1,280.00
	Invoice		Date	Description		Amount	
	1817		09/05/2016	August general admin. & reporting 1350 - CDBG Grants		\$1,280.00	
84749	09/23/2016	Open			AMY FERRASCI-HARP		\$605.00
	Invoice		Date	Description		Amount	
	62		09/07/2016	August BIA website admin. and outreach 1321 - BIA - Capitola Village-Wharf BIA		\$605.00	
84750	09/23/2016	Open			ARCADIA PUBLISHING COMPANY		\$157.83
	Invoice		Date	Description		Amount	
	20754965		09/15/2016	museum books - "Capitola"		\$157.83	
84751	09/23/2016	Open			BAY PHOTO LAB		\$83.39
	Invoice		Date	Description		Amount	
	5842261		09/16/2016	scans and prints		\$83.39	
84752	09/23/2016	Open			BEAR ELECTRICAL SOLUTIONS INC.		\$2,132.50
	Invoice		Date	Description		Amount	
	3749		08/31/2016	Adjust speed signs throughout city		\$666.00	
	3771		08/31/2016	August Traffic Signal Maintenance Services - ROUTINE		\$616.00	
	3785		08/31/2016	August Traffic Signal Maintenance Services - RESPONSE 1310 - Gas Tax Fund		\$850.50	
84753	09/23/2016	Open			BIG CREEK LUMBER		\$19.88
	Invoice		Date	Description		Amount	
	635531		09/16/2016	Cedar rail		\$19.88	
84754	09/23/2016	Open			CALE AMERICA INC.		\$2,415.58
	Invoice		Date	Description		Amount	
	142083		09/16/2016	Paystation parts and service labor		\$2,415.58	
84755	09/23/2016	Open			CAPITOLA PEACE OFFICERS ASSOCIATION		\$1,677.25
	Invoice		Date	Description		Amount	
	POA91616		09/16/2016	POA & gym dues PPE 9-16-16 1001 - Payroll Payables		\$1,677.25	
84756	09/23/2016	Open			CLIFF SLOMA		\$648.76
	Invoice		Date	Description		Amount	
	Sloma090916		09/09/2016	FBINAA Advanced Trainer course expenses		\$648.76	

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City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84757	09/23/2016	Open			COASTAL WATERSHED COUNCIL	\$2,850.42
	Invoice		Date	Description		Amount
	1517		09/19/2016	Urban Watch-Soquel Creek Watershed Water Quality Monitoring		\$2,850.42
84758	09/23/2016	Open			COUNTY OF SANTA CRUZ GENERAL SERVICES	\$1,520.50
	Invoice		Date	Description		Amount
	SCC90815		09/08/2016	Remainder due for 12 tires		\$1,520.50
84759	09/23/2016	Open			CRITERION PICTURES USA INC.	\$370.00
	Invoice		Date	Description		Amount
	417326		08/26/2016	Night at the Museum movie		\$370.00
84760	09/23/2016	Open			EWING IRRIGATION	\$104.86
	Invoice		Date	Description		Amount
	2149822		09/09/2016	Scoop shovel		\$25.37
	2149823		09/09/2016	Irrigation supplies		\$35.16
	2157113		09/10/2016	Irrigation supplies		\$44.36
84761	09/23/2016	Open			FIRST ALARM SECURITY & PATROL INC.	\$225.39
	Invoice		Date	Description		Amount
	955233		09/15/2016	Quarterly security services		\$225.39
84762	09/23/2016	Open			FLYERS ENERGY LLC	\$1,355.83
	Invoice		Date	Description		Amount
	16-329815		09/19/2016	400 gallons ethanol		\$1,137.83
	16-329817		09/19/2016	80 gallons diesel		\$217.98
84763	09/23/2016	Open			FREITAS + FREITAS INC.	\$100.00
	Invoice		Date	Description		Amount
	FAF091616		09/16/2016	10 copies of "Venetian Court" book		\$100.00
84764	09/23/2016	Open			GEORGE H WILSON INC	\$2,403.14
	Invoice		Date	Description		Amount
	117349		09/15/2016	Wharf pump repair 1311 - Wharf Fund		\$2,403.14
84765	09/23/2016	Open			GLOBAL ENVIRONMENTAL PRODUCTS INC	\$1,504.82
	Invoice		Date	Description		Amount
	634115		09/16/2016	blended filaments, gutter broom set 1310 - Gas Tax Fund		\$1,504.82
84766	09/23/2016	Open			GRUNOW, RICH	\$61.56
	Invoice		Date	Description		Amount
	Grunow081616		08/16/2016	mileage reimbursement for CCA and AMBAG meetings		\$61.56
84767	09/23/2016	Open			HOPE REHABILITATION SERVICES	\$3,467.50
	Invoice		Date	Description		Amount
	S160096		07/31/2016	Litter Abatement, Beach Clean Up & Sidewalk Maintenance		\$1,825.00
	S160568		09/15/2016	Litter Abatement, Beach Clean Up & Sidewalk Maintenance		\$1,642.50

Attachment: 09-23-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84768	09/23/2016	Open			HOSE SHOP	\$90.2
	Invoice		Date	Description		Amount
	390849		09/19/2016	hose kit		\$90.28
84769	09/23/2016	Open			HOUSING AUTHORITY OF THE COUNTY OF SANTA C	\$2,164.7
	Invoice		Date	Description		Amount
	17-2 CDBG		09/13/2016	August homeownership assistance		\$72.75
	17-2 CSD		09/09/2016	August security deposit assistance, income eligibility fee		\$2,092.00
				1350 - CDBG Grants	\$72.75	
				5552 - Cap Hsg Succ- Program	\$2,092.00	
84770	09/23/2016	Open			ICMA RETIREMENT TRUST 457	\$5,362.3
	Invoice		Date	Description		Amount
	41247553		09/16/2016	457 contributions PPE 09-10-16		\$5,362.38
				1001 - Payroll Payables		
84771	09/23/2016	Open			KBA Docusys Inc.	\$34.6
	Invoice		Date	Description		Amount
	INV470841		09/15/2016	Copier contract overage		\$34.66
				2211 - ISF - Information Technology		
84772	09/23/2016	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$5,011.4
	Invoice		Date	Description		Amount
	8276499		08/31/2016	Clares Street Traffic Calming Conceptual Improvements		\$3,313.21
	8276500		08/31/2016	CalTrans Permit-Enhanced Bike Lanes@ 41st, Bay & Park		\$1,698.22
				1200 - Capital Improvement Fund		
84773	09/23/2016	Open			LABORMAX STAFFING	\$3,761.8
	Invoice		Date	Description		Amount
	26-65434		08/19/2016	Seasonal labor 8/13 - 8/19		\$2,768.36
	26-66768		09/16/2016	Seasonal labor 9/10 - 9/16		\$993.46
84774	09/23/2016	Open			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA	\$2,303.8
	Invoice		Date	Description		Amount
	CIGNA092116		09/21/2016	September AD&D, life, LTD insurance		\$2,303.80
				1000 - General Fund	(\$0.15)	
				1001 - Payroll Payables	\$2,303.95	
84775	09/23/2016	Open			NORTH BAY FORD	\$1,221.6
	Invoice		Date	Description		Amount
	311319		09/13/2016	2011 Ford F250 flywheel replacement		\$1,221.63
84776	09/23/2016	Open			PACIFIC VETERINARY SPECIALISTS INC.	\$1,482.9
	Invoice		Date	Description		Amount
	464864		09/17/2016	Maverick medical consultation and drugs		\$1,482.93

Attachment: 09-23-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84777	09/23/2016	Open			PALACE OFFICE SUPPLIES	\$270.0
	Invoice		Date	Description		Amount
	9306096-0		09/15/2016	frame for Chief recognition		\$23.48
	389464-0		09/19/2016	Office supplies		\$74.97
	389363-0		09/19/2016	Office supplies		\$171.56
				1000 - General Fund	\$195.04	
				2210 - ISF - Stores Fund	\$74.97	
84778	09/23/2016	Open			PHOENIX GROUP INFORMATION SYSTEMS	\$1,275.0
	Invoice		Date	Description		Amount
	082016070		09/15/2016	August citation processing		\$1,275.04
84779	09/23/2016	Open			PITNEY BOWES	\$208.9
	Invoice		Date	Description		Amount
	PB090416		09/04/2016	Recreation postage meter refill		\$208.99
84780	09/23/2016	Open			PITNEY BOWES	\$146.8
	Invoice		Date	Description		Amount
	1001697514		08/27/2016	Quarterly recreation postage machine rental		\$146.81
84781	09/23/2016	Open			RADAR SHOP	\$132.0
	Invoice		Date	Description		Amount
	8364		08/24/2016	Radar re-certifications of accuracy		\$132.00
84782	09/23/2016	Open			SANTA CRUZ REGIONAL 911	\$102,033.2
	Invoice		Date	Description		Amount
	SCR091516		09/15/2016	Quarterly regional 911 contribution		\$102,033.25
84783	09/23/2016	Open			STAPLES ADVANTAGE	\$163.6
	Invoice		Date	Description		Amount
	8040825595		09/03/2016	Plates, bowls, cups, coffee, supplies		\$163.64
84784	09/23/2016	Open			SUMMIT UNIFORMS	\$814.5
	Invoice		Date	Description		Amount
	34701		08/25/2016	Vest for Ferrara		\$814.54
84785	09/23/2016	Open			THE SKYLIGHT PLACE INC.	\$141.3
	Invoice		Date	Description		Amount
	7695D		08/18/2016	Screen for kitchen window		\$141.38
84786	09/23/2016	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$50.0
	Invoice		Date	Description		Amount
	UW091616		09/16/2016	United Way contributions PPE 9-16-16		\$50.00
				1001 - Payroll Payables		
84787	09/23/2016	Open			UPEC LIUNA LOCAL 792	\$1,261.5
	Invoice		Date	Description		Amount
	556		09/16/2016	UPEC dues PPE 09-10-16		\$1,261.50
				1001 - Payroll Payables		

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City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
84788	09/23/2016	Open			US BANCORP EQUIPMENT FINANCE INC.	\$1,027.9
	Invoice		Date	Description		Amount
	313229643		09/13/2016	City hall copier rental		\$188.39
	312787559		09/02/2016	Copier rental charges for PD, City Hall, Recreation		\$839.54
				1000 - General Fund	\$379.49	
				2210 - ISF - Stores Fund	\$648.44	
84789	09/23/2016	Open			US BANK PARS	\$247.3
	Invoice		Date	Description		Amount
	PARS091616		09/16/2016	PARS contributions PPE 9-10-16		\$247.35
				1001 - Payroll Payables		
84790	09/23/2016	Open			VINH DANG	\$2,160.0
	Invoice		Date	Description		Amount
	100		09/14/2016	IT services		\$2,160.00
				2211 - ISF - Information Technology		
84791	09/23/2016	Open			VISIT SANTA CRUZ COUNTY	\$1,425.0
	Invoice		Date	Description		Amount
	11566		08/02/2016	Capitola travel guides		\$1,425.00
				1321 - BIA - Capitola Village-Wharf BIA		
84792	09/23/2016	Open			Carlos E. Alcocer	\$513.0
	Invoice		Date	Description		Amount
	16-168		09/21/2016	Tree deposit refund #16-168		\$513.00
84793	09/23/2016	Open			Daniel Gomez and Daniel Townsend	\$1,554.0
	Invoice		Date	Description		Amount
	16-101		09/16/2016	Design permit refund 419 Capitola Ave. #16-101		\$1,554.00
84794	09/23/2016	Open			Gordon Hunt	\$576.0
	Invoice		Date	Description		Amount
	16-107		09/16/2016	Conditional use permit deposit refund #16-107		\$576.00
84795	09/23/2016	Open			Jose Luna	\$25.0
	Invoice		Date	Description		Amount
	Luna092216		09/22/2016	reimbursement for fingerprinting for new IT service provider		\$25.00
84796	09/23/2016	Open			Loma Vista Estates HOA	\$513.0
	Invoice		Date	Description		Amount
	16-149		09/21/2016	Tree deposit refund #16-149		\$513.00
84797	09/23/2016	Open			Mike Parks	\$25.0
	Invoice		Date	Description		Amount
	Parks092016		09/20/2016	reimburse new IT provider fingerprinting services		\$25.00
84798	09/23/2016	Open			Monterey Signs Inc.	\$61.0
	Invoice		Date	Description		Amount
	16-122		09/16/2016	211 Esplanade sign permit deposit refund #16-122		\$61.00

Attachment: 09-23-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amot
84799	09/23/2016	Open			Nexius Solutions Inc.		\$2,066.
	Invoice		Date	Description		Amount	
	15-156		09/15/2016	Conditional use permit deposit refund #15-156		\$2,066.00	
84800	09/23/2016	Open			Peter Emanuel		\$513.
	Invoice		Date	Description		Amount	
	16-142		09/16/2016	Tree deposit refund #16-142		\$513.00	
84801	09/23/2016	Open			Peter Wilk		\$141.
	Invoice		Date	Description		Amount	
	Wilk091016		09/10/2016	Peery Park Work Day #4 Volunteer Supplies		\$141.18	
84802	09/23/2016	Open			Robert Skubis		\$500.
	Invoice		Date	Description		Amount	
	16-166		09/20/2016	Refund applicant appeal permit #16-166		\$500.00	
84803	09/23/2016	Open			Ryan Maddox		\$500.
	Invoice		Date	Description		Amount	
	16-126		09/21/2016	Tree deposit refund #16-126		\$500.00	
84804	09/23/2016	Open			Starley Moore		\$47.
	Invoice		Date	Description		Amount	
	15-161		09/16/2016	401 Capitola Ave. arborist report deposit refund		\$47.30	
Type Check Totals:							\$164,190.

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City Checks Issued 09/23/2016

Check #	Invoice #	Status	Invoice Date	Description	Payee Name	Transaction Amount
EFT						
337	09/19/2016	Open			CalPERS Member Services Division	\$49,673.15
	Invoice		Date	Description		Amount
	10757083-6		09/19/2016	PERS contributions PPE 9-10-16		\$49,673.15
				1000 - General Fund	(\$0.24)	
				1001 - Payroll Payables	\$49,673.39	
338	09/20/2016	Open			EMPLOYMENT DEVELOPMENT DEPT	\$6,873.79
	Invoice		Date	Description		Amount
	0-625-940-096		09/20/2016	State tax deposit PPE 9-10-16		\$6,873.79
				1001 - Payroll Payables		
339	09/20/2016	Open			INTERNAL REVENUE SERVICE	\$28,107.44
	Invoice		Date	Description		Amount
	270666433121640		09/20/2016	Federal tax deposit PPE 9-10-16		\$28,107.44
				1001 - Payroll Payables		
341	09/21/2016	Open			CalPERS Health Insurance	\$58,726.69
	Invoice		Date	Description		Amount
	2121		09/14/2016	October health insurance		\$58,726.69
				1000 - General Fund	\$2,849.20	
				1001 - Payroll Payables	\$55,877.49	
Type EFT Totals:						\$143,381.00

Attachment: 09-23-16 City check register (1290 : Approval of City Check Registers)

CITY - Main City Totals	Counts:	Total:
Checks	59	\$164,190.8
EFTs	4	\$143,381.0
All	63	\$307,571.8

Accounts payable checks dated 9/30/2016, numbered 84805 to 84845, totaling \$96,900.45, plus 2 accounts payable efts totaling \$396.15, 11 payroll checks and 91 payroll efts totaling \$174,200.19, for a total disbursement of \$271,496.79, have been reviewed and authorized for distribution by the City Manager.

As of 9/30/2016, the unaudited cash balance is \$4,827,322.24.

CASH POSITION - CITY OF CAPITOLA 9/30/2016

	<u>Net Balance</u>
General Fund	(\$222,528.86)
Payroll Payables	\$118,933.00
Contingency Reserve Fund	\$1,893,345.66
PERS Contingency Fund	\$300,000.00
Facilities Reserve Fund	\$229,870.00
Capital Improvement Fund	\$1,849,293.39
Stores Fund	\$24,272.47
Information Technology Fund	\$147,950.08
Equipment Replacement	\$82,086.67
Self Insurance Liability Fund	\$166,309.45
Worker's Comp. Ins. Fund	\$221,601.79
Compensated Absences Fund	\$16,188.59
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,827,322.24</u></u>

The Emergency Reserve Fund Balance is \$1,262,205.54 (not included above).



 Jamie Goldstein, City Manager

9/30/2016

 Date

Attachment: 09-30-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/30/2016

Check #	Check Date	Status	Invoice Date	Description	Payee Name	Transacti Amoi
Check						
84805	09/30/2016	Open			AMERICAN PAYROLL ASSOCIATION INC	\$219.
	Invoice		Date	Description		Amount
	APA092616		09/26/2016	Annual membership - Herlihy		\$219.00
84806	09/30/2016	Open			AMERICAN RED CROSS PROCESSING CENTER	\$1,192.
	Invoice		Date	Description		Amount
	10480309		09/21/2016	CPR training for public works employees		\$1,192.00
84807	09/30/2016	Open			AT&T/CALNET 3	\$2,157.
	Invoice		Date	Description		Amount
	8595960		09/13/2016	PD monthly telephone service & T-1 access		\$706.24
	8657098		09/13/2016	monthly telephone service & T-1 access		\$57.84
	8611703		09/13/2016	Recreation monthly telephone service		\$468.76
	8611707		09/13/2016	Monthly telephone service		\$53.83
	8611704		09/13/2016	Monthly telephone service & T-1 access		\$871.17
				1000 - General Fund	\$1,811.27	
				2211 - ISF - Information	\$346.57	
84808	09/30/2016	Open			BARBARA GRAHAM-GARCIA	\$250.
	Invoice		Date	Description		Amount
	191		09/20/2016	Ergonomic consulting - Evans		\$250.00
84809	09/30/2016	Open			BOB MURRAY & ASSOCIATES	\$6,092.
	Invoice		Date	Description		Amount
	6919		09/16/2016	police chief recruitment services and expenses		\$6,092.06
84810	09/30/2016	Open			BOGNER SHEET METAL	\$368.
	Invoice		Date	Description		Amount
	12383		09/23/2016	Scupper and downspout		\$368.00
84811	09/30/2016	Open			CALIFORNIA LAW ENFORCEMENT ASSOCIATION	\$539
	Invoice		Date	Description		Amount
	CLEA092116		09/21/2016	POA long term disability insurance		\$539.00
				1001 - Payroll Payables		
84812	09/30/2016	Open			CASEY PRINTING	\$3,834
	Invoice		Date	Description		Amount
	31883011		09/22/2016	Late Fall Brochure printing		\$3,834.09
84813	09/30/2016	Open			DORAN POLYGRAPH SERVICES	\$275.
	Invoice		Date	Description		Amount
	2016939		09/26/2016	Pre-employment polygraph - Newton		\$275.00
84814	09/30/2016	Open			FEDERAL EXPRESS	\$26
	Invoice		Date	Description		Amount
	5-547-38776		09/16/2016	Shipping charges		\$26.75

Attachment: 09-30-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/30/2016

Check #	Check Date	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
84815	09/30/2016	Open			FERGUSON ENTERPRISES INC.		\$95
	Invoice		Date	Description		Amount	
	4980097		09/20/2016	Plumbing supplies		\$29.81	
	4983051		09/21/2016	Plumbing supplies		\$65.52	
84816	09/30/2016	Open			FIRST ALARM SECURITY & PATROL INC.		\$730
	Invoice		Date	Description		Amount	
	516682		09/20/2016	October McGregor skate park security		\$310.00	
	517335		09/21/2016	October patrol Jade St. park		\$300.00	
	517334		09/19/2016	Jade st. park patrol 9/19 - 9/30/16		\$120.00	
84817	09/30/2016	Open			FLYERS ENERGY LLC		\$2,045
	Invoice		Date	Description		Amount	
	16-331979		09/21/2016	hoses		\$69.65	
	16-333307		09/23/2016	490 gallons ethanol		\$1,442.63	
	16-333312		09/23/2016	200 gallons diesel		\$533.67	
84818	09/30/2016	Open			FRANK PERRY		\$93
	Invoice		Date	Description		Amount	
	Perry092316		09/23/2016	light bulbs		\$32.35	
	FPerry092316		09/23/2016	Museum supplies		\$61.49	
84819	09/30/2016	Open			GEORGE H WILSON INC		\$285
	Invoice		Date	Description		Amount	
	117411		09/22/2016	Quarterly HVAC maintenance for PD		\$285.00	
84820	09/30/2016	Open			HOME DEPOT CREDIT SERVICES		\$1,266
	Invoice		Date	Description		Amount	
	3013371		09/02/2016	Wastebasket		\$5.95	
	6014168		09/09/2016	Trash cans		\$108.09	
	6014178		09/09/2016	steel, peg board, lumber, bin		\$271.06	
	5013068		08/31/2016	insulation, step ladder, entry lock		\$123.29	
	3013341		09/02/2016	drywall supplies		\$93.05	
	4571210		09/01/2016	paint, door hinge		\$24.63	
	7021587		09/08/2016	screen door		\$54.10	
	7134860		09/08/2016	returned screen door		(\$54.10)	
	9015109		09/16/2016	joint compound, sander head, sand paper		\$33.19	
	1014847		09/14/2016	drywall supplies		\$49.39	
	1014843		09/14/2016	Light bulbs		\$17.32	
	6020021		09/19/2016	Sand		\$23.82	
	7052481		09/08/2016	Filter, noise muffler		\$32.41	
	3053171		09/12/2016	Tape and grease		\$18.28	
	4211355		09/21/2016	Roofing materials		\$63.91	
	4574184		09/21/2016	hand sander, wall plate, switch		\$51.09	
	4010089		09/21/2016	birch board, trim		\$95.93	
	2051445		09/23/2016	Lumber		\$22.89	
	3010119		09/22/2016	trim, holdrite gallon		\$68.52	
	7210044		09/28/2016	Bucket, lawn rake, stucco mix		\$55.93	
	2050014		09/13/2016	Screen doors		\$108.21	
				1000 - General Fund		\$1,140.47	
				1311 - Wharf Fund		\$126.49	

Attachment: 09-30-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/30/2016

Check #	Check Date	Status	Invoice Date	Description	Payee Name	Transactio Amot
84821	09/30/2016	Open			HUMBOLDT PETROLEUM LLC	\$65.
	Invoice		Date	Description		Amount
	085824		09/15/2016	September vehicle car washes		\$65.00
84822	09/30/2016	Open			INTERSTATE BATTERY SYSTEMS OF SAN JOSE	\$121.
	Invoice		Date	Description		Amount
	30996547		09/20/2016	car battery		\$121.75
84823	09/30/2016	Open			KELLY MOORE PAINT COMPANY INC.	\$105.
	Invoice		Date	Description		Amount
	803-00000668512		09/21/2016	Red curb paint 1310 - Gas Tax Fund		\$105.14
84824	09/30/2016	Open			LABORMAX STAFFING	\$993.
	Invoice		Date	Description		Amount
	26-67136		09/23/2016	Seasonal labor		\$993.46
84825	09/30/2016	Open			MAR-KEN K-9 TRAINING CENTER	\$480.
	Invoice		Date	Description		Amount
	0598-16		09/19/2016	September K-9 training		\$480.00
84826	09/30/2016	Open			MICROFLEX CORP	\$518.
	Invoice		Date	Description		Amount
	IN1698279		09/20/2016	Latex gloves		\$518.82
84827	09/30/2016	Open			O'REILLY AUTO PARTS	\$363.
	Invoice		Date	Description		Amount
	2763-233907		09/21/2016	brake pads, rotors		\$363.07
84828	09/30/2016	Open			PACIFIC GAS & ELECTRIC	\$15,563.
	Invoice		Date	Description		Amount
	PGE092216-acct9		09/22/2016	Monthly utilities		\$15,057.28
	PGE091416-acct5		09/14/2016	Pac cove parking lot utilities		\$496.20
	PGE091316-acct0		09/13/2016	Wharf Road Rispin Mansion utilities		\$10.51
				1000 - General Fund	\$5,298.47	
				1300 - SLESF - Supl Law Enfc	\$177.45	
				1310 - Gas Tax Fund	\$7,402.13	
				1311 - Wharf Fund	\$2,685.94	
84829	09/30/2016	Open			PALACE OFFICE SUPPLIES	\$10.
	Invoice		Date	Description		Amount
	9309322-0		09/26/2016	file boxes, pens		\$10.29
	25887-0		07/13/2016	mouse platform palm support		\$25.45
	C25887-0		09/16/2016	return mouse platform palm support		(\$25.45)
84830	09/30/2016	Open			PHIL ALLEGRI ELECTRIC INC.	\$900.
	Invoice		Date	Description		Amount
	21593		09/20/2016	Float repair 1311 - Wharf Fund		\$900.00

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City Checks Issued 09/30/2016

Check #	Check Date	Status	Invoice Date	Description	Payee Name	Amount	Transaction Amount
84831	09/30/2016	Open			PITNEY BOWES		\$1,012.
	Invoice		Date	Description		Amount	
	PB091916		09/19/2016	postage meter rental 2210 - ISF - Stores Fund		\$1,012.86	
84832	09/30/2016	Open			ROGERS ANDERSON MALODY & SCOTT LLP		\$13,000.
	Invoice		Date	Description		Amount	
	52346		08/31/2016	FY15/16 audit progress billing		\$13,000.00	
84833	09/30/2016	Open			ROYAL WHOLESALE ELECTRIC		\$80.
	Invoice		Date	Description		Amount	
	7719-608028		09/23/2016	Lights		\$80.26	
84834	09/30/2016	Open			SAN LORENZO LUMBER		\$16.
	Invoice		Date	Description		Amount	
	55-0201982		08/30/2016	Glasses		\$16.55	
84835	09/30/2016	Open			SANTA CRUZ COUNTY ANIMAL SHELTER		\$5,500.
	Invoice		Date	Description		Amount	
	16/17-2CAP		09/20/2016	Animal shelter second payment		\$5,500.00	
84836	09/30/2016	Open			SANTA CRUZ FIRE EQUIPMENT CO.		\$291.
	Invoice		Date	Description		Amount	
	99807		09/16/2016	Semi Annual Service of Fire Supression System		\$291.21	
84837	09/30/2016	Open			SANTA CRUZ REGIONAL 911		\$36,100.
	Invoice		Date	Description		Amount	
	SCCR091516		09/15/2016	Regional 911 debt service first half payment		\$36,100.00	
84838	09/30/2016	Open			SHARPS SOLUTIONS LLC		\$110.
	Invoice		Date	Description		Amount	
	SS22079		09/16/2016	Sharps containers		\$110.00	
84839	09/30/2016	Voided	Incorrect Cu: 09/30/2016		THE LISTENING STACK		\$125.
	Invoice		Date	Description		Amount	
	TLS092216		09/22/2016	Police radio adapter - Keane		\$125.05	
84840	09/30/2016	Open			WE ALL RIDE SANTA CRUZ		\$73.
	Invoice		Date	Description		Amount	
	4147528		09/17/2016	2013 Honda quick disconnect harness & battery		\$73.55	
84841	09/30/2016	Open			ZUMAR INDUSTRIES INC.		\$218.
	Invoice		Date	Description		Amount	
	0166757		09/21/2016	Signs 1310 - Gas Tax Fund		\$218.58	
84842	09/30/2016	Open			Linda Melton		\$60.
	Invoice		Date	Description		Amount	
	2002748.002		09/26/2016	Class refund		\$60.00	

Attachment: 09-30-16 City check register (1290 : Approval of City Check Registers)

City Checks Issued 09/30/2016

Check #	Check Date	Status	Invoice Date	Description	Payee Name	Transaction Amount
84843	09/30/2016	Open			Michael Gordon	\$1,500
	Invoice		Date	Description		Amount
	Gordon092616		09/26/2016	Refund bandstand deposit		\$1,500.00
84844	09/30/2016	Open			Sondra Moore	\$95
	Invoice		Date	Description		Amount
	Moore092816		09/28/2016	Settlement claim - S. Moore 2213 - ISF - Self-Insurance Liability		\$95.00
84845	09/30/2016	Open			SOQUEL HEARING AID CENTER	\$125
	Invoice		Date	Description		Amount
	TLS09222016		09/22/2016	custom police radio adapter		\$125.05
Type Check Totals:						\$96,900

<u>EFT</u>						
336	09/25/2016	Open			DISCOVERY BENEFITS	\$139
	Invoice		Date	Description		Amount
	679210-IN		08/31/2016	August COBRA and FSA administration		\$139.00
342	09/30/2016	Open			ADP LLC	\$257
	Invoice		Date	Description		Amount
	480511552		09/30/2016	ADP ezLabor Manager software 2211 - ISF - Information Technology		\$257.15
Type EFT Totals:						\$396

CITY - Main City Totals	Counts:	Total
Checks	41	\$96,900
EFTs	2	\$396
All	43	\$97,296

WELLS - Payroll Totals	Counts:	Total
Checks	11	\$18,335
EFTs	91	\$155,864
All	102	\$174,200

Grand Totals:	Counts:	Total
Checks	52	\$115,236
EFTs	93	\$156,260
All	145	\$271,496

Attachment: 09-30-16 City check register (1290 : Approval of City Check Registers)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Public Works Department

SUBJECT: Receive a Report on the Widening of Capitola Wharf and Ten-Year Schedule of Improvements

RECOMMENDED ACTION: Accept a report on the widening of Capitola Wharf and 10-year expenditure plan update. If Measure F is successful, direct the Public Works Department to develop a plan for a Project Manager to oversee and manage the wharf and beach projects.

BACKGROUND: In February 2016 the Council accepted a report on the structural condition of Capitola Wharf that included options for making the Wharf more resilient to storms and other natural elements. The Council directed staff to return with a cost estimate and a ten-year plan of improvements, and authorized Moffatt and Nichol Engineers to evaluate widening the wharf to improve resiliency (Attachment 1). The resiliency study done earlier in the year is included as Attachment 2.

DISCUSSION The 10-year expenditure plan details widening along the trestle area which extends from the shore to the widened end. The work would include driving approximately 114 new piles, moving all utilities above the deck for wave protection, adding a new restroom building, and developing a surfacing for the wharf to meet American Disabilities Act (ADA) standards for paths of travel and also improve the resiliency of the deck.

Costs for the ten-year plan

Time Frame	Action	Unit Cost	Total Cost
Annual inspections	Conduct piling inspections	\$2,000	\$20,000
Year 3	Steel and wood piling replacement		\$300,000
Year 6	Widen wharf, include utility upgrades and new restrooms		\$3 million
5-year inspections	Structural inspection of wharf	\$25,000	\$50,000
Storm Damage Repairs	Replace any pilings damaged	\$100,000	\$200,000

FISCAL IMPACT: The approximately \$3.5 million of expenses detailed above would be covered by the proceeds of Measure F and any grant funding that may become available. If successful, Measure F should generate \$1 million annually for 10 years. The balance of the funding would then be available for other beach improvement projects such as restoring the jetty and repairs to the flume.

Wharf Widening Report
October 27, 2016

ATTACHMENTS:

1. Wharf Widening and 10-year Expenditure Plan
2. Wharf Resiliency Plan February 2016

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

10/21/2016



2185 N California Blvd, Suite 500
Walnut Creek, CA 94596

(925) 944-5411
www.moffattnichol.com

MEMORANDUM

To: Mr. Steve Jesberg, Public Works Director, City of Capitola

From: Brad Porter, PE

Date: October 19, 2016

Subject: Capitola Wharf 10 Year Maintenance Plan/Widening

M&N Job No.: 9154

Background

The purpose of this memo is to provide recommendations and background for the maintenance and adding of resiliency to the Capitola Wharf (“the Wharf”), over the next 10 years. This plan is the result of, and refers to, the following recent activities:

Reference	Date	Item
A	Dec 2015	Wharf Engineering Inspection
B	Feb (Draft) Sep 2016 (Final)	Condition Assessment and Resiliency Study
C	Feb 2016	Meeting with Wharf Committee
D	April 14, 2016	Presentation to Capitola City Council

Wharf Widening

One of primary goals is to increase the structural resiliency of the Wharf to damage from storm waves (Ref B). During discussions with Wharf Committee (Ref C) and following presentation to the City Council (Ref D) the concept of widening the Wharf was identified as an alternative for further study. This will add resiliency to the most vulnerable portion of the Wharf that has sustained the most critical damage in the past. The concept for widening the Wharf trestle is shown on Figure 1 and attached drawing C1.

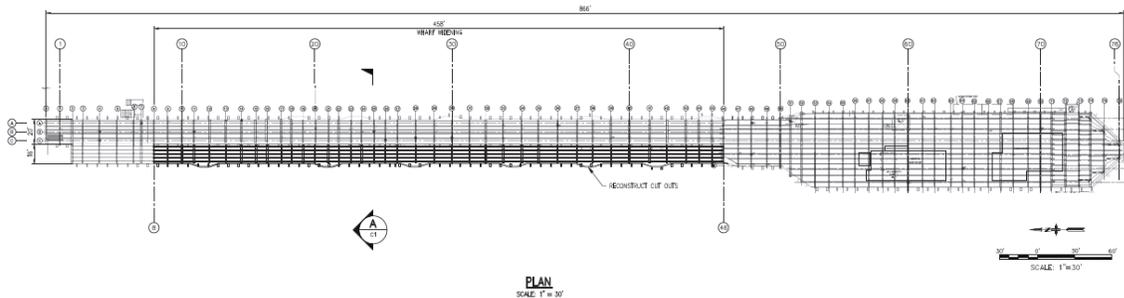


Figure 1-Wharf Widening on Trestle (see also Attached Sheet C-1)

Attachment: Wharf Widening and 10-year Expenditure Plan (1627 : Wharf Widening Report)

October 19, 2016

M&N #9154
Capitola Wharf 10 Year Plan

The conceptual cost to widen the trestle, as shown in Figure 1 is estimated to be \$1,100,000 to \$1,300,000.

Widening of the Wharf trestle is the most effective way to add resiliency to the Wharf. It adds additional piles to the bent rows and increases the chance of surviving damage from floating logs in the winter wave events. The cost to widen the trestle is in the mid-range of the alternatives presented in Ref B. The widening will likely require approval from the Coastal Commission and Army Corps of Engineers for Regulatory approval. This process can be involved and may take 2 years for approval. The Wharf is for public access and is a coastal dependent use that is consistent with the Coastal Plan. The widened portion of the wharf, could have a concrete surface that eliminate the hazard of gaps greater than ½ inch between some deck boards take exists now.

Currently, the wharf service utilities (sewer, water, and electrical) are currently located below the deck. Concurrent with the structural resiliency improvements it is recommended that the utilities be relocated above the deck to be protected from damage in large wave events. The cost to relocate utilities is estimated to be \$400,000 to \$750,000.

Additionally, as part of the Wharf 10-year plan a new public restroom building is recommended to replace the existing structure to provide increased access. This construction should also be completed concurrent with the structural resiliency improvements and utility improvements. The cost to construct a new restroom building is estimated to be \$1 million.

Recommendations:

Based upon the above we recommend the following actions over the next 10 years for repairs and additions to the wharf:

Item	Time Frame	Action	Estimated Unit Cost	Total Cost
1.	Annually	Inspection of Steel Piles	\$2,000 every year	\$20,000
2.	Within 3 years	Repair Steel Piles Replace 3 timber piles (Ref B, 3.0)	\$300,000	\$300,000
3.	In 3-6 Years	Widen the Wharf Trestle Relocate Utilities Construct New Restrooms	\$2 million \$750,000 \$500,000	\$3 million
4.	Every 5 years on average	Repair Storm Damage	\$100,000 every 5 years	\$200,000
5.	Every 5 years	Structural Inspection of Wharf	\$25,000 every 5 years	\$50,000



2185 N. California Blvd., Suite 500
Walnut Creek, CA 94596

(925) 944-5411 ❖ Fax: (925) 944-4732
www.moffattnichol.com

Memorandum

To: Mr. Steve Jesberg, Public Works Director, City of Capitola
From: Brad Porter, PE
Date: April 6, 2016
Subject: Capitola Wharf Condition Assessment and Wharf Resiliency Study
Project: Capitola Wharf Engineering Services (MN # 9154)
CC:

1.0 SUMMARY

The purpose of this memo is to describe the observations of the structural condition of the Capitola Wharf (“the Wharf”, shown in Photograph 1), present concepts to increase the resiliency of the Wharf, and concept costs as input to planning. The wharf is generally in fair to good condition and may remain in service with ongoing maintenance and repairs, consisting primarily of pile repair or replacement. Approximately 3 timber piles need replacement at an estimated cost of \$70k-\$100k; the steel piles at the south Wharf end need replacement at an estimated cost of \$150-\$250k. Alternatives to increase Wharf resiliency to wave damage include adding or strengthening piles on the Wharf outside edge and increasing the span length of the stringers. Costs for these alternatives range from \$150k to \$4.4 mil.



Photograph 1. Capitola Wharf (looking east)



1.1 Background

The Wharf is an existing timber structure used primarily for recreation activities and contains a bait shop, boat rentals, boat launch, restaurant, restroom facilities, and fish cleaning stations. Limited motor vehicle access is permitted and a floating dock with access onto the Wharf is available in the summer.

The Wharf has been inspected and repaired over its life. Available records go back to the early 1980s that include a soils report (Soil Investigation, Capitola Municipal Wharf, Harding Lawson, April, 1980) a dive inspection (Underwater Inspection Report, Marine Interface, January 1981) and repair drawings (Storm Damage Repairs, HV Anderson Engineers, April 1983) for major repairs to the south end of Wharf from storm damage in 1983. More recently, condition assessments have been performed by Moffatt & Nichol: 1996 Inspection and Renovation Report, 2008 Inspection Report after damage from a large wave event as well as other small investigations during this period.

Previous assessments have concluded that the elevation (20 ft MLLW) of the Wharf's deck structure is below the crest elevation of attacking waves in large events. Therefore, the Wharf is at risk of being damaged by relatively frequent storms.

1.2 Scope and Purpose

The purpose of this inspection is to identify deterioration in members, identify members in need of replacement, and make recommendations for repair and costs.

2.0 WHARF CONDITION ASSEMENT

2.1 Description of Wharf

The Wharf is approximately 866 feet long from the shore to the wharf face, and can be divided into two sections: the trestle and Wharf Head, See Figure 1. The Wharf trestle is typically approximately 20 feet wide and 543 feet long. The trestle connects the shore to the larger wharf head, which is approximately 323 feet long and 60 feet wide. The restaurant, boat rentals, boat launch, summer dock, and restroom facilities are located on the Wharf head.

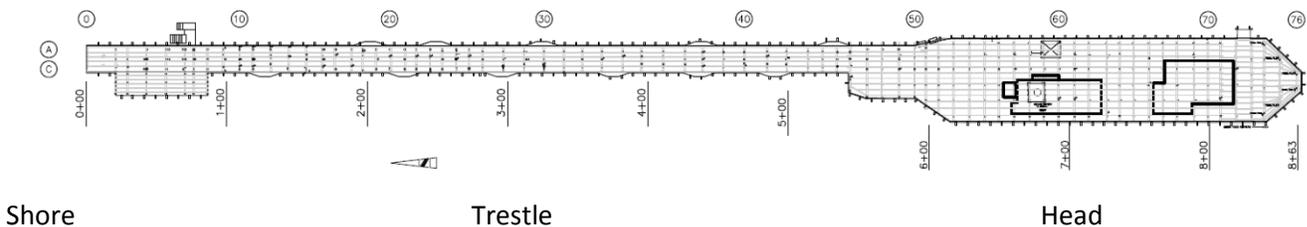
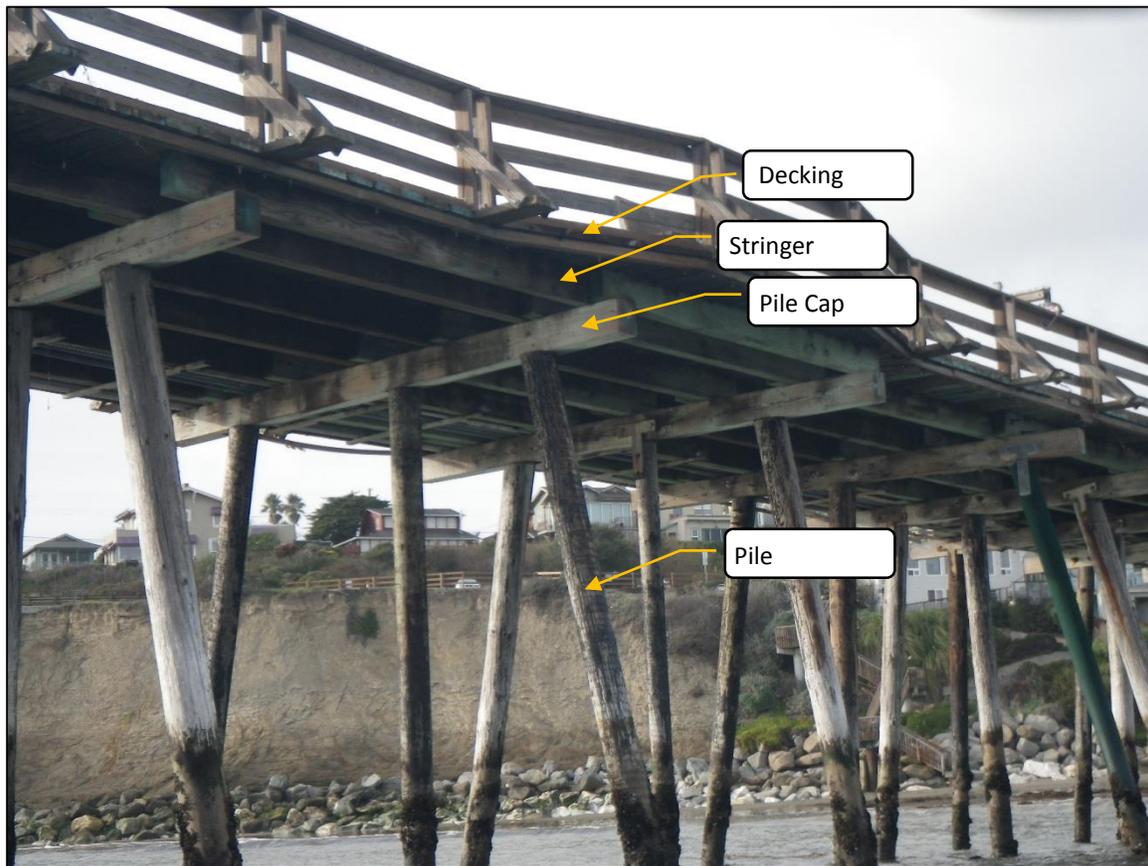


Figure 1 Wharf Plan and Pile Grid (Bent, Row)

Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)



The Wharf is constructed of timber structural elements similar in configuration to other ocean piers (a “pier” is perpendicular to the shore, as is Capitola Wharf, where as a “wharf” is parallel to shore, although these terms are often used interchangeably). The piles are 12 - 14 inch diameter creosote treated timbers aligned in rows (“bents”) perpendicular to the Wharf centerline at 12 ft nominal spacing. The piles support timber cap (10 x 12) beams (pile caps) that span across the bent. The caps support stringers (6 x 12) that supports the Wharf decking (3 x 12). Photograph 2 shows the structural framing configuration. The stringers are lapped at bents, but typically only span between adjacent bents--are “simply supported”. This provides no redundancy if there is loss of support from one of the pile bents. Alternatively, if they were extended past the cap to the next cap that would form a “continuous beam” and would provide some redundant support if one pile cap support is lost (see section 4 for further discussion).



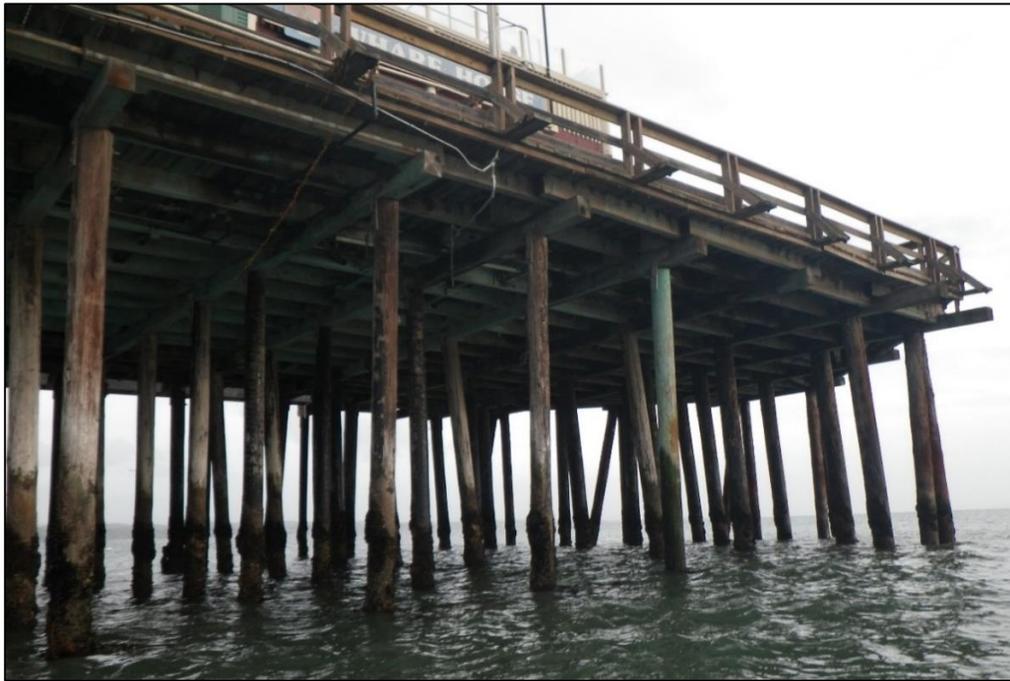
Photograph 2. Typical Structural Framing

The trestle includes the structure from Bent 0 to Bent 46 with bents typically support by a three-pile arrangement, shown in Photograph 3.

The wharf head is located at the seaward end of the wharf and includes the restaurant and bait shop buildings. The framing at this portion is typically six piles wide with some additional irregular piles. The remaining wharf deck structure is similar to the trestle. Photograph 5 and 5 show the wharf head structure and framing configuration; additional photos are shown in Appendix A.



Photograph 3. Capitola Wharf Trestle Underside



Photograph 4. Capitola Wharf Head Platform Underside

The Wharf Head also includes twelve steel piles (six plumb and six batter) at the face (see Photograph 6). These piles were installed in 1983 after storm waves overtopped the Wharf and did significant damage to the south end of the Wharf that faces the incoming waves. These steel piles, with batter (slanted) piles were installed to increase the stiffness of the Wharf end to resist wave forces and resulting deflection.

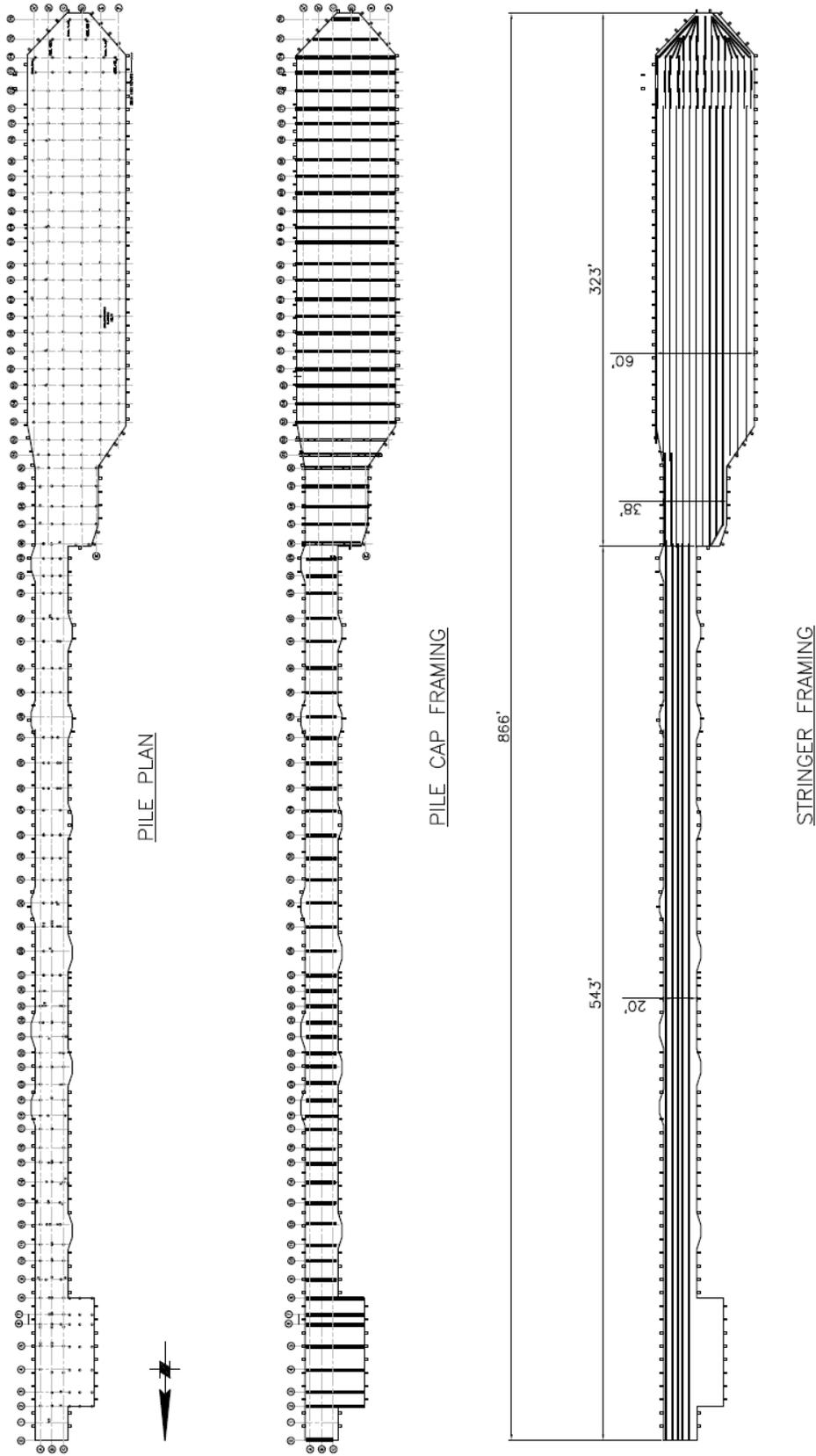
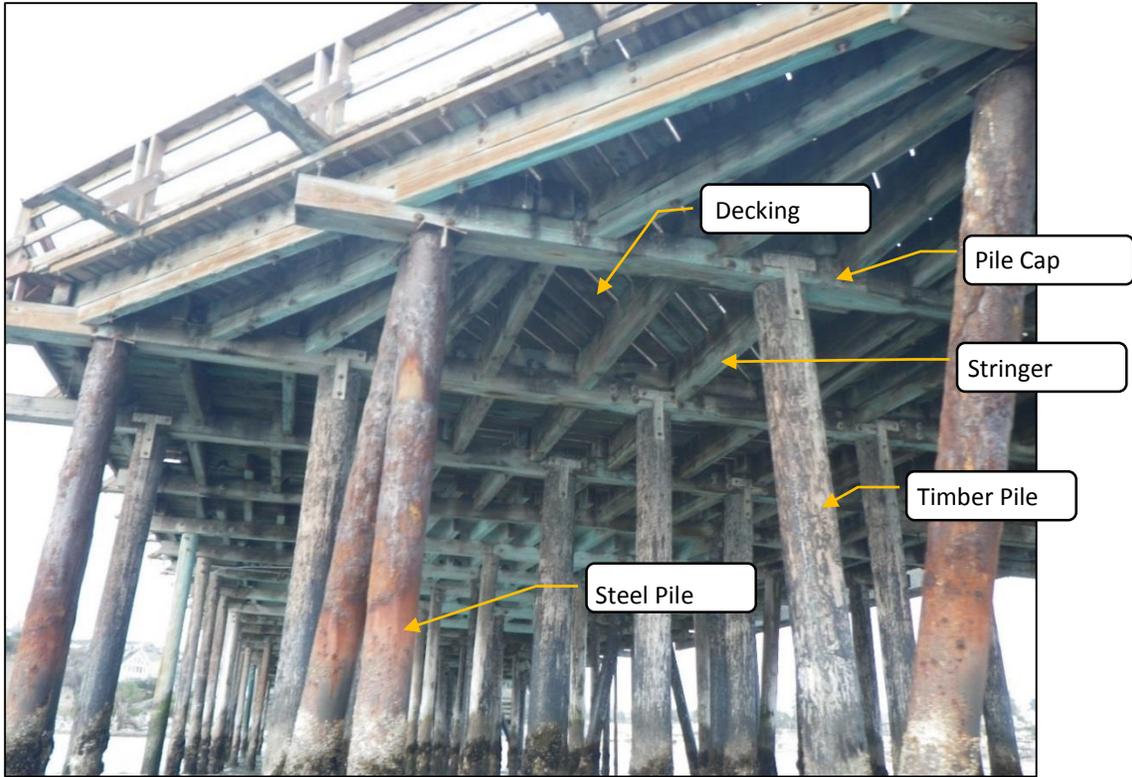


Figure 2-Wharf Structure Configuration



Photograph 5. Structural Framing at Wharf Head



Photograph 6. Steel Piles at Wharf Head



2.2 Structure Condition

The structural inspection was conducted above water observing the condition of the Wharf deck from above and underside from a boat at low tide. The inspection was performed on November 23, 2015 (tide, -0.3 MLLW at 2 pm) and on the December 10, 2015 (tide, -0.5 feet MLLW at 4 pm). An underwater inspection (dive) was not included in the scope of this investigation.

The horizontal framing of the Wharf (decking, stringers, caps) are in overall fair condition. The decking has been replaced periodically as needed.

The timber piles throughout the structure are generally in fair condition above the splash zone. Piles previously noted to require repair have been replaced and the replacements are performing adequately. One pile at 72-F has been lost, damage likely occurring from debris propelled during a large wave event. At 72-F emergency stabilization shoring beams (“strong back”) have been installed--as has been used successfully in the past at the Wharf--and the pile should be replaced as soon as possible. A second pile at 68-A has experienced deterioration in the splash zone. This pile was observed from a boat at low tide with significant section loss (the pile core has completely degraded leaving a void). This pile should be replaced or repaired.

All twelve steel piles at the Wharf Head have advanced corrosion and section loss. Several piles have wall areas that are gone with large holes (shown below in Photograph 7).



Photograph 7. Steel Plumb and Batter Pile at 75-B

Even with severe section loss, these piles continue to support the light loads from the timber wharf structure and pedestrian access. However, these piles likely have little capacity to carry larger lateral loads, for which the steel batter piles (installed in 1983) were likely installed to resist. But even without the batter piles, the Wharf deck will distribute the load to the other Wharf vertical piles as a wave passes under the Wharf, as it did for the 80+ years prior to the steel pile installation. The vertical piles resist the lateral wave force by bending, which results in deflection



or “sway” in the Wharf. This is often unsettling to people if they are on the Wharf during a large wave event, but the Wharf structure is able to resist these forces

2.3 Structural Damage since Observation

Since the structural inspection in late 2015, described above, the Capitola Wharf has endured several large storm events during the “El Nino” 2015/16 winter. Photograph 8 shows the wave climate during a recent storm with waves cresting near the top of the Wharf deck. On January 26, 2016 such a large storm event broke pile 17-B on the trestle. Since this is a middle pile, the cap can still span to adjacent outside piles, and the trestle can support light pedestrian loads. This pile should be replaced as soon as practical because any further damage at Bent 17 from a subsequent storm event would risk collapse of Bent 17 and would require Wharf closure.



Photograph.8- Large Waves at Capitola Wharf (January, 2016)

3.0 CONCLUSIONS/RECOMMENDATIONS

3.1 Discussion/costs

Timber Piles—the damaged timber piles (at 98-A, 72-F, and 17-B) should be replaced soon. Installing new timber piles would likely require crane matting to support the crane weight to access the end from the deck, as has been done in the past. Alternatively, a barge mounted crane from the water could be used, but mobilization costs for the barge would be considerable.

Estimated Replacement Cost 3 Piles: \$70-\$100K

Steel Piles— if the steel piles at the Wharf Head continue to degrade, they will eventually fail. At this time, an underwater inspection of the piles in question has not been completed. Assuming



that the corrosion damage is limited to the areas observed (i.e. within the splash zone), there may be an option to repair or replace the steel piles.

A repair option may include a splice of a competent pile section. An option to this would be to install a fiberglass jacket and fill the existing section with grout to regain lost capacity (Information on a commercially available jacket system is contained in Appendix B).

Estimated Repair Cost: \$150-250K

3.2 Recommendations

1. Replace missing and damaged timber piles.
2. Repair or replace damaged steel piles.

4.0 WHARF RESILIENCY IMPROVEMENTS

4.1 Background

As described in the previous section, Capitola Wharf is a pile supported timber pier structure located on the California coastline in Monterey Bay. Historic evidence indicates a wharf has existed at the site since the late 1800's, and has been damaged and renovated many times. Its location within Monterey Bay, east of Soquel Pt and orientation towards the south/southwest provides partial protection from the predominantly northwest winds and swells but is exposed to waves from the south and southwest. Damages due to storm waves have occurred frequently in the winter months.

Detailed information regarding storm damages is limited to recent years. Significant storm events in the early and mid 1980's required that repairs and improvements be made to the structure. In mid-1981, approximately sixty of the timber piles, mainly at the northern (inshore) end, as well as a large number of timber framing members and decking were repaired and/or replaced. In approximately 1983, additional repairs were undertaken, mainly at the southern (offshore) end of the structure, to repair storm damage incurred that year. Damage has occurred in the winters of 1994/95, 1997/98, 2002/03, 2008/09 and 2015/2016. Winter storms in Feb 1998 and December 2002 developed waves that exceeded the deck height (20 ft above MLLW) and damaged the wharf deck structure and many piles. In addition to wave damage, the timber piles are subject to damage caused by marine boring organisms. Periodic maintenance has occurred over the life of the Wharf, however detailed information is limited to more recent years. Figure 3 summarizes the damage and repair work performed during the past 35 years on the Wharf and Figure 4 shows the recent history of pile damage and replacement.

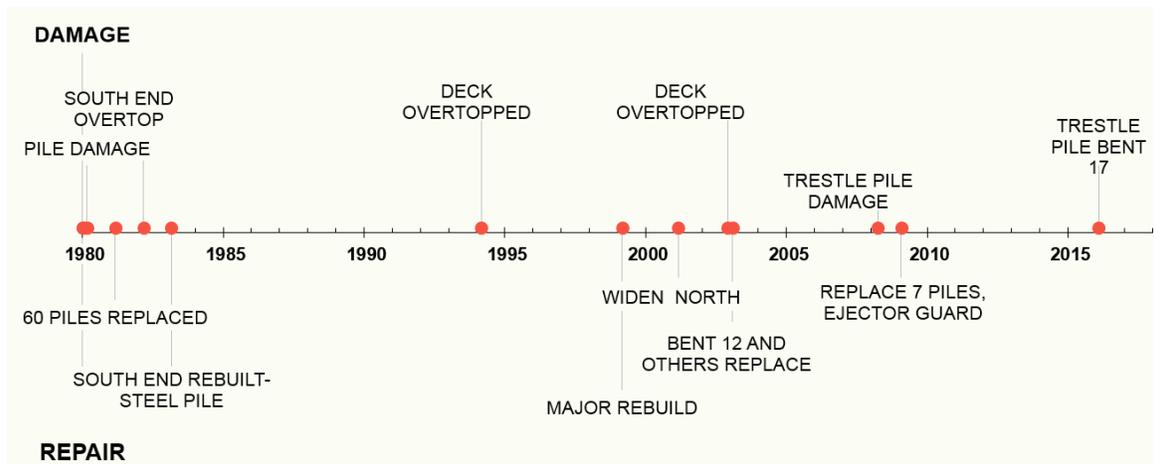


Figure 3-Timeline of Recent Major Wharf Damage and Repairs.

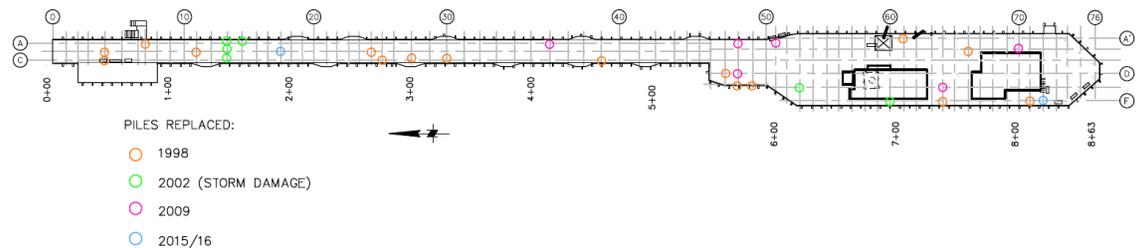


Figure 4- Pile Damage/Replacements, Since Late 1990s

4.2 Damage Characterization

As noted above, there are two primary sources of damage to the Capitola Wharf:

1. Deterioration from age
2. Storm wave damage.

Timber wharves in a coastal environment are subject to deterioration, over time, due to marine borers in the submerged zone (piles) and fungal rot in the upper members in the deck structure which is caused by wetting and drying of the timber, often from a leaking water pipe. A timber structure in this area would be expected to have a service life of around 30-50 years, with only minimal maintenance. The service life can be increased with regular or periodic maintenance. With regular maintenance comprised of continual replacement of deteriorated members, including the timber piles, the service life can be extended to more than 100 years. This requires a full time maintenance crew with the capabilities to construct the large beams (stringers and caps) and install piles. Periodic maintenance can be performed as an alternative to regular maintenance and would be performed at intervals of about 10-15 years. Capitola Wharf has limited regular maintenance performed and has had periodic maintenance of the major structural components as described in the previous section.



Capitola Wharf has experienced considerable damage from storm waves over its life. The primary damage that has been observed are:

1. Deck and railing
2. Under deck utilities
3. Pile breakage

The primary cause of damage for items 1) and 2) are wave overtopping of the Wharf. The Wharf deck elevation is 20 ft above mean lower low water (MLLW), which is below the crest height of waves that would be expected to occur every few years at this location. Photograph 9 shows typical damage of this type that occurred on the south end of the Wharf in 2002. The cause of item 3) is usually due to flotsam (large logs) hurled against the piles by the large waves. Photograph 10 shows a critical example of this where 3 piles that support one pile bent (row of piles that supports the beam, or cap).

There is little that can be done to mitigate the wave forces the Wharf is exposed to. If the Wharf deck were elevated 3-4 feet higher than it is, above the highest waves, this would mitigate damage to the deck and utilities. It is impractical to raise the entire deck structure due as it would require extending the length of the piles, and to do that would require removing the entire deck structure and all its supports.



Photograph 9- Wave Damage at South End of Wharf (2002)



Photograph 10-All Piles Broken at Bent 12 (2002)

4.3 Structural Response to Damage

The vertical timber piles support the bottom structure of the Wharf deck, the pile caps. The pile caps are continuous in that they span across multiple piles. If one pile is lost, the cap still has support from the other piles and has diminished capacity but not total loss of support. The worst case is when the outside pile of the bent is lost that increases the free unsupported length (“cantilever”) of the cap. The stringers are the critical member of the structure in that they are simply supported by the caps, as described in section 2.1. If there is a loss of support from a cap beam to either end of the stringer, the stringer and decking it supports could collapse as the stringers do not extend beyond to the next cap. This loss of support below of the pile cap has occurred at the Wharf and to remedy this in the short term, a long beam (“strong back”) can be placed above deck that spans over to the adjacent caps and a cable slung below to support the cap with loss of pile support below. Photograph 11 shows this arrangement that was constructed during the storm waves in 2002. That season of waves had scoured the sand on the beach to one of the lowest levels observed in recent history (see photograph 13).

4.4 Potential improvements

It is desirable to make modifications to the wharf that would increase the resiliency of the wharf to the inevitable storm damage it is exposed to. As noted above, the critical element of the structure are the simply supported stringers. To achieve this there are 2 general strategies that were studied: Increase pile strength, provide “continuous beam” stringers.



Photograph 11-Strong-back Beam Support Cap at Bent 12 (2002)



Photograph 13-Scoured Beach at Wharf North End (2002)

To achieve these goals 3 primary options were developed;

1. Strengthen Existing Piles
2. Provide redundant, added pile
3. Provide continuous stringers

4.4.1 Pile Improvements

The loss of multiple piles, or the end pile, results in loss of the cap support to the stringers. As seen in Figure 4, it is often the outside piles, on the west side, that occurs during storms where they are most exposed to floating logs. Various schemes have been considered to strengthen or replace these end piles:



- Option 1- Fiber Reinforced Plastic (FRP) Pile Jacket on Existing Piles
- Option 2- Added Pile

4.4.2 Stringer Improvements

Constructing stringers that can span across multiple caps will provide redundancy support in the event the cap below has lost support. The capacity of the stringer would be reduced in this event, but collapse would be avoided and would allow that area of the wharf to remain in limited use until support from the cap can be repaired. The follow alternative concepts would provide this:

- Option 3a-Continuous New Stringers
- Option 3b-Splice Plates on Existing Stringers

Appendix B contains figures of these conceptual options for resilience improvements.

4.5 Planning Considerations

In planning the extents of resiliency options balancing risk and costs are primary consideration. Based upon the past damage, the outside edge of the Wharf has sustained the most damage, and the west side has sustained more damage than the east. Some damage to piles, from waves, has occurred on the interior but much less.

4.5.1 Costs

The cost to provide reinforcement throughout the wharf would not be cost effective. Consider that to jacket all of the approximately 300 piles on the wharf would cost over \$5 million (300 piles at \$15,000 to \$20,000 per pile). Therefore reinforcements would be planned in areas of most likely damage.

Costs have been developed for a range of reinforcement/resiliency alternatives. These costs are conceptual and are intended for planning to assess the cost/benefit of performing preventative repair in order to minimize emergency repairs after damage has occurred. The following Table 1 presents these alternatives (corresponding figures are presented in Appendix C).



Alternative		Total	
No.	Description	Low	High
1 .1	Pile jacket on outside pile, west side only	\$1,200,000	\$2,100,000
1 .2	Pile jacket on outside pile, entire wharf Edge	\$1,900,000	\$4,400,000
2 .1	Added pile on outside on west side only	\$900,000	\$1,200,000
2 .2	Added Pile on outside, entire Wharf edge	\$1,900,000	\$2,500,000
3a .1	Added Stringer on 1 line, west side only	\$150,000	\$200,000
3a .2	Added Stringer on 1 line, entire wharf perimeter from bent 10	\$400,000	\$500,000
3b .1	Install Splice plate at each lap on outside stringer on west side	\$200,000	\$200,000
3b .2	Install Splice plate at each lap on outside stringer on entire perimeter from bent 10	\$300,000	\$400,000
3b .3	Install Splice Plate on each lap of 2 outside lines of stringers along entire wharf perimeter from bent 10	\$600,000	\$800,000

Table 1- Resiliency Alternative Concept Costs

The following concept level unit costs (cost for each individual pile jacket, pile, stinger or splice plate) were developed to prepare the alternative costs for the options described above.

<u>Option</u>	<u>Unit Cost</u>
1 Pile Jacket	\$20-35K
2 Added Pile	\$15-20k
3a Continuous New Stringer	\$5-7k (spans 2 bents)
3b Splice Plate on Stringer	\$2-3k



4.6 Recommendations/Discussion

There are a number considerations in developing an appropriate plan for wharf structure maintenance and added resiliency. It is intended for this draft report to provide background and basis for discussion with City staff and their stakeholders to develop a viable plan for the Wharf.

It is recommended to meet with City staff, to gather input on risk and benefit that will guide recommendations for structural resiliency.



Appendix-A Additional Photographs



Photograph 9. Piles 74-F (left) 75-E (center)



Photograph 10. Piles 76-D (left) and 76-C (right)



Photograph 11. Piles 76-C (left), 75-B' (center), and 74-A' (right)



Photograph 12. Bents 46-48 shown



Photograph 13. Bents 49-51 shown



Photograph 14. Bents 52-53 shown



Photograph 15. Bents 54-55 shown



Photograph 16. Bents 56-57 shown



Photograph 17. Bents 58-60 shown



Photograph 18. Bents 61-64 shown



Photograph 19. Bents 65-67 shown



Photograph 20. Bents 68-69 shown



Photograph 21. Bent 70 shown



Photograph 22. Bent 71 shown



Photograph 23. Bents 72-76 shown

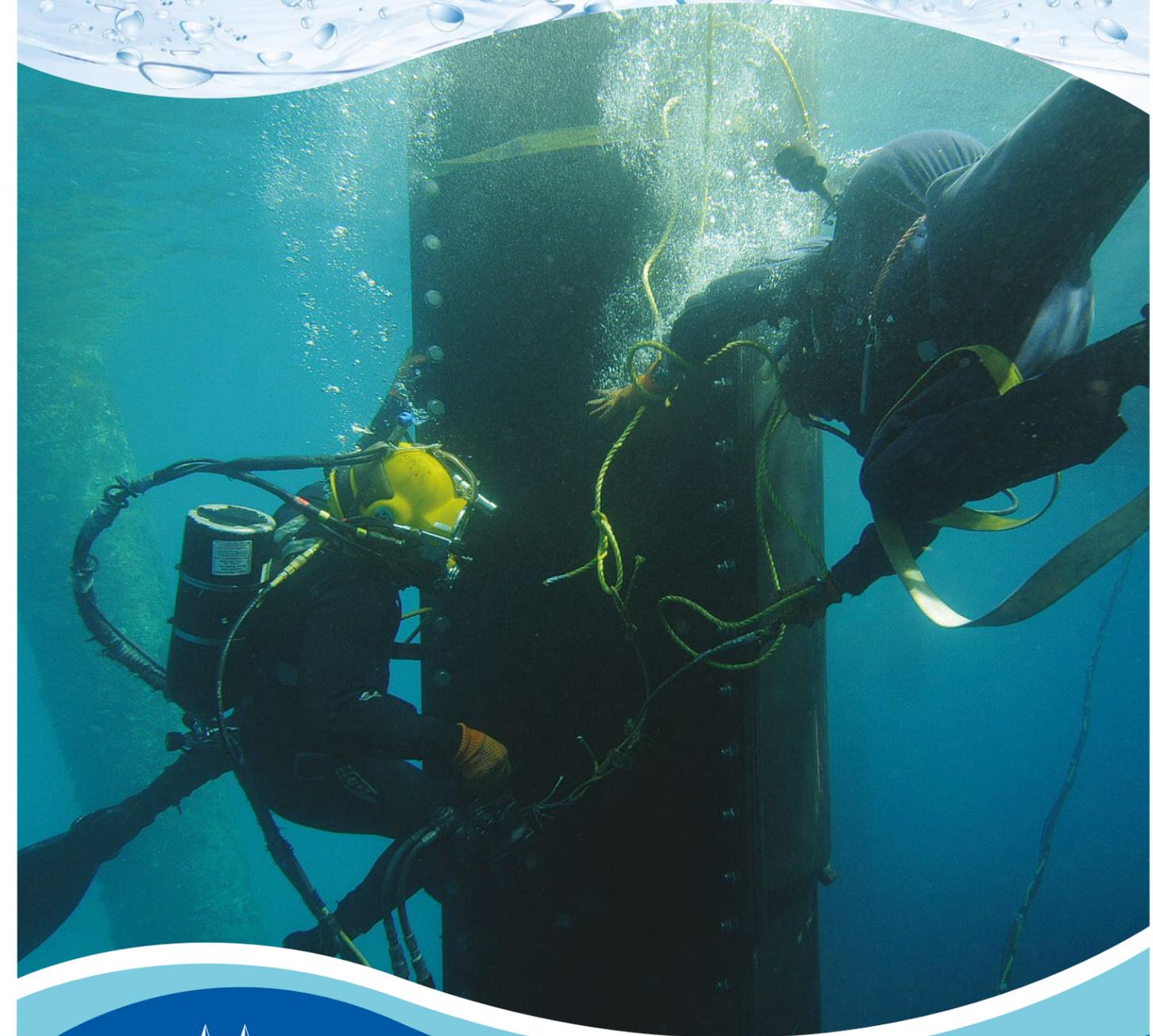


Appendix-B Product Information

FIVE STAR PRODUCTS, INC.

Pilecap® Systems

Marine Piling Restoration Systems



Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

About Five Star Marine Products

Five Star Products, Inc. is the industry leader in the development of systems and products designed for the rehabilitation and stabilization of marine facilities and underwater structures. All of our products are designed and field-tested by experienced commercial divers and engineers with an emphasis on ease of installation, reliability, safety and consistency.

From preventive measures to full structural rehabilitation, Five Star's comprehensive range of products and services has the solution you need for today's harsh marine environments. With an outstanding track record of customer satisfaction, our staff of committed, experienced personnel is available for job site assistance whenever you need it.

Five Star Products, Inc. has been a top-tier supplier of high-performance cement and epoxy-based products for the industrial, infrastructure, commercial and marine markets since 1955.

For worldwide availability, additional product information and technical support, contact your local Five Star® local sales representative, or call Five Star Products' Engineering and Technical Service Center at 1-800-243-2206.

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FIVE STAR PRODUCTS, INC.
60 Parrott Drive
Shelton, CT 06484-4733 U.S.A.
Phone: +1 203-336-7900
Toll-Free: 1-800-243-2206 (U.S.)
Fax: +1 203-336-7913
FiveStarProducts.com



Specifications subject to change.

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MARINE**

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MARINE**

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Most trusted to provide the total solution.

Marine Piling Restoration Systems

Pilecap® Marine Piling Restoration Systems cover repairs from simple corrosion protection to the capability to completely reload a damaged pile to 100% structural, load bearing integrity.

All Pilecap® Systems are designed with the client's individual needs in mind with many applications requiring no downtime or interruption to the normal business activity.

Concrete System

A 100% structural jacket designed to repair severely spalled and damaged sections back to full structural integrity. These structural jackets can also be injected with Five Star® Grout or Five Star® Epoxy to fill voids and damaged areas. Existing steel, reinforcing mesh, or rebar rods remain internal and require minimal preparation and thus less time and hardware for installation.



Steel System

Designed to repair severely corroded or damaged steel piling. The structural jacket becomes a permanent form for strength and durability by bearing the pile's intended load while eliminating corrosion and preventing further damage to the pile.



H-Pile System

Fully restore the load bearing integrity to an existing pile by removing the damaged portion and replacing it with a new portion. The new section of piling is connected to the existing.



Timber System

Extends the life of existing wood piles by removing a portion of damaged or deteriorated piling and installing new sections without adding additional weight or causing further stress to the wood pile. The wood piling is brought back to 100% structural integrity.



Commercial structures such as piers, docks, and bridges, rely on the incredible strength of their substructure. Pilecap® Marine Piling Restoration Systems address the constant threat of corrosion and erosion. Combined with the patented friction coupler system, these systems offer the longest life expectancy in the marine industry today. All Pilecap® systems have been tested and proven in the field and by the manufacturer to withstand the harshest of marine environments.

POWERFUL ADVANTAGES

- Cost effective alternative to driving new piles
- Patented friction coupler system is the only system able to fully restore structural integrity to an existing pile
- Provides an excellent barrier to corrosive marine elements
- Adds less weight to the piling

PROFESSIONAL SUPPORT

Five Star® professional support engineers will help you consider a number of design elements for the perfect custom solution.

Call for a free consultation:
1-800-243-2206

Further extend piling life.

PILECOAT Spray Coating

Forms one solid membrane adhering and encapsulating your piling structures, regardless of the material.

This environmentally friendly multi-surface elastomer spray coating is a cost effective method of coating pile in the splash zone and above the waterline at docks or commercial and industrial structures.



FIVE STAR
MARINE

SIMPSON

Strong-Tie

®

In the Specs – On the Job – At Your Service

FX-70[®]

**Inert Corrosion-Free
Structural Repair and
Protection System**

Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

(800) 999-5099

www.st

Packet Pg. 97

Installation Procedures

Evaluation

On-site evaluation should be conducted by a licensed inspector before initiating any repair protocol. This evaluation is critical when planning any marine repair to develop the most effective repair solution for each situation, and should include:

- Column type, shape, diameter
- Overall length of affected area
- Estimated % section loss of affected area
- Water temperature range
- Tidal zone range
- Notation of environmental factors potentially contributing to damage

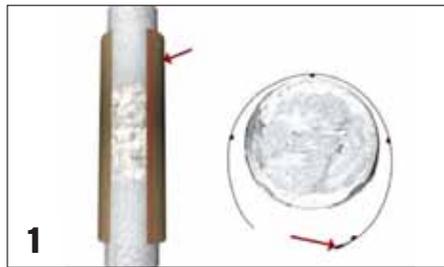
Site Preparation

Areas of application must be free of marine growth, laitance, grease, oil, and debris that could inhibit bond. For best results, prepare surface to be treated with water or sand blasting. Blow or brush clean to remove remaining debris.

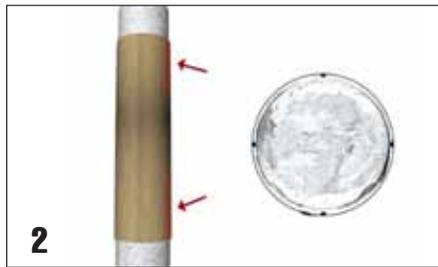
FX-70 Jacket Spacers

Spacers to ensure a consistent annular void surrounding the area to be repaired may be installed during jacket fabrication, or in the field. Field installation is advisable for large jobs to maximize shipping efficiency. See pg. 9 for recommended annular void recommendations.

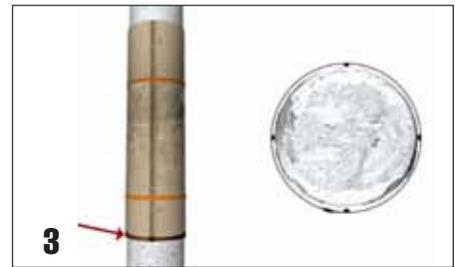
Installation (Round pile shown; other applications similar)



1 Install a bead of FX-763 Hydro-Ester® Low-Modulus Trowel Grade Epoxy into the locking groove of the jacket and place FX-70 jacket around the pile to be repaired.



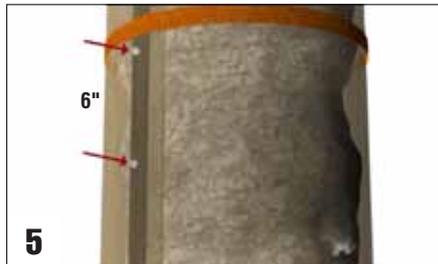
2 "Close" the jacket by inserting the tongue into the locking groove of the jacket. Position the jacket so there is 18–24" of undamaged pile inside the jacket above and below the damaged area.



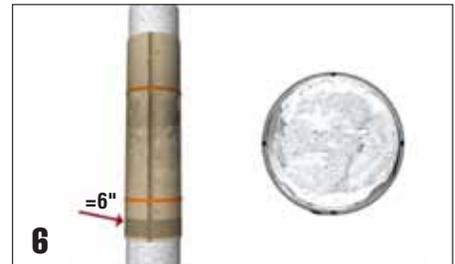
3 Install temporary bottom seal at base of jacket. Seal may be installed prior to placing jacket.



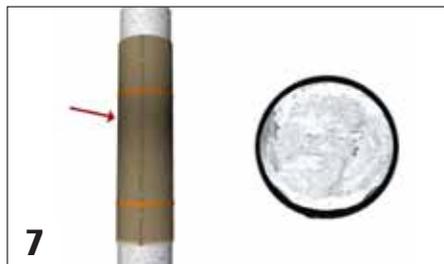
4 Install external bracing. Ratchet straps shown for round pile bracing.



5 Install a stainless steel, self-tapping machine screw every 6" o.c. to secure the tongue-and-groove joint.



6 Install 6" of properly mixed FX-70-6 Hydro-Ester® Multi-Purpose Marine Epoxy Grout to create bottom seal; **allow grout to cure overnight.**



7 For piles with ≤ 25% section loss, fill remaining void in jacket with FX-70-6 MP. For piles with > 25% section loss fill void with FX-225 Non-Shrink Non-Metallic Underwater Grout, leaving 4" open at head of jacket. Allow repair grout to cure overnight. For FX-225 repairs, fill remaining 4" void with FX-70-6 MP, and allow grout to cure overnight.



8 Install FX-763 Hydro-Ester® Low-Modulus Trowel Grade Epoxy at the head of the jacket and finish to a 45° tapered bevel, creating a water- and chemical-resistant barrier to the repair system.

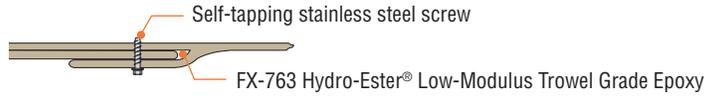


9 Remove ratchet straps. Repair complete.

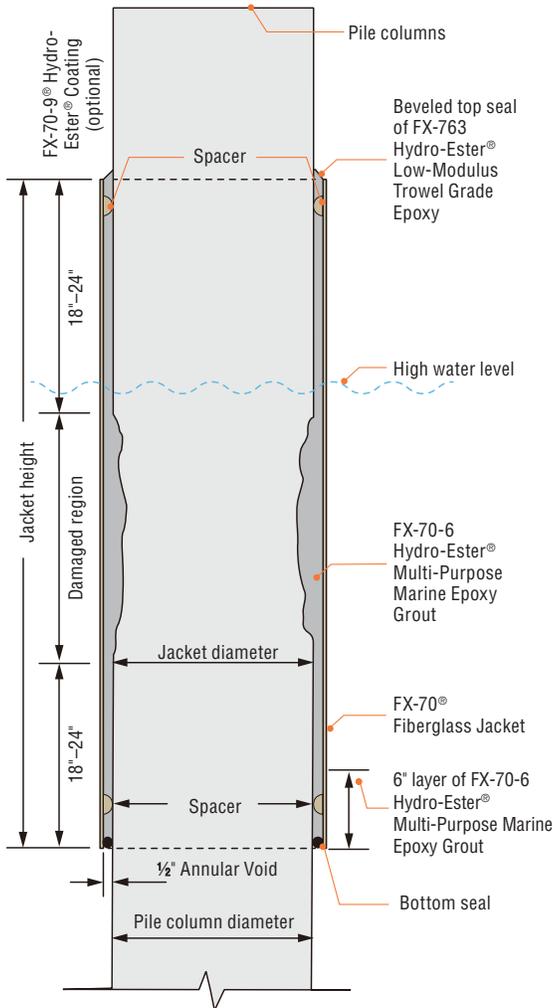
Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

Repair Options Based on Section Loss

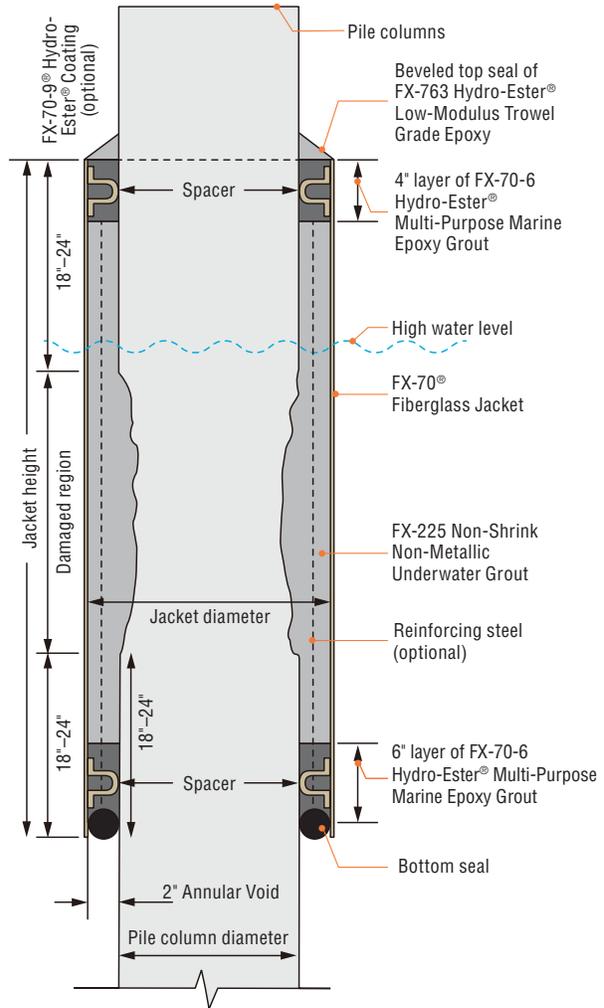
CROSS-SECTION OF
TONGUE-AND-GROOVE JOINT



Section Loss ≤ 25%



Section Loss > 25%



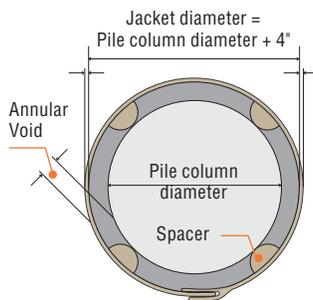
Section Loss ≤ 25%

- FX-70-6 Hydro-Ester® Multi-Purpose Marine Epoxy Grout used for bottom seal and repair
- Typical annular void of 1/2"
- 3/4" annular void for H-piles

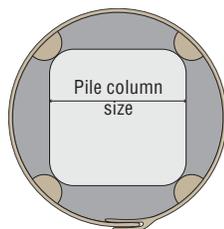
Section Loss > 25%

- FX-70-6 Hydro-Ester® Multi-Purpose Marine Epoxy Grout used for top and bottom seal
- FX-225 Non-Shrink Non-Metallic Underwater Grout used for repair
- Typical annular void of 2"

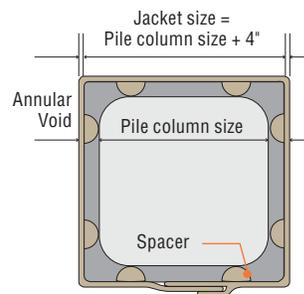
© 2013 SIMPSON STRONG-TIE COMPANY INC. F-R-FX7013



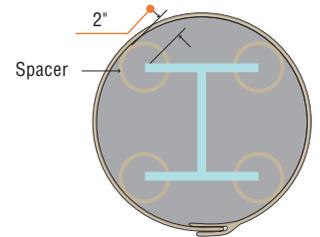
MODEL ONE



MODEL TWO



MODEL THREE

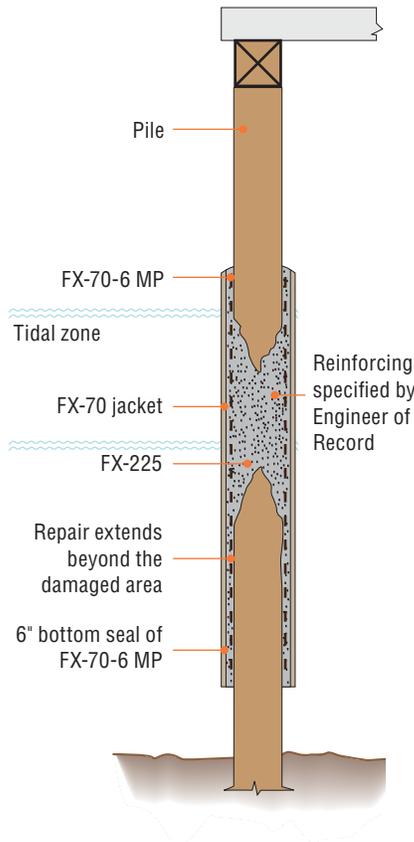


MODEL FOUR

FX-70® Inert Corrosion-Free Structural Repair and Protection System

Wooden Pile Repair

The FX-70® Inert Corrosion-Free Structural Repair and Protection System is an effective repair solution in instances of full-section loss of wooden piles. After removing the damaged or rotten wood, the two sections are connected with steel reinforcement. Using FX-70-6 Multi-Purpose Marine Epoxy Grout and FX-225 Non-Shrink Non-Metallic Underwater Grout inside an FX-70 Jacket can restore capacity of the wooden pile.



Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

New Pier Reinforcement



Case Studies – Concrete Pile Repair

Chesapeake Bay Bridge-Raymond Hollow

- Repaired and protected over 300 piles
- Exhibited cracks that allowed moisture and salt to penetrate pile
- Exposed to temperatures from 0°F to 100°F
- If untreated, structure was in danger
- Jackets measured: 55" diameter x 1/8" thick x 8' long, with a 1/2" annular void
- Placed in splash zone
- Filled with FX-70-6 Hydro-Ester® Multi-Purpose Marine Epoxy Grout
- No dewatering required



1
▲ Workboat and divers preparing piling for installation of FX-70® System



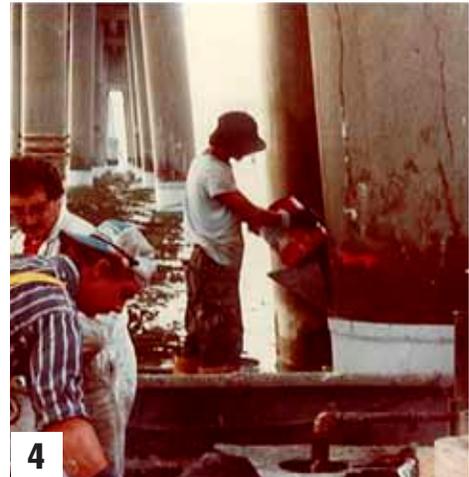
2
▲ FX-70® System in place and ready for FX-70-6 MP grout



▲ Example of pile "scour"



3
▲ FX-70-6 grout mixed in work boat



4
▲ FX-70-6 MP grout placed in jacket without dewatering

30 Years Later



View of piles repaired with FX-70® System on western shore approach



Close up of FX-70® repair to Bent #1A; in service 30 years

Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

Installation Images

Before



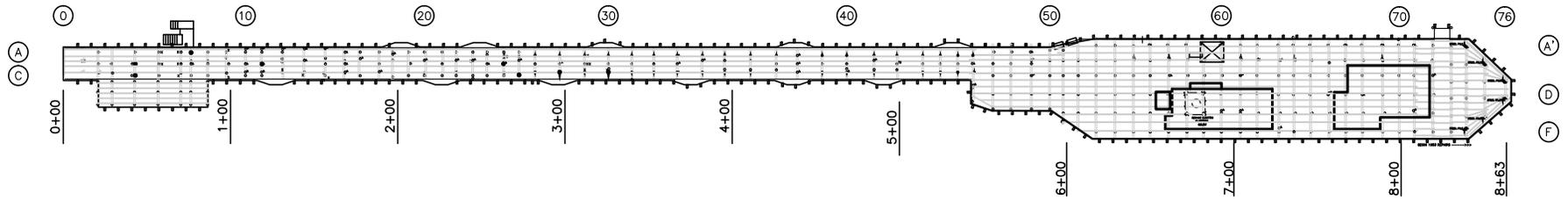
After



Attachment: Wharf Resiliency Plan February 2016 (1627 : Wharf Widening Report)

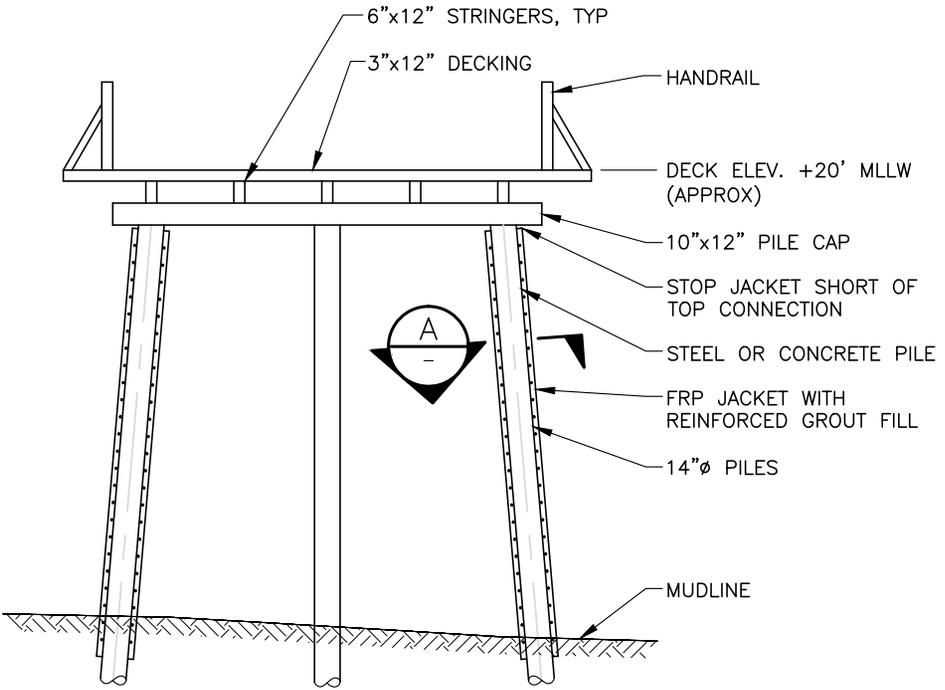


Appendix C Resiliency Figures



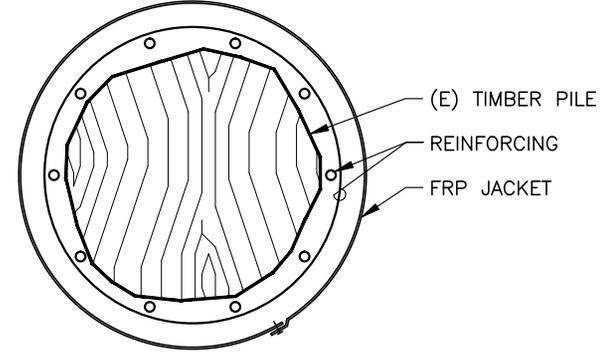
PIER PLAN
SCALE: 1" = 100'

PILES TO BE RETROFIT



OPTION 1 – FRP JACKET WITH REINFORCED FILL

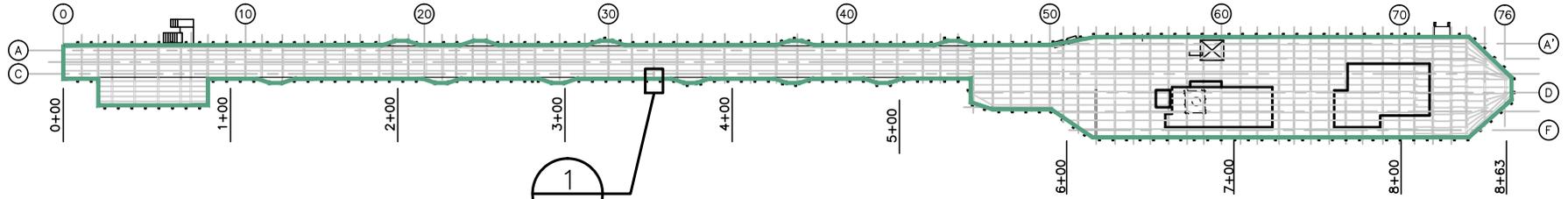
SCALE: 1/8" = 1'-0"



A SECTION
NTS

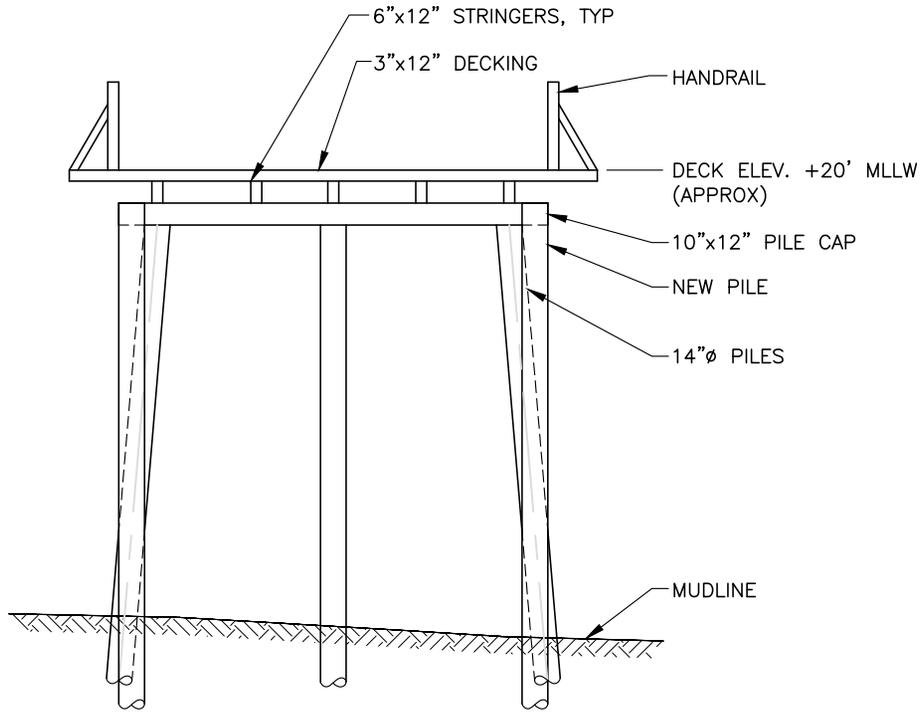
moffatt & nichol
WALNUT CREEK, CALIFORNIA

CAPITOLA WHARF
FIGURE 1



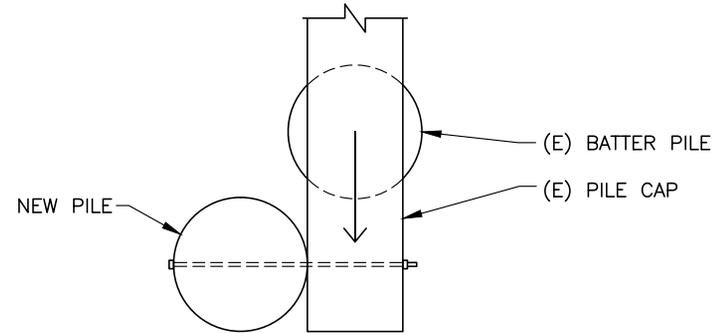
PIER PLAN
SCALE: 1" = 100'

NEW PILE LOCATIONS

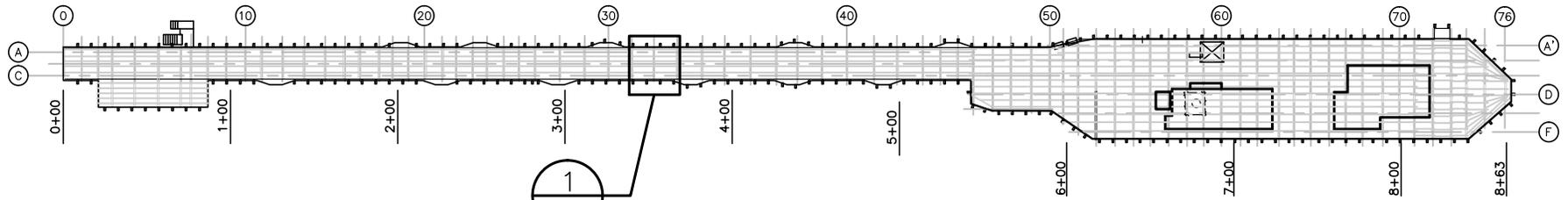


OPTION 2 - ADDED EDGE PILE

SCALE: 1/8" = 1'-0"

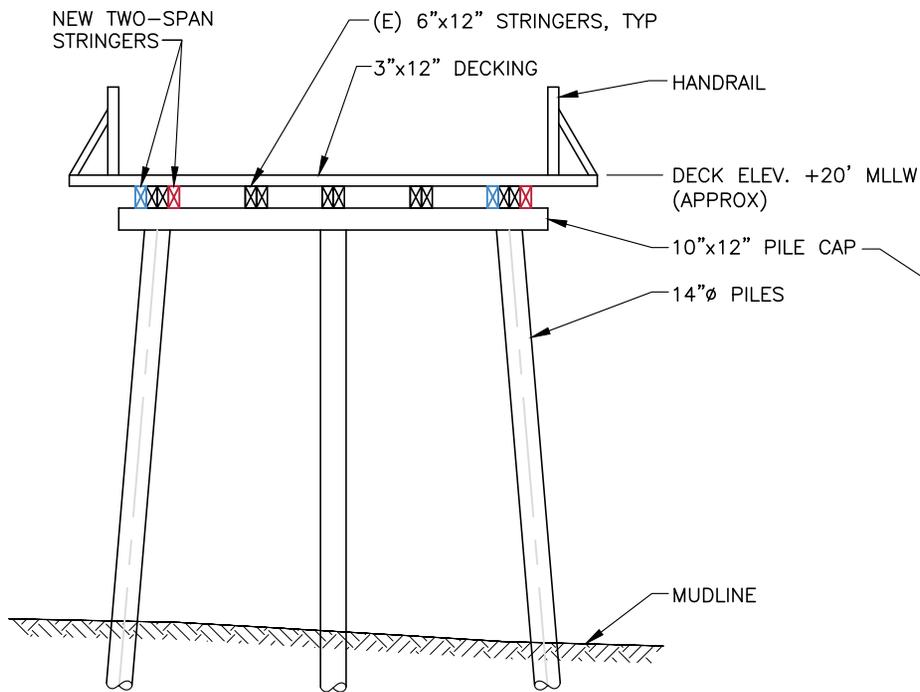


1
-
DETAIL AT BATTER PILE
NTS



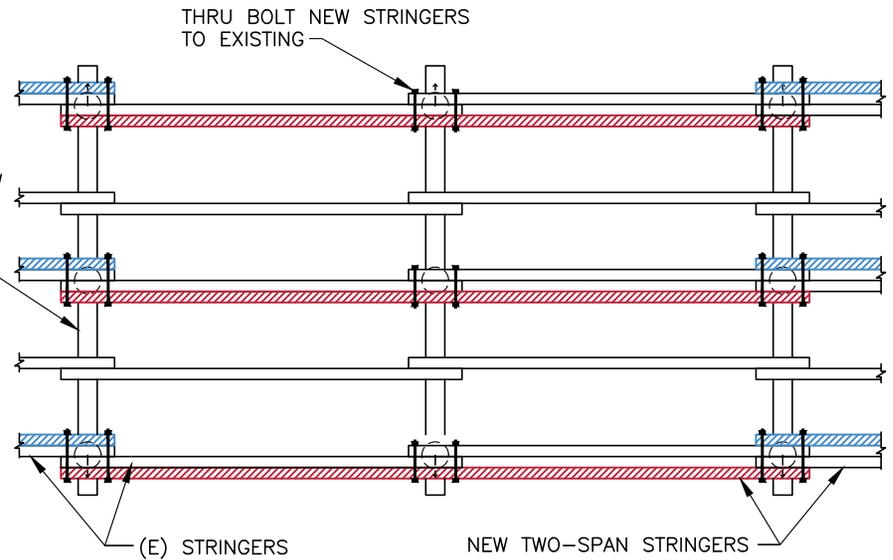
PIER PLAN

SCALE: 1" = 100'



OPTION 3 – CONTINUOUS NEW STRINGERS

SCALE: 1/8" = 1'-0"



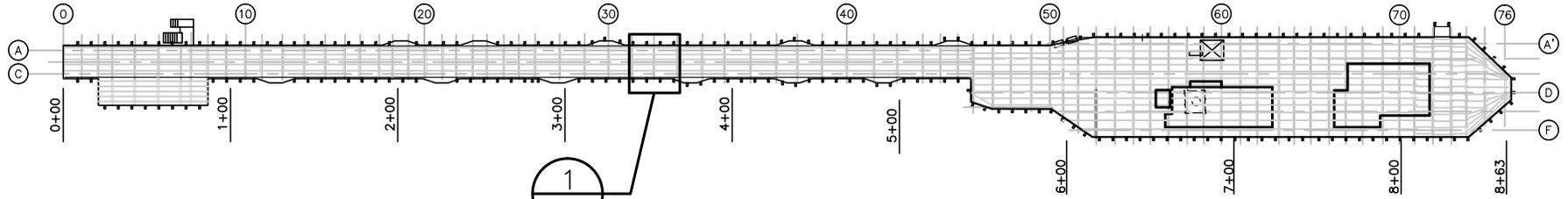
1 PARTIAL PLAN
1/8" = 1'-0"

NOTE:

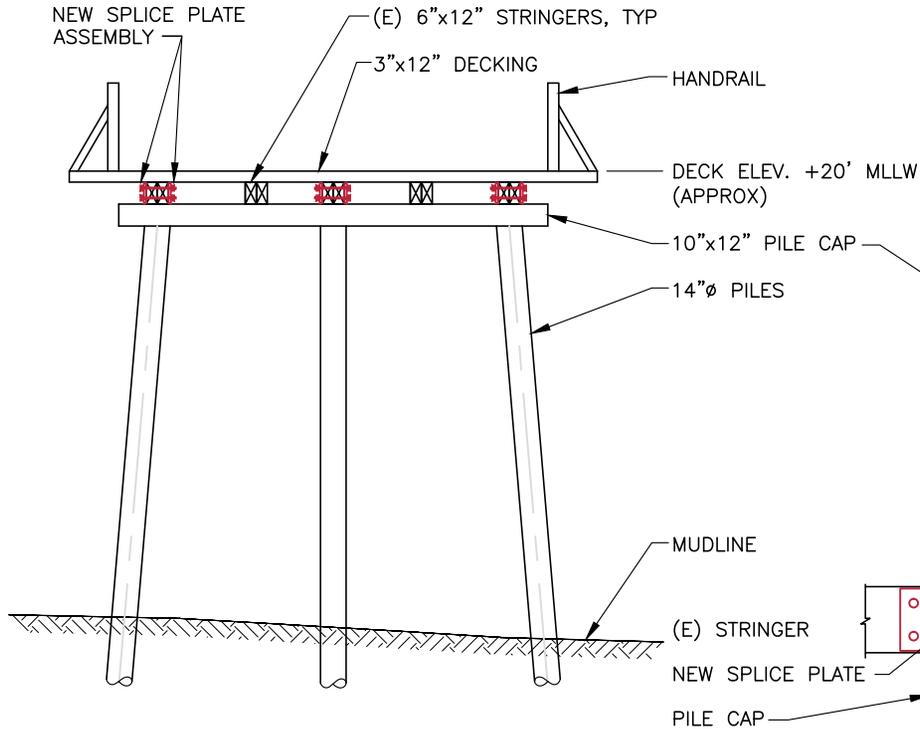
RETROFIT DOES NOT ADDRESS LOSS OF PILES, BUT REDUCES LIKELIHOOD OF DECK COLLAPSE DUE TO LOSS OF PILES. PILE REPLACEMENT WOULD BE REQUIRED.

CAPITOLA WHARF

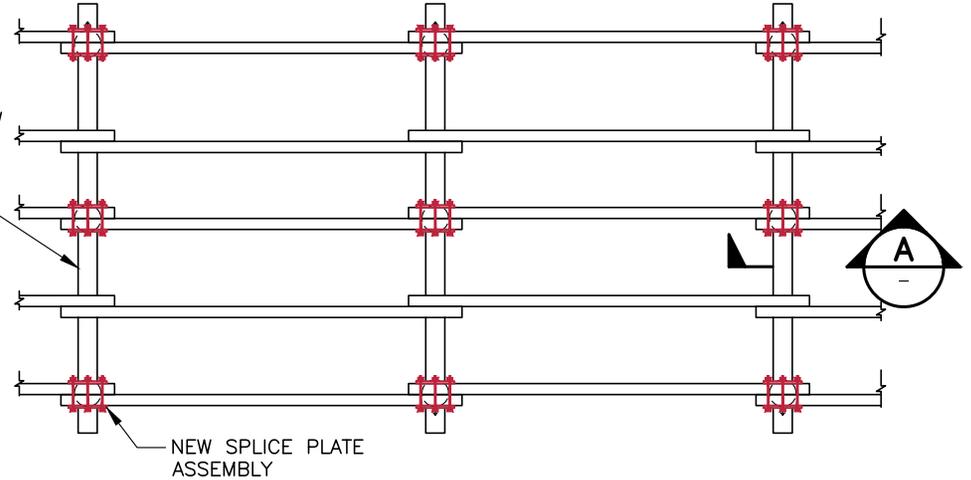
FIGURE 3



PIER PLAN
SCALE: 1" = 100'



OPTION 3B - SPLICE PLATES
SCALE: 1/8" = 1'-0"



1 PARTIAL PLAN
1/8" = 1'-0"



NOTE:

RETROFIT DOES NOT ADDRESS LOSS OF PILES. REDUCED ALLOWABLE DECK LOADS WOULD BE REQUIRED FOLLOWING LOSS OF PILE. PILE REPLACEMENT WOULD BE REQUIRED.



WALNUT CREEK, CALIFORNIA

CAPITOLA WHARF

FIGURE 4



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Community Development

SUBJECT: Consideration of a Village Parklet Pilot Program

RECOMMENDED ACTION: Accept presentation and provide direction.

BACKGROUND: Parklets are sidewalk extensions which typically occupy one or more on-street parking spaces. Parklets are often developed to provide additional outdoor dining space for adjacent restaurants, but may also be less formal public spaces which provide a place for people to relax and socialize. In addition to seating, parklets may also include landscaping (shrubs, flowers, vines, etc.) sun umbrellas, bike parking, lighting, or public art. Parklets are generally constructed, financed, and maintained by private entities.

The Planning Commission and City Council discussed and considered allowing parklets in the Central Village zoning district during Zoning Code update hearings. The Planning Commission ultimately recommended removing allowances for parklets from the Draft Zoning Code. The City Council concurred with the Planning Commission recommendation, but directed staff to present a Village Parklet Pilot Program for their consideration.

DISCUSSION: A number of cities have initiated parklet programs over the past several years as a means to develop "complete streets" and to enhance the vibrancy of their commercial districts. Although parklets have been successful in many cities, they also present a number of policy issues which warrant careful consideration before launching a parklet program.

Staff has prepared a draft administrative policy (Attachment 1) for a two-year pilot program for the City Council's consideration. Key issues which require City Council direction include the following:

Location: There are limited areas within the Village Mixed-Use Zoning District that could accommodate a parklet intended to serve an existing restaurant use. The only streets which offer street parking and include restaurant uses are the Esplanade, San Jose Avenue, Monterey Avenue, and Capitola Avenue (between Stockton and the trestle).

There was general consensus during previous discussions with the Planning Commission and City Council that adding parklets along the Esplanade may not be desirable. Capitola Avenue has street parking which could accommodate a parklet, but has only one restaurant (Bella Roma Caffé), a coffee shop (Calypso), and a wine bar (It's Wine Tyme). Accordingly, the draft administrative policy limits the allowable locations to:

- San Jose Avenue between the Esplanade and Capitola Avenue, and
- Monterey Avenue between Esplanade Park and Park Place.

The Council may consider adding locations or reducing locations at the hearing.

Village Parklet Pilot Program
October 27, 2016

Number of parklets: Based on previous City Council discussions, the administrative policy has been drafted to allow a total of two parklets, each occupying a maximum of two parking spaces. Diagonal parking spaces in the Village are approximately 9-feet by 18-feet, or 162 square feet per stall and parallel spaces are typically 9-feet by 25-feet, or 225 square feet per stall. As drafted, the policy requires a specific buffer between the parklet and remaining parking spaces. Therefore, a parklet that occupies two parking spaces would provide approximately 216 to 378 square feet to accommodate seating and any other amenities such as landscaping or bike parking.

Cost: The City Council has a number of options to establish a cost for a parklet application. Potential costs to an applicant could include lost parking meter revenue, a pro-rata payment for in-lieu parking spaces, and fees to process required encroachment and development permits. The following table outlines potential costs for the Council's consideration:

Application Costs	Amount
Major Revocable Encroachment Permit Fee	\$513
Coastal Development Permit Fee	\$770
Design Permit/Conditional Use Permit	\$3,000 (deposit)
Building Fee Estimate	~\$500 - \$800
Parklet Removal Security Deposit	\$1,000 (refundable)
TOTAL	\$9,003 - \$9,303
Annual Costs	
Parking Meter Revenue (per space)	\$3,220/year
In-Lieu Parking Fee (per space)	~\$1,500 - \$2,000/year ¹

Based on the anticipated up-front cost to applicants to construct a parklet, and the limited term of the proposed pilot program, it appears that assessing all of these costs on applicants would likely mean there would be limited participation in the pilot program.

Looking at programs in other cities, it appears that in some cases cities initially established the fee for the program at a lower rate to encourage participation.

Design and Operational considerations: The draft administrative policy includes several design and operational requirements which are based on best practices from other cities with parklet programs. Notably, staff recommends parklets include buffer zones between adjacent parking spaces, landscaping, "soft-hit" posts, wheel stops, and a prohibition on lighting, signage, and advertisements. Parklets would also be required to comply with ADA and stormwater regulations.

Coastal Issues: City staff conferred with California Coastal Commission (CCC) staff about a potential Village parklet pilot program. CCC staff expressed concern over the loss of public parking spaces and questioned the need for additional public spaces or outdoor dining areas in the Village. CCC staff suggested they would prefer parklets to be publicly accessible rather than for the exclusive use of restaurant patrons; however, they were not prepared to either support or oppose the program at this time.

FISCAL IMPACT: The fiscal impact of the pilot program depends on the cost model established by the City Council; specifically, whether parklet applicants would be responsible for parking meter revenue and permit fees.

ATTACHMENTS:

1. Draft Administrative Policy

¹ Annual in-lieu fee based on \$30,000-\$35,000 cost per space, at 3.5%-4% interest rate

Village Parklet Pilot Program
October 27, 2016

Report Prepared By: Rich Grunow
Community Development Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

10/21/2016



ADMINISTRATIVE POLICY

Number: _____
 Issued: _____
 Revised: _____
 Jurisdiction: City Council

VILLAGE PARKLET PILOT PROGRAM

I. PURPOSE

The purpose of this policy is to establish a two-year Parklet Pilot Program in the Central Village zoning district. The program allows eligible Village eating and drinking establishments to construct, operate, and maintain outdoor dining areas within on-street parking spaces. The program shall take effect on April 15, 2017 and terminate on April 15, 2019. Applicants may apply to participate in the program upon effectiveness of this policy.

II. POLICY

Eating and drinking establishments located on San Jose Avenue (between the Esplanade and Capitola Avenue) and Monterey Avenue (between Esplanade Park and Park Place) may apply for a two-year parklet permit by submitting an application to the Community Development Department. A maximum of two parklets may be permitted, with each parklet occupying no more than two parking spaces. Applicants shall be responsible for all costs associated with designing, permitting, constructing, and maintaining, the parklet. Applicants shall be required to demonstrate proof of insurance in the amount of \$1,000,000.

Applications shall be considered by the Planning Commission in conjunction with a Design Permit, Conditional Use Permit, Coastal Development Permit, and Major Revocable Encroachment Permit. Permits shall have a maximum duration of two years and may be revoked upon a finding that the parklet has not operated in compliance with permit conditions and/or municipal code regulations.

Applicants shall be solely responsible for removing the parklet upon permit expiration and shall submit a \$1,000 deposit with the City to guarantee removal. The deposit shall be forfeited if the applicant fails to remove the parklet within 30 days following an order by the City.

Parklet Design and Operational Requirements

Parklets must be constructed with non-permanent material and be designed for easy removal. In addition, parklets must include the following design and operational considerations:

- Parklets must comply with all ADA requirements;
- Parklets must comply with all stormwater and drainage requirements. Parklets may not impede the flow of drainage;
- Parklets shall be located at least one parking space or 20-feet away from an intersection or street corner;

- Parklets may not be located within 2-feet of a driveway;
- Parklets may not be located in a manner which impedes access to utilities or manholes;
- Parklets shall provide a minimum 4-foot buffer between parallel parking spaces or a 3-foot buffer between diagonal parking spaces;
- Soft-hit Type 2 Guide Posts (36-inches tall) and reflective elements shall be installed between corner ends of the parklet facing the street;
- Wheel stops shall be installed at the end of parking spaces adjacent to parklets which occupy a parallel parking space;
- Parklets may not be constructed over utility access panels, manhole covers, storm drains, or fire hydrant shut-off valves;
- Bolting or penetrating the surface of the roadway in any way is not allowed;
- Exterior edges must be a minimum of 30-inches tall. Can be fixture, planter, bench, etc. If alcohol is served, the edge must be a minimum of 42-inches tall.
- Landscaping such as hanging plants, potted plants, small bushes, flowers, vines, etc. must be provided within the parklet to the satisfaction of the Planning Commission;
- No lighting is allowed;
- Signs and advertising are prohibited;
- Hours of operation shall be limited from 9:00 am to 9:00 pm;
- Any furnishings which are not secured to the parklet must be removed daily at close of business.

Program Cost

Application costs, due upon application submittal in the amount of _____
Annual costs, due by April 15 for that calendar year in the amount of _____

This policy is approved and authorized by:

Jamie Goldstein, City Manager

Attachment: Draft Administrative Policy (1609 : Village Parklet Pilot Program)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Finance Department

SUBJECT: Consider Amendments to Various Finance Administrative Policies

RECOMMENDED ACTION: Approve Amendments.

BACKGROUND: The City has adopted Financial Policies to guide the financial operations of the City. It is important to review and update the policies to ensure they are current and include appropriate financial controls.

DISCUSSION: A regular review and update of the City's Financial Policies allow for the policies to stay relevant and improve financial operations. The three policies proposed for amendments are: (1) III-3 Financial Management, (2) III-4 Purchasing and Procurement; and (3) III-11 Collections.

III-3 Financial Management: The Financial Management Policy governs the management of the annual budget and debt issuance. The proposed changes to the Policy include removing language that is not needed and updating language to reflect the current City organization. The proposed amendment also removes the language discussing the justification for utilizing specific debt instruments. Staff recommends the type of debt mechanisms be included in the Policy, but when debt is needed a thorough analysis will be completed and presented to the City Council for discussion and ultimately provide direction on which type of debt is most beneficial to the City.

The other major update to the Policy is #7 PERS Contingency Fund. During the Fiscal Year 2015/16 Budget Process the Finance Advisory Committee made the recommendation to set aside General Fund surplus into a Contingency Fund to help offset future retirement contribution increases. The City Council ultimately approved the creation of the PERS Contingency Fund and the transfer of \$300,000. At the time the best option for the funds was to invest in the Local Agency Invest Fund (LAIF) as no other mechanism were available. Since the creation of the Fund there has been a new option available to help offset future retirement contribution increases while providing the City a method to invest the funds in a higher earning portfolio. The Policy amendment recommends moving the PERS Contingency Fund into an irrevocable Trust Fund and to work towards increasing the Trust Fund, with available surplus funds, to one year of retirement contributions (\$1.2 million).

III-4 Purchasing & Procurement: The procurement of goods for the City is critical for operations but is also a critical process to maintain financial controls. The Policy was last updated in 2012 and the proposed amendment re-writes a majority of the Policy to make it

Finance Admin Policy Updates
October 27, 2016

easier to understand and improve the financial controls necessary. There are a few large changes in the Policy.

The City has a decentralized procurement, meaning that the authority to make purchases is delegated to department heads and their staff. Staff has done a good job in the past to ensure that the procurement policies are followed. The amended Policy requires the information pertaining to the Procurement Policy should be in a shared folder. The amended Policy requires the Finance Department authorize all change orders. With the Finance Department being involved before the change order is approved, it will assist the City in ensuring that any change order requiring City Manager or City Council approval happens in a timely manner. The amended Policy also updates the cumulative total that the City Manager can approve. The current staff practice is to approve the contract at the amount bid without including any contingencies. The amended Policy would allow the City Manager to authorize change orders up to 10% of the original bid, provided available funding has been identified in the budget.

The amended Policy requires Staff to identify available funds for any overage from the budgeted project amount. The amended Policy also requires that, if a project is completed under the budgeted amount, surplus funds be reallocated at project closeout.

III-11 Collections: The Collections Policy amendments increase the dollar amount that staff would bring to small claims from \$250 to \$500. The justification for the increase is the cost and time necessary to bring unpaid invoices to small claims court for collections.

FISCAL IMPACT: No fiscal impact from these policies. The policy amendments have the potential to streamline our financial operations therefore increasing operational effectiveness.

ATTACHMENTS:

1. III-3 Financial Management Policies Redline
2. III-4 Purchasing & Procurement Redline
3. III-4 Purchasing & Procurement
4. III-11 Collections Redline

Report Prepared By: Mark Welch
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

10/21/2016



ADMINISTRATIVE POLICY

—Number: III-3

Issued: ~~June 8, 2000~~ October

27, 2016

—Jurisdiction: City Council

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FINANCIAL MANAGEMENT POLICIES

POLICY

The following financial policies (herein, the "Policies") ~~were developed in an effort to~~ assist the City of Capitola with the management of its operating and capital budgeting processes and to standardize and rationalize the issuance of debt by the City. ~~Regular, u~~Updated policies ~~are an important tool to~~ insure the prudent use of the City's resources to meet its commitments, to provide needed services to the citizens of Capitola, and to maintain sound financial management practices. These Policies are ~~therefore~~ guidelines for general use, and allow for exceptions in extraordinary conditions. The Policies ~~will have served their~~ serve their intended purpose if they stimulate an open debate about the City's operating and capital budget processes, existing and/ or proposed debt position, and they lead to informed decision-making by the City Council. In order to use the Policies properly, they should be applied in the context of the community's overall objectives and goals.

The Policies are divided into three sections: Capital Budgeting and Reserves, Operating Budgeting and Reserves, and Other Policies.

A. CAPITAL BUDGETING AND RESERVES; ISSUANCE OF DEBT:

1. CAPITAL PLANNING -IN GENERAL:

To enhance creditworthiness and prudent financial management, the City of Capitola is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning, and implementation over a two-year period. Evidence of this commitment to systematic capital planning will be demonstrated through adoption of an annual review of the City's five-year capital improvement budget.

2. USE OF LONG-TERM FINANCING METHODS:

Major capital improvements or acquisitions valued over \$250,000 may be made using long-term financing, methods, rather than out of operating revenue. The prioritization of capital projects eligible for debt financing is accomplished through a "needs assessments" undertaken in the formulation and development of the City's five-year capital improvement budget.

3. FISCAL ANALYSIS:

The City will require each capital appropriation request to include a fiscal analysis that identifies the amount of funds requested, the source of funds requested and the impact of the request on existing revenues and operations.

4. ASSET LIFE:

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Financial Management

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The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

5. CAPITAL FINANCING -IN GENERAL:

The City will rely first on internally generated funds and/or grants and contributions from other government sources to finance its capital improvement needs. Capital improvements will be financed through user fees, service charges, assessments, special taxes or developer exactions so long as the benefits the City will derive from such improvements can be attributed to the users of the improvements. Moreover, the City will specifically consider the costs associated with any borrowing in order to determine that the above funding sources are adequate to service the proposed debt. Accordingly, the Policies assume that development fees will be set at a level that is sufficient at all times to insure that new development pays its fair share of the cost of constructing new facilities in the community.

Debt will be issued for a capital improvement project only in the case of emergency or when it is an appropriate means to achieve an equitable allocation of costs between current and future beneficiaries as determined by the City Council. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. Debt will only be undertaken when the City believes that project revenues or specific resources will be available and sufficient to service the debt over its life. Debt financing will not be considered appropriate for any recurring purpose such as operating or maintenance costs.

The City will evaluate the use of debt in-Lieu of "pay-as-you-go" financing based on the following criteria:

Factors Favoring "Pay-as-you-Go" Financing:

1. current fund balances or project revenues are adequate to fund the project;
2. existing or proposed debt levels would have a deleterious effect on the City's credit rating;
3. credit market conditions are unstable or present extraordinary difficulty in marketing the proposed debt.

Factors Favoring Use of Debt:

1. revenues are deemed to be stable & reliable enough to support the proposed debt at investment grade ratings;
2. the nature of the financed project will support investment grade ratings;
3. credit market conditions present favorable interest rates and demand for financing such as the City's;
4. the project being financed is mandated by the state or federal government and resources are insufficient or unavailable;
5. the project being financed is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable;
6. the estimated useful life of the asset to be financed is greater than 5 years.

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6. GENERAL OBLIGATION DEBT:

General obligation bonds provide the lowest borrowing costs for major public assets. ~~The use of a general obligation pledge usually eliminates the need for a bond reserve and due to its high credit quality and the ability to levy a tax to repay it, produces borrowing terms and costs unavailable through other methods. Moreover, since t~~ The source of repayment of a general obligation bond is from proceeds of specific taxes, the City's operating funds and its operating position are not impacted by the issuance of general obligation bonds. Though the use of the term "general obligation bond" implies that the City's "full faith and credit" would be pledged to the repayment of the bond, the bond is actually repaid from an ad valorem tax on real property. ~~Accordingly, the general obligation bond is more properly described as a "unlimited tax" bond.~~

Because of the absence of a limitation on the rate and amount of the tax that might be levied to pay a general obligation bond, state law ~~and prudent finance practice~~ require the ~~submission of such a~~ proposed debt to be approved by the electorate. ~~Article XIII of the California Constitution requires that general obligation bonds be submitted to the voters for approval and that the issuance of such bonds be approved by a two-thirds vote.~~

~~Ad valorem property taxes affect various classes of taxpayers differently. Since the enactment of Proposition 13 in 1978, the increases in assessed value of real property have been limited for established property owners. This has the effect of disproportionately burdening newer property owners, who may have less wealth or taxpaying capacity than older, more established property owners. Moreover, business property owners, whose property turns over less frequently than residential property often benefit as a result of this phenomenon.~~

Cities in California may issue general obligation bonds only for the purpose of acquiring, improving or constructing real property. ~~Accordingly, it shall be the City's policy to issue general obligation bonds only for such purposes and then only when the acquisition, improvement, or construction of the proposed real property will provide benefits to the community, in significant amounts, to both users and non-users of the facility.~~

7. USE OF OTHER DEBT, INCLUDING REVENUE BONDS, CERTIFICATES OF PARTICIPATION OR FINANCING LEASES.

Before issuing revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. ~~The City may use revenue debt or financing leases for those projects which are not sufficiently popular to obtain a two-thirds vote for the issuance of general obligation bonds or which must be financed at a time, or in a~~

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~~manner which do not permit the use of general obligation bonds.~~ The City shall only use revenue debt or financing leases: if the project to be financed will generate positive net revenues after debt service; or, if the project will significantly reduce City operating costs; or, if an equal or greater amount of non-City matching funds will be lost if City's revenue or financing lease funds are not applied in a timely manner; or, in the case of a financing lease, if the project to be financed is less than \$250,000; or, if the project to be financed provides essential City services or would so advance core City policy objectives that its value overrides the value of obtaining voter approval.

B. OPERATING BUDGETING AND RESERVES

1. TWO YEAR OPERATING BUDGET.

The City will maintain a long-range fiscal perspective through the use of a two-year operating budget and a five-year capital improvement budget.

2. BALANCED OPERATING BUDGET.

The City will maintain a balanced operating budget for all governmental funds with on-going revenues equal to or greater than on-going expenditures and debt service. This policy requires that in any given fiscal year we do not budget proposed expenditures in excess of the revenue we expect to receive in the same time frame.

3. "ONE-TIME" REVENUE.

The City will use "one-time" revenues, including fund balance carry-forwards, to fund nonrecurring expenditures. "One time" revenues cannot be relied on in future budget periods and should be used to stabilize existing revenues, retire early debt or for capital purchases.

4. NORMAL REVENUE INFLATION WILL GO TO PAY NORMAL INFLATION EXPENSES.

The City will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources. If normal revenue inflation does not keep up with expense inflation, expenses will be decreased or a new revenue source will be found. If revenues grow at a rate faster than expense inflation, expanded service levels may be considered.

5. CONTINGENCY RESERVE APPROPRIATION.

For each fiscal year, the final adopted General Fund budget shall contain a funded Contingency Appropriation equal to 15% of normal General Fund Expenditures. ~~The City shall implement a strategy to reach the required funding level in no more than five fiscal years.~~ The Contingency Appropriation " will provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. "

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6. EMERGENCY RESERVES.

To protect against significant one-time costs, which might arise from major unpredictable emergency events, in addition to the Contingency Appropriation, the City shall maintain a funded emergency reserve equal to 10% of normal General Fund budgeted expenditures.

7. PERS CONTINGENCY FUND

The City will maintain a PERS Contingency Fund to stabilize future pension contribution increases. The City will invest the funds in an irrevocable trust fund. The target funding level for this fund is one full year of PERS Contributions with additional money allocated to the fund when the City has available surplus funds.

7-8. REVENUE DIVERSIFICATION.

The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue generation and to protect it from short-term fluctuations in any revenue source.

8-9. REVENUE PROJECTIONS.

The City will prepare multi-year projections of revenues and other resources in order to understand the level of funding available for services and capital acquisition. The revenue projections will assist the City in understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees. The revenue projection will be for a period of at least two years into the future to evaluate how revenues may change over time, to isolate non-reoccurring revenues and to understand the impact of revenue growth. The major assumptions used in the revenue projection will be documented and identified and different scenarios may be developed to enable City Council to choose a preferred scenario.

9-10. EXPENDITURE PROJECTIONS.

The City will prepare multi-year projections of expenditures for each fund and for existing and proposed new programs. The expenditure projections will assist the City in determining whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are acceptable compared to program benefits and projected revenue availability. The expenditure projections will be for a period of at least two years into the future to evaluate how expenditures may change over time. All expenditure projections should identify service level assumptions and key issues that may affect actual expenditures.

10-11. COMMUNITY DEVELOPMENT FEES

The City's development process costs and related administrative expenses should be offset by development fees to the greatest extent possible. Fees will be reviewed and updated on an on-going yearly basis to ensure that they keep pace with changes in the actual costs of service delivery as well as changes in the methods or levels of service delivery.

C. OTHER POLICIES

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1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The City will comply with all the requirements of Generally Accepted Accounting Principles. The City will always conduct its financial affairs and maintain its records in accordance with GAAP as established by the Government Accounting Standards Board, so as to maintain accuracy and public confidence in its financial reporting systems.

2. COUNCIL ACTION TO BE A SCHEDULED BUSINESS ITEM, NOT CONSENT CALENDAR.

For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a scheduled business item, and at a regular or special City Council meeting, consistent with state law. ~~Generally, it shall be the City's policy to submit the proposed debt issuance to the City Council in a study session wherever possible prior to submittal to the full City Council as an action item at a regular or special meeting.~~

3. INTERNAL BORROWINGS

Provided sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will favor internal over external borrowings to achieve short-term liquidity. In accordance with the City Council Resolution #2683, the Finance Director will initiate and the City Manager will approve inter-fund borrowings, except for year-end accounting entries that create temporary inter-fund loans for the financial statement presentation purposes, and the City Manager will report such borrowings to the Council at its next regular meeting. Interest on inter-fund loans will be recorded only when necessitated by state or federal program requirements, or other contractual or legal obligations.

4. EMPLOYEE COMPENSATION

The City will continue to pay competitive market level compensation to our employees to ensure that the City has the ability to attract and retain well-qualified personnel while ensuring that the City's compensation practices are competitive and consistent with those of comparable employers.

This policy is approved and authorized by:

~~Richard Hill~~ Jamie Goldstein

City Manager



ADMINISTRATIVE POLICY

Number: III-4
Issued: August 29, 2002
Revised: 3/9/06
7/26/12
Jurisdiction: City Council

PURCHASING & PROCUREMENT POLICY

PURPOSE

To establish policies and procedures to ~~meet the City's requirements which provide an economic and efficient process for the purchase of materials, supplies, services and equipment for the City consistent with the City's Municipal Code, and State and Federal laws, rules and regulations.~~ establish efficient procedure, secure supplies, services and equipment at the lowest possible cost, maintain financial control over purchases, define authority in the purchasing system, and assure quality of purchases.

POLICY

~~It is the policy of the City of Capitola to comply with all purchasing rules and regulations established by the City, the State of California and the Federal Government. Within this context, it is the City's goal to establish efficient procedures for the purchase of supplies, equipment and general services at the lowest cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases. The Purchasing and Procurement Policy has been developed in order to achieve the following objectives:~~

- a. Establish authority, responsibility and accountability for purchasing activities conducted on behalf of the City.
- b. Ensure competition and impartiality in all purchasing transactions to the maximum extent possible.
- c. Standardize procedures where appropriate to ensure that City-wide policies and goals are achieved.
- d. Maintain department responsibility, initiative and flexibility in evaluating, selecting and purchasing goods and services.
- e. Implement simple yet effective internal control procedures that appropriately support planning, maximize productive use of public funds and protect City assets from unauthorized use.
- f. Communicate City-wide purchasing goals, policies and procedures to departmental staff involved in purchasing activities.
- g. Decentralize decision-making to the maximum extent possible consistent with prudent review and internal control procedures.

AUTHORITY

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Attachment: III-4 Purchasing & Procurement Redline (1594 : Finance Admin Policy Updates)

Administrative Procedure III-4
 Purchasing & Procurement
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The City's purchasing ordinance delegates purchasing authority to the City Manager, as well as any other representatives designated by the City Manager. The maximum purchasing authority level of the City Manager is defined in Section 3.16.050 of the Capitola Municipal Code as \$25,000; with the exception of single capital equipment purchases that do not exceed \$50,000 and are approved in the budget.

Each year, the City Manager will approve purchasing authority levels on an Expenditure Authorization Form ~~(Exhibit A). The recommended purchasing levels are presented in Exhibit A; however they may be adjusted based on operational needs or economic changes.~~ The delegated purchasing levels shall not exceed the City Manager's purchasing authority.

The City Manager also has the authority to approve individual changes orders up ~~to \$7,500; with cumulative totals not to exceed \$25,000.~~ If cumulative change orders exceed \$25,000, ~~or 10% of the original contract amount,~~ they must be approved by City Council.

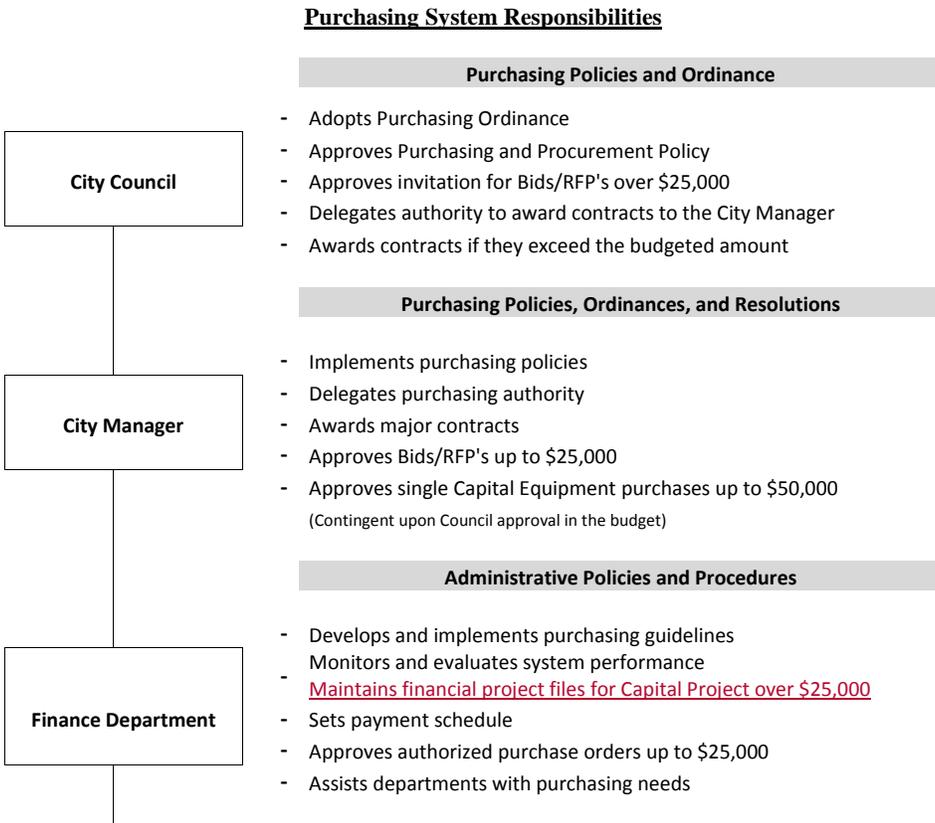
RESPONSIBILITY

The City maintains a decentralized purchasing system; and Department Heads are responsible for distributing, advertising, collecting and evaluating all procurement activities conducted within their Departments with Finance Department assistance.

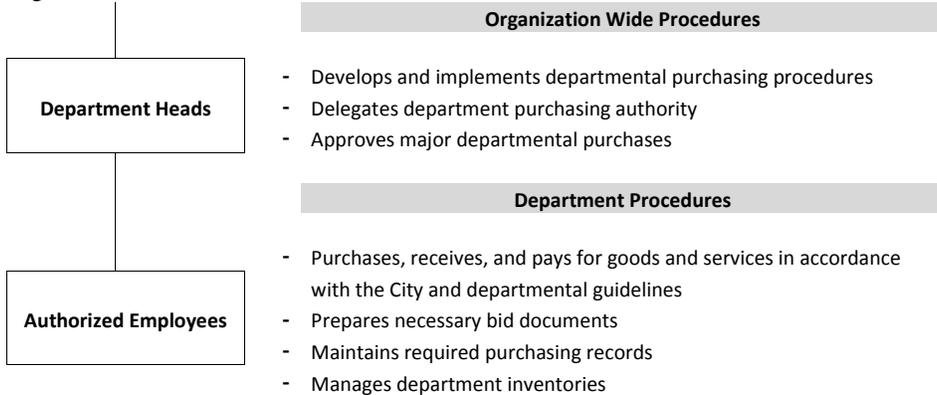
- A. Employees – Each employee is responsible for following these practices. Violation of this policy may result in disciplinary action, termination of employment or criminal prosecution.
- B. Department Heads – Department Heads are responsible for ensuring that all employees of their department who conduct purchasing activities possess a thorough understanding of these standards of ethical conduct and prohibited practices.
- C. City Manager – The City Manager is responsible for ensuring that all Department Heads who conduct purchasing activities possess a thorough understanding of these standards of ethical conduct and prohibited practices.

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Additional purchasing responsibilities are outlined in the chart presented below:



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PURCHASING STANDARDS OF CONDUCT

Every employee or official engaged in purchasing activities on behalf of the City is required to employ the following standards of conduct:

- Consider the interests of the City first, in all transactions
- Carry-out established policies of the City
- Seek to obtain the maximum value for each expenditure of public funds
- Inspect materials, supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract
- Maintain confidentiality of information furnished by vendors and/or contractors regarding price, terms, performance specifications, or other data prior to a bid opening. All information that is presented during the public bid opening will be made available after the award.

The following practices are specifically prohibited in performing purchasing activities on behalf of the City:

- Having a financial or personal beneficial interest (directly or indirectly) in any contract or purchase
- Accepting or receiving (directly or indirectly) from any person, firm, or corporation to whom any contract or purchase order may be awarded any money or anything of value, or promise or obligation or contract for future reward or compensation. Inexpensive advertising items

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bearing the name of the firm - such as pencils, pens, paperweights, or calendars - are not considered articles of value or gifts in relation to the policy

- o Using position or status in the City to solicit (directly or indirectly) business of any kind; or to purchase products at special discounts or upon special concessions for private use from any person or firm who sells or solicits sales to the City.
- o Dividing purchases with the intent to circumvent the purchasing authority levels

Delegation of Contracting Authority

A. The City Council retains all contracting authority not specifically delegated in this Policy. This Policy shall supersede all ordinances, resolutions and policies related to the City's procurement system adopted prior to adoption of this Policy. In the event of an inconsistency between this Policy and any prior ordinances, resolutions or policies of the City Council, this Policy shall control.

B. Any delegation of contracting authority contained in this Policy shall only be exercised (a) in accordance with state law. City ordinances and adopted City policies, as applicable, and (b) only if adequate funds have been included in the approved City Budget for the applicable year or otherwise appropriated by the City Council.

City Attorney Contract Review

The City Attorney shall approve all contracts, including amendments to contracts, as to form and legality prior to the execution of the contract by the authorized City official. The City Attorney's approval shall be evidenced by his or her signature on the contract. City Attorney approval on change orders to public projects is not required, but may be requested, at the discretion of the City Manager or Department Head.

LOCAL VENDOR PREFERENCE

Departments are encouraged to do business with Capitola-based businesses due to the benefit to the community and the advantages in timing and availability. This preference should be given whenever it is legal, economical, and results in competitive product or service. Purchasers will actively seek to identify local vendors interested and able to conduct business with the City of Capitola. It is important that purchasers include in their inquiry or invitation to bid, the opportunity

for vendors to identify themselves as local and to provide necessary supporting evidence (see definition of local vendor).

Bids, quotes, or offers submitted by Capitola-based vendors will be credited with the current local (City) sales tax and local (City) transactions & use tax in effect. This net bid will be used to compare bids. In the event of a tie, bids submitted by Capitola vendors will be given preference.

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Attachment: III-4 Purchasing & Procurement Redline (1594 : Finance Admin Policy Updates)

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- A. Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located within the City limits shall be awarded a contract if their quote or bid is within 5% of the low bid.
- B. Local preference does not apply to public projects, purchases procured under federal or state requirements, or cooperative purchases with other agencies.
- C. The vendor must have a valid City business license and employ at least one full-time employee located at a City business address.
- D. Local bidders must bid with the same specification as required of non-local bidders.

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ALTERNATIVE FUEL VEHICLES

Vehicles powered by clean alternative fuels as defined by the Energy Policy Act of 1992 and other energy efficient advanced technology vehicles shall be given consideration when purchasing new and replacement fleet vehicles

TERMINOLOGY

Best Value (Lowest Responsible Bidder): Best value is largely based on cost; however the following factors could be considered in awarding a contract: Skills of the contractor, ability to provide supplies or services; timely processing; and compliance with governing statutes. The complete definition of best value is provided in Section 3.16.040 (A) of the Municipal Code.

Bid: Formal process to obtain lowest responsive responsible bidder or price for materials, supplies and services, and equipment

Consultant or Professional Services: Services of an attorney, engineer, doctor, financial consultant, planning or environmental consultant, investment advisor, bank or trustee office, or other professional

Contract: A written agreement between two or more persons setting forth a matter of performance and compensation or consideration given for the performance. The term contract includes, but is not limited to; purchase orders, contract for services, an addendum or change order or a letter agreement.

Formal Purchases – Purchases over \$25,000 which are subject to formal bid requirements and Council approval. Different levels of purchasing requirements may be imposed on whether the purchase is for general services, supplies, materials, and equipment or a public project

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Local Business (Local vendor/Capitola-based business): Any business which has a retail outlet within city limits of the City of Capitola and holds the required licenses and permits for conducting its business within the City.

Maintenance: Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes. It also includes minor painting, resurfacing of streets less than one inch; and landscape maintenance. This definition is provided in Section 22002 (c) of the Public Contract Code and should be contrasted with Public Project.

Open Market Purchases: Purchases of supplies, equipment, and general services from \$5,000 - \$25,000.

Over the Counter or Informal Purchases: Purchases under \$5,000 made by authorized personnel.

Petty Cash: Cash used to reimburse authorized purchases up to \$80. All reimbursements must be accompanied by a receipt.

Public Project: Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. This can also include the painting or repainting of publicly owned, leased, or operated facility. This definition is provided in Section 22002 (c) of the Public Contract Code and should be contrasted with the definition of Maintenance.

Purchase Order: A document used to acknowledge acceptable of a bid quotation or offer, and a contractual relationship is established upon its issuance and acceptance by the vendor.

Request for Proposal (RFP): An offer in to provide materials, supplies or services where the City selects vendor/consultant usually based upon criteria specified in Request for Proposal such as competence, qualifications and expertise in the field. Price is not the sole basis for selection, but may be considered in the criteria for evaluating proposals. Typically used for consultant or professional service contracts.

General Services: Any work performed or services rendered by an independent contractor, with or without the furnishing of materials such as a professional consultant.

Sole Source: Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process.

Encumbrance of Funds

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A. Except in cases of emergency, or by order of the City Council, purchase orders shall not be issued unless there exists an unencumbered appropriation in the department budget against which the purchase order is to be charged.

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B. Purchase orders do not roll over from one fiscal year to the next if unused, except for contract and professional services procured by an approved contract with terms that cross fiscal years. All other purchase orders shall be used in the fiscal year they were issued. In the event a planned purchase is delayed and will not occur until the next fiscal year, a new purchase order must be requested by the Department Head in the new fiscal year. For budget purposes, expenditures for goods or services will be realized based upon the date the order/service is received.

C. Invoices shall not be coded based upon budget lines that have unused/available funds. Invoices shall be coded to the correct budget line item according to the nature of the goods or services provided. It is the responsibility of the Department Head to request budget adjustments as needed to allow for the correct coding of invoices.

Unlawful Purchases or Contracts

If any officer or employee purchases or contracts for any goods or services contrary to the provisions of these Procedures, such purchase order or contract may be void and of no effect. The staging or splitting of the purchase of goods or procurement of services, without proper justification or to avoid the authorization limits, is prohibited

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Record keeping

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Each department is responsible for maintaining its own purchasing and contracting records when formal council action was not required. ALL ORIGINAL, EXECUTED CONTRACTS MUST BE PROVIDED TO THE CITY CLERK'S OFFICE FOR FILING AS A PERMANENT RECORD REGARDLESS OF THE REQUIRED APPROVAL LEVEL (i.e. Department Head, City Manager, City Council). At the conclusions of a contract, any bids, specifications, and other pertinent data shall be retained by the department in accordance with the City's adopted document retention schedule. These are public records and available for public inspection upon request.

Shared Folder:

In order to ensure proper record keeping a shared folder shall be created to track all aspects of a project. A list of items to be kept electronic include: bid documents, contract, change orders, purchase orders, invoices, and communications that impact the overall project. Each department is responsible to save a copy of their responsible aspects of the project to the shared folder. The shared folder can also include the Financial Accounting System documents.

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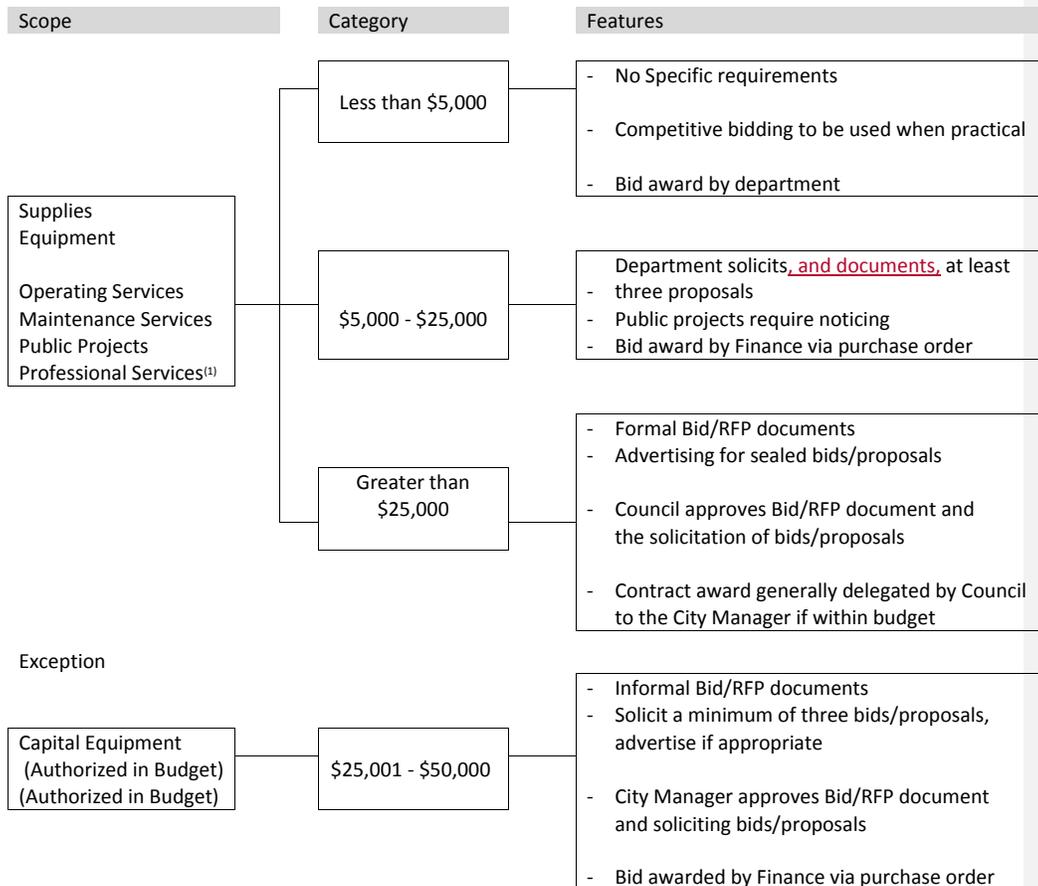
Attachment: III-4 Purchasing & Procurement Redline (1594 : Finance Admin Policy Updates)

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PURCHASING SYSTEM OVERVIEW

A general overview of the City’s purchasing procedures; thresholds, and responsibilities are presented in the following charts. Detailed procedures for each Purchasing Category are provided in subsequent sections of this policy.

Purchasing System Chart



(1) Additional information related to Professional Services/RFP’s is provided in the Supplemental Information Section.
 (2) The Capitola Municipal Code and this Administrative Procedure provides additional guidelines regarding emergency situations

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PURCHASING CATEGORIES AND PROCEDURES

I. Over the Counter/Informal Purchases—General Purchases under \$5,000 Purchases under \$5,000 may be made by an authorized Purchasing Authority.

- A Department Head, or his/her designee, is authorized to purchase goods or procure services (except professional services) for an amount of Five Thousand Dollars (\$5,000) or less, if adequate funds have been appropriated by the City Council in the budget. City Council appropriation of funds is required prior to such purchase or procurement.
- No competitive process is required, but the Department Head shall endeavor to purchase goods or procure services at the lowest cost commensurate with the quality needed.
- Bids/Quotations: There are no specific bidding requirements for these purchases; however competitive bidding should be used whenever practical. Quotations for these purchases may be written or verbal.
- Selection: Purchases can be awarded by the department and initiated with an invoice, purchase order, credit card, or petty cash (reimbursements up to \$80). All credit card purchases must be made in accordance with Administrative Procedure II-5 Credit Card Purchasing Program.
- Invoices: Invoices should be submitted to the Finance Department for payment. All requests for payment shall be accompanied by the appropriate electronic or manual signature authorizations and accounting information.

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II. Open Market Purchases—Purchases between \$5,000 and \$25,000.

The purchase of supplies, equipment and general services of a value from \$5,000 to \$25,000 may be made by authorized personnel. An additional bidding requirement is outlined for purchases that are defined as a Public Project.

A. Invitation for Bids/Requests for Proposals

1. Supplies, equipment, and general services

- Open market purchases shall, whenever feasible, be based on at least three quotations. The purchasing employee shall solicit quotations by written request or telephone to prospective vendors. Telephone quotations shall be documented in writing. A "Quotation Evaluation Form" is provided for reference in Exhibit B; however departments may use an alternate form if it includes the following information:

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- ~~• Date of request for quote~~
- ~~• Exact request for quote~~
- ~~• Vendor information (contact name)~~
- ~~• Vendor's response to the quote~~
- ~~• Justification for selection of the vendor~~

~~2. Public Projects~~

~~Public projects between \$5,000 and \$25,000 shall be in accordance with the Uniform Cost Accounting Act. The purchasing authority should carefully review the definition of "Maintenance" and "Public Project" to determine if this section is applicable. This section is only required if the purchase meets the definition of Public Project.~~

~~Procedures include:~~

- ~~• Sending notices inviting bids to a list of qualified contractors at least ten calendar days before the bids are due.~~
- ~~• Mailing notices within ten calendar days before the bids are due to all construction trade journals. If the City does not have a qualified list of contractors for the particular type of work to be performed, notices inviting bids will only be sent to the construction trade journals as required by the Uniform Public Construction Cost Accounting Act.~~

~~If the product or service is proprietary in nature and can only be obtained from a certain contractor or contractors, notices inviting bids will only be mailed to such contractor or contractors.~~

~~B. Rejection of Bids~~

~~The purchasing authority may reject bids or invite new quotations for any reason.~~

~~C. Award of Contract~~

~~Once a purchasing authority has determined that a quotation is the best value to the City, a contract will be awarded by the Finance Department via a purchase order. The process for issuing a purchase order is listed below:~~

~~Departments~~

- ~~• Initiate a purchase order in the financial software system~~
- ~~• Forward the Quotation Evaluation Form to the Finance Department~~
- ~~• Notify the vendor of the award~~

~~Finance~~

- ~~• Approves contract based on purchasing authorization and supporting documents~~
- ~~• Maintains copies of Quotation Evaluation Forms for a period of one year~~

~~D. Bids for Public Projects In Excess of Limit~~

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~~In the event that all bids received for a public project are more than \$25,000, and bids were invited pursuant to this section, the Council may adopt a resolution by a four-fifths of a vote to award the contract based on best value. If Council rejects the bids and the City chooses to pursue the project, the purchasing authority should follow procedures outlined in Section III—Formal Purchase.~~

~~E. Exceptions~~

~~1. Cooperative Purchasing Agreements with Governmental Entities~~

~~The quotation procedure under this section may be dispensed with for purchases between \$5,000 and \$25,000 where supplies and equipment are purchased through cooperative purchasing arrangements with the State or other group of multiple governmental entities.~~

~~2. Sole source purchases~~

1. The City Manager, or his/her designee, is authorized to purchase goods or procure services for an amount more than Five Thousand Dollars (\$5,000) and up to Twenty Thousand Dollars (\$25,000), if adequate funds have been appropriated by the City Council in the budget. City Council appropriation of funds is required prior to such purchase or procurement.
2. The department must seek three (3) oral or written quotes, and document the receipt of the quotes. The vendor offering the best value, after considering any local preference, shall be selected. For the purchase of goods, if the lowest price quote is not selected, the Department Head shall document in the file the basis for the selection of the vendor.
3. A contract may be required for the purchase of goods, and a contract is required for the procurement of services. All contracts are to be in a form approved by the City Attorney. Contracts are generally not required for the routine purchase of goods, such as purchasing office supplies, tires or paper goods. However, whenever the purchase of goods involves a special or unique requirement, a contract should be entered into between the City and the vendor. When in doubt regarding whether a contract is required or advisable, consult with the City Attorney.
4. If it is reasonably anticipated by the Department Head that the annual total cost of a particular good or service would exceed \$25,000 (excluding public projects), then incremental purchases of that good or service shall be pursuant to a contract approved by the City Council. The contract can be for a per service hour or per item rate, but must be renewed according to the procedures set forth in this ordinance at the end of the contract term. For example, if a department normally purchases 300 tires annually at a cost exceeding \$25,000 overall, which would require the department to seek (3) three oral or written quotes and the approval of the City Council if the purchase was completed all at once, then incremental purchases of 50 tires shall be pursuant to a contract specifying the per tire rate approved by the City Council. The contract shall be valid for a minimum of one (1) year and it is the responsibility of the Department Head to ensure each invoice received from the consultant is calculated at the approved rate. The purpose of this provision is to

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Attachment: III-4 Purchasing & Procurement Redline (1594 : Finance Admin Policy Updates)

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achieve uniformity and savings in the costs associated with goods or services provided by the same contractor/vendor.

5. The staging or splitting of the purchase of goods or procurement of services, without proper justification or to avoid the authorization limits, is prohibited.

6. Amendments to a purchase order and/or contract which result in the total amount exceeding the authority of the City Manager shall require City Council approval.

III. Formal Purchases - General, services, supplies, and equipment greater than \$25,000

A. Notice inviting bids/RFPs shall include, but not be limited to, the following:

1. A general description of the item(s) or services to be purchased, or the public work to be constructed or improved;
2. The location where bid blanks and specifications may be secured;
3. The time and place assigned for the opening of sealed bids;
4. The type and character of bidder's security required, if any; and
5. The location and deadline for submission of bid

B. Notices inviting bids/RFP's shall be made as follows:

1. For supplies, services, and equipment, notices inviting bids shall be published at least once in the official newspaper of the city, with the first publication occurring at least ten calendar days before the date of opening the bids.
2. For public projects greater than \$25,000, notices inviting bids distinctly describing the project be published at least once in the official newspaper of the City, with the first publication at least fourteen calendar days before the date of the opening bids. Notices inviting bids distinctly describing the project shall also be mailed at least thirty calendar days before the date of opening bids to all construction journals as required by the Commission.
3. The City may also give such other notice as it deems appropriate

C. Security requirement on Bids/RFP's

Bidder's security may be required when deemed necessary by the purchasing authority. When required, the security form, amount and conditions, will be included in the bid documents. Bidders shall be entitled to return of bid security. However, a successful bidder shall forfeit his bid security upon refusal or failure to execute a contract within fifteen days after notice of award of that contract, unless the City is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

D. Opening and Retention of Bids/RFP's

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Sealed bids shall be submitted to the purchasing authority and shall be identified as bids on the envelope. Bids shall be opened in a public and read aloud at the time and place stated in the public notice with a representative from the Finance Department present. A tabulation of all bids received shall be available for public inspection during regular business hours for a period not less than thirty (30) calendar days after the bid opening.

E. Rejection of Bids/RFP's

The purchasing authority may reject:

1. Any bid that fails to meet the bidding requirements in any respect
2. All bids, for any reason whatsoever, and may readvertise for new bids or abandon the purchase
3. In the case of public projects, the council may, by passage of a resolution by a four-fifths vote, declare that the project can be performed more economically by employees of the City and may have the project done by force account

F. Bids/RFP's - None Received

If no bids are received the purchase may be made through negotiated contract or other process approved by the Finance Director, including, in the case of public projects, performing the work by employees of the City by force account.

G. Contract Award

Subject to the approval of the City Manager, contracts shall be awarded by the purchasing authority to the bid which represents the best value to the City as defined in Section 3.16.040, except as follows:

1. If at the time of bid opening, two or more bids received are for the same total amount or unit price, quality and service being equal, and if the discretion of the purchasing authority the public interest will not permit the delay of readvertising for bids, then the purchasing authority may accept the one he or she chooses or the lowest bid obtained through subsequent negotiation with tied bidders.
2. Sellers, vendors, suppliers and contractors who maintain places of business located within the limit of the City shall be given preference, if quality, price, service, and all other factors are equal.

The basis upon which the award is made shall be in writing.

H. Requiring Bond of Successful Bidder

The purchasing authority may require as a condition to executing a contract on behalf of the City, a performance bond or a labor and material bond, or both, in such amounts as the purchasing authority shall determine appropriate to protect the best interests of the City. The form and amounts of such bond(s) shall be described in the notice inviting bids.

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I. Insurance

Insurance requirements will be provided via Purchase Order terms and conditions, or Request for Proposal terms and conditions information, or City contract.

J. Bidding Process Questions

Any questions received to the Project Manager during the bidding process should be supplied to all plan holders with corresponding answers. If the potential bidder asks the questions verbally, then the project manager shall record the questions and answer given and provide to all plan holders.

K. Change Orders

Projects at times will require change orders. Change Orders can be approved by the City Manager for amounts not to exceed \$25,000, or 10% of the original contract, whichever is larger. The change orders, once approved, will be executed by the Finance department, and finance will make corresponding Purchase Order Adjustments.

L. Project Folder

The Department will keep a project folder for contracts over \$25,000. The Project Folder will include proof of the Bidding process, copy of bid proposal costs, contract, purchase order, contract amendments, and all associated costs in relations to the project. The project folder shall also have copies of prudent communications. The project folder can be kept electronically on a shared drive.

M. Project Closeout

Upon completion of a project, the project shall be closed out with the City Council. In the project closeout the project is accepted as complete thus releasing any and all retention. The closeout will also provide a summary of the budget and total cost of the project. If the project is over budget, then additional funds need to be identified and if the project is under budget then the reallocation of those need to be identified.

IV. Capital Equipment Purchases between \$25,001 - \$50,000

Section 3.16.050 (A)(2) of the Municipal Code provides the City Manager with the authority to approve contracts for single equipment purchases based on the following criteria:

- Single equipment purchases are not greater than \$50,000
- The equipment was clearly identified and described in the budget
- City Council approves the capital equipment purchase in the budget
- The equipment description listed in the budget is consistent with the item purchased
- The final cost does not exceed the amount approved in the budget

The purchasing authority shall follow the procedures listed for Open Market Purchases; however the City Manager must approve any specifications prior to the solicitation of bids. If there is a change to the equipment description or if the quotations exceed the budget, the purchase becomes subject the Formal Procedures outlined in Section III.

Attachment: III-4 Purchasing & Procurement Redline (1594 : Finance Admin Policy Updates)

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V. Emergency Procedures

An emergency is defined as an unexpected occurrence or threatened occurrence that poses a danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, or any emergency proclaimed pursuant to Municipal Code 8.08.060.

Upon approval of the City Manager or Finance Director, authorized purchasing authorities may exceed the purchasing limits of \$25,000. The following procedures are applicable to emergency purchases:

- Documentation. It will be the responsibility of the requesting department to attach a copy of the written justification of the emergency signed by the City Manager to any invoices at the time the invoice is submitted to accounts payable for payment.
- Reporting. All emergency purchases of goods and services over \$25,000 will be immediately reported by the department responsible for the purchase to the City Clerk for inclusion as an information item on the Agenda for the next scheduled meeting of the City Council.

In accordance with Chapter 2.5, Section 22050(a) of the Public Contract Code, the information on emergency purchase action shall be presented to the City Council for review and determination, by a four-fifths vote, that there is a need to continue the emergency action. This must occur within seven days after the action, or at the City Council's next regularly scheduled meeting if that meeting will occur within 14 days after the action. The emergency purchase action shall be presented to the City Council at least at every subsequent regularly scheduled meeting until the action is terminated. The City Council must determine, by a four-fifth vote, that there is a need to continue the emergency action.

SUPPLEMENTAL PURCHASING INFORMATION

I. Requests for Proposals (RFP)

Request for Proposal (RFP) are typically associated with general or professional service contracts over \$5,000. This document requests a firm to submit a proposal to perform the scope of work associated with a specific project. Cost is not the sole basis for selection in an RFP, other criteria such as experience, turn-around time, and approach to work are determining factors when evaluating a proposal. Based on the estimated cost of service, the corresponding Open Market and Formal bid procedures are applicable.

Additional information related to the development and criteria of RFP's is listed below:

A. RFP Requirements

The RFP will be specific to the project and preparation will require some general knowledge of the project. However, preparation of the RFP should not involve any work for which the

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proposer would normally be compensated during the project. For example, on engineering projects, free preliminary engineering in the RFP should be discouraged. The RFP should address the following:

- 1) Required Information: In the RFP, the consultant shall be advised of the following requirements:
 - a. Standard contract requirements
 - b. Selection criteria.
 - c. Date and time proposal is due.
 - d. The name and telephone number of the staff member responsible for the project.

- 2) Selection & Evaluation Criteria. Proposals will be evaluated on the basis of the evaluation factors listed in the Request for Proposal. Respondents should be ranked based on the selection criteria. As a minimum, the following criteria will be used to evaluate the RFP.
 - a. Firm experience (including work and project-related references).
 - b. Specific staff experience and availability (including work and project-related references).
 - c. Approved methods to accomplish the work.
 - ~~d.~~ Scope of work and schedule
 - ~~e.~~ cost

- 3) Price Considerations. Although price is always a consideration in recommending awarding the final selection, prices will not be a mandatory consideration in the initial evaluation process. At the discretion of the department, a department may opt to adopt an RFP procedure with price information in a separate sealed envelope. The envelopes shall not be opened until the highest rated firm is identified based upon demonstrated competence and professional qualifications. At that time, the price information will be compared to professional qualification to ensure that the price is fair and reasonable. If a major discrepancy between highest rated firm and the others exist, that discrepancy shall be evaluated and explained before award of the work. If not satisfactorily resolved, the department may to negotiate with the next-highest-ranked firm.

II. Sole Source

1. Materials, Supplies & Equipment:

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- a. **Definition.** Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process. The following are examples of circumstances, which could necessitate sole source procurements:
 - 1) Where compatibility of equipment, accessories or replacement parts is an important consideration;
 - 2) Where public utility services are to be procured;
 - 3) Where a sole supplier's item is needed for trial use or testing;
 - 4) Where a used item is offered at a bargain price and subject to prior sale;
 - 5) Where a cooperative purchasing agreement has been developed with another public agency that used a competitive selection process.
 - 6) Where supply proximity is an important consideration.

2. **Consultant or General Services:**
 - a. In the case where a consulting firm has satisfactorily performed the previous stage of a project (e.g. a pre-design), or has acquired extensive background and working knowledge, the firm may be selected for follow-up work without solicitations from other firm upon written justification and recommendation of the department head and approval by the City Manager or designee.
 - b. If a firm is a highly recognized authority in a field or specialty, or has unique specific knowledge regarding the project, then the firm may be selected without other solicitations for contracts and upon written justification and recommendation of the department head and approval by the City Manager or designee.
 - c. Upon those infrequent occasions when confidence in the consultant and quality of service are important.

3. **Documentation:** It is the responsibility of the requesting department to maintain in their files a complete, written justification of the sole source purchase approved by the City Manager.

4. **Authorization & Reporting:** All sole source purchases of more than \$25,000 are authorized by the City Council and fully disclosed in the staff agenda report. Sole source purchases between \$5,000 and \$25,000 are authorized by the City Manager. Sole source purchases less than \$5,000 are authorized by the Department Heads.

III. Multiple Year Contracts

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1. Applicability. When it is in the best interest of the City, multiple year contracts will be allowed. High vendor "startup costs" or the need for continuity may make a multiple year contract financially or operationally advantageous to the City. Under no circumstances should a multiple year contract be used to avoid competitive procurement procedures.
2. Termination Due to Lack of Funds. All multiple year contracts should contain a clause allowing the City to terminate the contract in thirty (30) days or subsequent fiscal years due to a lack of budgeted funds.
3. Term. The term of a multiple year contract should be clearly delineated. "Open end" contracts will not be used.
4. Authority. Multiple year contracts are subject to the same authority levels detailed above.
5. Changes. Changes to multiple year contracts are covered under "Change Orders" below.
6. Extension. Extension of contracts requires the approval of the City Manager via City contract amendment form.
7. Addendum. Increase in dollar amounts on an agreement, which results in an aggregate total in excess of \$25,000 requires approval from the City Council.

IV. Purchasing Policy Waiver

If the Finance staff receives an invoice for payment in excess of \$5,000 and it appears that this policy was not followed (i.e., three bids are not documented or copy of purchase order is not attached to the invoice), the invoice will be stamped with the "Purchasing Policy Waived" stamp and submitted to the City Manager or Finance Director for payment approval.

This policy was approved and authorized by the City Council on ~~July 26, 2012~~ October 27, 2016:

 Jamie Goldstein
 City Manager



ADMINISTRATIVE POLICY

Number: III-4

Issued: August 29, 2002

Revised: 3/9/06

7/26/12

Jurisdiction: City Council

PURCHASING & PROCUREMENT POLICY

PURPOSE

To establish policies and procedures to establish efficient procedure, secure supplies, services and equipment at the lowest possible cost, maintain financial control over purchases, define authority in the purchasing system, and assure quality of purchases.

POLICY

The Purchasing and Procurement Policy has been developed in order to achieve the following objectives:

- a. Establish authority, responsibility and accountability for purchasing activities conducted on behalf of the City.
- b. Ensure competition and impartiality in all purchasing transactions to the maximum extent possible.
- c. Standardize procedures where appropriate to ensure that City-wide policies and goals are achieved.
- d. Maintain department responsibility, initiative and flexibility in evaluating, selecting and purchasing goods and services.
- e. Implement simple yet effective internal control procedures that appropriately support planning, maximize productive use of public funds and protect City assets from unauthorized use.
- f. Communicate City-wide purchasing goals, policies and procedures to departmental staff involved in purchasing activities.
- g. Decentralize decision-making to the maximum extent possible consistent with prudent review and internal control procedures.

AUTHORITY

The City's purchasing ordinance delegates purchasing authority to the City Manager, as well as any other representatives designated by the City Manager. The maximum purchasing authority level of the City Manager is defined in Section 3.16.050 of the Capitola Municipal Code as \$25,000; with the exception of single capital equipment purchases that do not exceed \$50,000 and are approved in the budget.

Each year, the City Manager will approve purchasing authority levels on an Expenditure Authorization Form. The delegated purchasing levels shall not exceed the City Manger's purchasing authority.

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The City Manager also has the authority to approve individual changes orders up to \$25,000. If cumulative change orders exceed \$25,000, or 10% of the original contract amount, they must be approved by City Council.

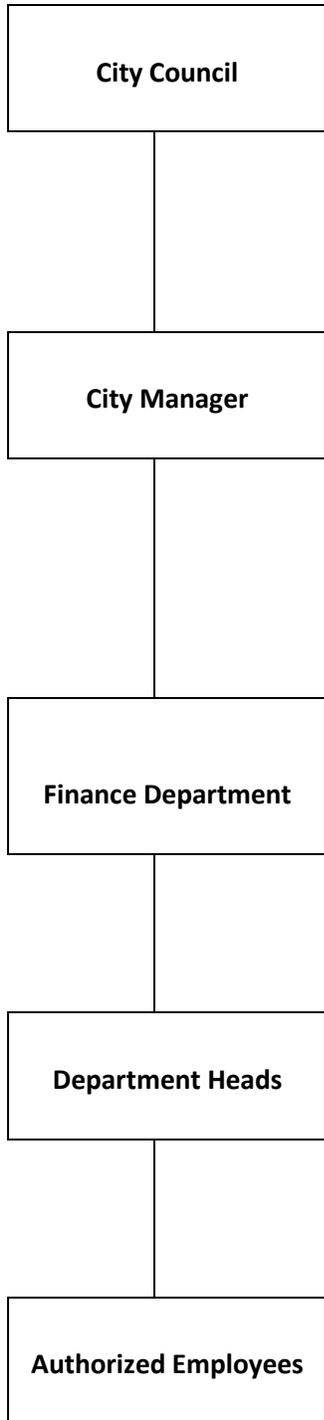
RESPONSIBILITY

The City maintains a decentralized purchasing system; and Department Heads are responsible for distributing, advertising, collecting and evaluating all procurement activities conducted within their Departments with Finance Department assistance.

- A. Employees – Each employee is responsible for following these practices. Violation of this policy may result in disciplinary action, termination of employment or criminal prosecution.
- B. Department Heads – Department Heads are responsible for ensuring that all employees of their department who conduct purchasing activities possess a thorough understanding of these standards of ethical conduct and prohibited practices.
- C. City Manager – The City Manager is responsible for ensuring that all Department Heads who conduct purchasing activities possess a thorough understanding of these standards of ethical conduct and prohibited practices.

Additional purchasing responsibilities are outlined in the chart presented below:

Purchasing System Responsibilities



Purchasing Policies and Ordinance

- Adopts Purchasing Ordinance
- Approves Purchasing and Procurement Policy
- Approves invitation for Bids/RFP's over \$25,000
- Delegates authority to award contracts to the City Manager
- Awards contracts if they exceed the budgeted amount

Purchasing Policies, Ordinances, and Resolutions

- Implements purchasing policies
- Delegates purchasing authority
- Awards major contracts
- Approves Bids/RFP's up to \$25,000
- Approves single Capital Equipment purchases up to \$50,000
 (Contingent upon Council approval in the budget)

Administrative Policies and Procedures

- Develops and implements purchasing guidelines
- Monitors and evaluates system performance
- Maintains financial project files for Capital Project over \$25,000
- Sets payment schedule
- Approves authorized purchase orders up to \$25,000
- Assists departments with purchasing needs

Organization Wide Procedures

- Develops and implements departmental purchasing procedures
- Delegates department purchasing authority
- Approves major departmental purchases

Department Procedures

- Purchases, receives, and pays for goods and services in accordance with the City and departmental guidelines
- Prepares necessary bid documents
- Maintains required purchasing records
- Manages department inventories

PURCHASING STANDARDS OF CONDUCT

Every employee or official engaged in purchasing activities on behalf of the City is required to employ the following standards of conduct:

- Consider the interests of the City first, in all transactions
- Carry-out established policies of the City
- Seek to obtain the maximum value for each expenditure of public funds
- Inspect materials, supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract
- Maintain confidentiality of information furnished by vendors and/or contractors regarding price, terms, performance specifications, or other data prior to a bid opening. All information that is presented during the public bid opening will be made available after the award.

The following practices are specifically prohibited in performing purchasing activities on behalf of the City:

- Having a financial or personal beneficial interest (directly or indirectly) in any contract or purchase
- Accepting or receiving (directly or indirectly) from any person, firm, or corporation to whom any contract or purchase order may be awarded any money or anything of value, or promise or obligation or contract for future reward or compensation. Inexpensive advertising items bearing the name of the firm - such as pencils, pens, paperweights, or calendars - are not considered articles of value or gifts in relation to the policy
- Using position or status in the City to solicit (directly or indirectly) business of any kind; or to purchase products at special discounts or upon special concessions for private use from any person or firm who sells or solicits sales to the City.
- Dividing purchases with the intent to circumvent the purchasing authority levels

Delegation of Contracting Authority

- A. The City Council retains all contracting authority not specifically delegated in this Policy. This Policy shall supersede all ordinances, resolutions and policies related to the City's procurement system adopted prior to adoption of this Policy. In the event of an

inconsistency between this Policy and any prior ordinances, resolutions or policies of the City Council, this Policy shall control.

- B. Any delegation of contracting authority contained in this Policy shall only be exercised (a) in accordance with state law, City ordinances and adopted City policies, as applicable, and (b) only if adequate funds have been included in the approved City Budget for the applicable year or otherwise appropriated by the City Council.

City Attorney Contract Review

The City Attorney shall approve all contracts, including amendments to contracts, as to form and legality prior to the execution of the contract by the authorized City official. The City Attorney's approval shall be evidenced by his or her signature on the contract. City Attorney approval on change orders to public projects is not required, but may be requested, at the discretion of the City Manager or Department Head.

LOCAL VENDOR PREFERENCE

Departments are encouraged to do business with Capitola-based businesses due to the benefit to the community and the advantages in timing and availability. This preference should be given whenever it is legal, economical, and results in competitive product or service. Purchasers will actively seek to identify local vendors interested and able to conduct business with the City of Capitola. It is important that purchasers include in their inquiry or invitation to bid, the opportunity for vendors to identify themselves as local and to provide necessary supporting evidence (see definition of local vendor).

Bids, quotes, or offers submitted by Capitola-based vendors will be credited with the current local (City) sales tax and local (City) transactions & use tax in effect. This net bid will be used to compare bids. In the event of a tie, bids submitted by Capitola vendors will be given preference.

- A. Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located within the City limits shall be awarded a contract if their quote or bid is within 5% of the low bid.
- B. Local preference does not apply to public projects, purchases procured under federal or state requirements, or cooperative purchases with other agencies.
- C. The vendor must have a valid City business license and employ at least one full-time employee located at a City business address.
- D. Local bidders must bid with the same specification as required of non-local bidders.

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ALTERNATIVE FUEL VEHICLES

Vehicles powered by clean alternative fuels as defined by the Energy Policy Act of 1992 and other energy efficient advanced technology vehicles shall be given consideration when purchasing new and replacement fleet vehicles

TERMINOLOGY

Best Value (Lowest Responsible Bidder): Best value is largely based on cost; however the following factors could be considered in awarding a contract: Skills of the contractor, ability to provide supplies or services; timely processing; and compliance with governing statutes. The complete definition of best value is provided in Section 3.16.040 (A) of the Municipal Code.

Bid: Formal process to obtain lowest responsive responsible bidder or price for materials, supplies and services, and equipment

Consultant or Professional Services: Services of an attorney, engineer, doctor, financial consultant, planning or environmental consultant, investment advisor, bank or trustee office, or other professional

Contract: A written agreement between two or more persons setting forth a matter of performance and compensation or consideration given for the performance. The term contract includes, but is not limited to; purchase orders, contract for services, an addendum or change order or a letter agreement.

Formal Purchases – Purchases over \$25,000 which are subject to formal bid requirements and Council approval. Different levels of purchasing requirements may be imposed on whether the purchase is for general services, supplies, materials, and equipment or a public project

Local Business (Local vendor/Capitola-based business): Any business which has a retail outlet within city limits of the City of Capitola and holds the required licenses and permits for conducting its business within the City.

Maintenance: Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes. It also includes minor painting, resurfacing of streets less than one inch; and landscape maintenance. This definition is provided in Section 22002 (c) of the Public Contract Code and should be contrasted with Public Project.

Open Market Purchases: Purchases of supplies, equipment, and general services from \$5,000 - \$25,000.

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Over the Counter or Informal Purchases: Purchases under \$5,000 made by authorized personnel.

Petty Cash: Cash used to reimburse authorized purchases up to \$80. All reimbursements must be accompanied by a receipt.

Public Project: Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. This can also include the painting or repainting of publicly owned, leased, or operated facility. This definition is provided in Section 22002 (c) of the Public Contract Code and should be contrasted with the definition of Maintenance.

Purchase Order: A document used to acknowledge acceptance of a bid quotation or offer, and a contractual relationship is established upon its issuance and acceptance by the vendor.

Request for Proposal (RFP): An offer in to provide materials, supplies or services where the City selects vendor/consultant usually based upon criteria specified in Request for Proposal such as competence, qualifications and expertise in the field. Price is not the sole basis for selection, but may be considered in the criteria for evaluating proposals. Typically used for consultant or professional service contracts.

General Services: Any work performed or services rendered by an independent contractor, with or without the furnishing of materials such as a professional consultant.

Sole Source: Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process.

Encumbrance of Funds

- A. Except in cases of emergency, or by order of the City Council, purchase orders shall not be issued unless there exists an unencumbered appropriation in the department budget against which the purchase order is to be charged.
- B. Purchase orders do not roll over from one fiscal year to the next if unused, except for contract and professional services procured by an approved contract with terms that cross fiscal years. All other purchase orders shall be used in the fiscal year they were issued. In the event a planned purchase is delayed and will not occur until the next fiscal year, a new purchase order must be requested by the Department Head in the new fiscal year. For budget purposes, expenditures for goods or services will be realized based upon the date the order/service is received.
- C. Invoices shall not be coded based upon budget lines that have unused/available funds. Invoices shall be coded to the correct budget line item according to the nature of the goods or services provided. It is the responsibility of the Department Head to request budget adjustments as needed to allow for the correct coding of invoices.

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Unlawful Purchases or Contracts

If any officer or employee purchases or contracts for any goods or services contrary to the provisions of these Procedures, such purchase order or contract may be void and of no effect. The staging or splitting of the purchase of goods or procurement of services, without proper justification or to avoid the authorization limits, is prohibited

Record keeping

Each department is responsible for maintaining its own purchasing and contracting records when formal council action was not required. ALL ORIGINAL, EXECUTED CONTRACTS MUST BE PROVIDED TO THE CITY CLERK'S OFFICE FOR FILING AS A PERMANENT RECORD REGARDLESS OF THE REQUIRED APPROVAL LEVEL (i.e. Department Head, City Manager, City Council). At the conclusions of a contract, any bids, specifications, and other pertinent data shall be retained by the department in accordance with the City's adopted document retention schedule. These are public records and available for public inspection upon request.

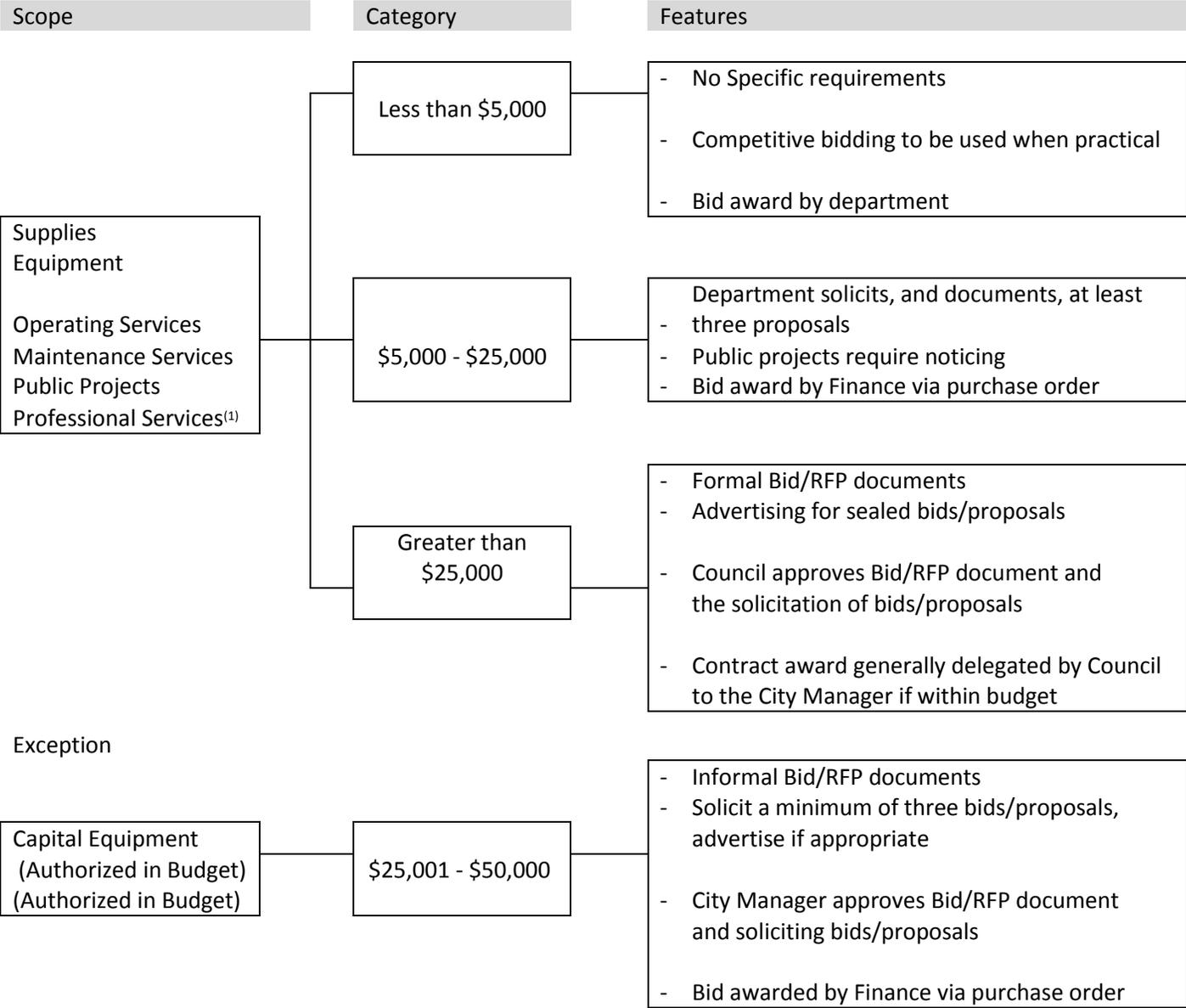
Shared Folder:

In order to ensure proper record keeping a shared folder shall be created to track all aspects of a project. A list of items to be kept electronic include: bid documents, contract, change orders, purchase orders, invoices, and communications that impact the overall project. Each department is responsible to save a copy of their responsible aspects of the project to the shared folder. The shared folder can also include the Financial Accounting System documents.

PURCHASING SYSTEM OVERVIEW

A general overview of the City’s purchasing procedures; thresholds, and responsibilities are presented in the following charts. Detailed procedures for each Purchasing Category are provided in subsequent sections of this policy.

Purchasing System Chart



Attachment: III-4 Purchasing & Procurement (1594 : Finance Admin Policy Updates)

(1) Additional information related to Professional Services/RFP’s is provided in the Supplemental Information Section.
(2) The Capitola Municipal Code and this Administrative Procedure provides additional guidelines regarding emergency situations

PURCHASING CATEGORIES AND PROCEDURES

I. General Purchases under \$5,000

- Purchases under \$5,000 may be made by an authorized Purchasing Authority. A Department Head, or his/her designee, is authorized to purchase goods or procure services (except professional services) for an amount of Five Thousand Dollars (\$5,000) or less, if adequate funds have been appropriated by the City Council in the budget. City Council appropriation of funds is required prior to such purchase or procurement.
- No competitive process is required, but the Department Head shall endeavor to purchase goods or procure services at the lowest cost commensurate with the quality needed.

II. Purchases between \$5,000 and \$25,000.

The purchase of supplies, equipment and general services of a value from \$5,000 to \$25,000 may be made by authorized personnel. An additional bidding requirement is outlined for purchases that are defined as a Public Project.

1. The City Manager, or his/her designee, is authorized to purchase goods or procure services for an amount more than Five Thousand Dollars (\$5,000) and up to Twenty Thousand Dollars (\$25,000), if adequate funds have been appropriated by the City Council in the budget. City Council appropriation of funds is required prior to such purchase or procurement.
2. The department must seek three (3) oral or written quotes, and document the receipt of the quotes. The vendor offering the best value, after considering any local preference, shall be selected. For the purchase of goods, if the lowest price quote is not selected, the Department Head shall document in the file the basis for the selection of the vendor.
3. A contract may be required for the purchase of goods, and a contract is required for the procurement of services. All contracts are to be in a form approved by the City Attorney. Contracts are generally not required for the routine purchase of goods, such as purchasing office supplies, tires or paper goods. However, whenever the purchase of goods involves a special or unique requirement, a contract should be entered into between the City and the vendor. When in doubt regarding whether a contract is required or advisable, consult with the City Attorney.
4. If it is reasonably anticipated by the Department Head that the annual total cost of a particular good or service would exceed \$25,000 (excluding public projects), then incremental purchases of that good or service shall be pursuant to a contract approved by the City Council. The contract can be for a per service hour or per item rate, but must be renewed according to the procedures set forth in this ordinance at the end of the contract term. For example, if a department normally purchases 300 tires annually at a cost

exceeding \$25,000 overall, which would require the department to seek (3) three oral or written quotes and the approval of the City Council if the purchase was completed all at once, then incremental purchases of 50 tires shall be pursuant to a contract specifying the per tire rate approved by the City Council. The contract shall be valid for a minimum of one (1) year and it is the responsibility of the Department Head to ensure each invoice received from the consultant is calculated at the approved rate. The purpose of this provision is to achieve uniformity and savings in the costs associated with goods or services provided by the same contractor/vendor.

5. The staging or splitting of the purchase of goods or procurement of services, without proper justification or to avoid the authorization limits, is prohibited.
6. Amendments to a purchase order and/or contract which result in the total amount exceeding the authority of the City Manager shall require City Council approval.

III. Formal Purchases - General, services, supplies, and equipment greater than \$25,000

A. Notice inviting bids/RFPs shall include, but not be limited to, the following:

1. A general description of the item(s) or services to be purchased, or the public work to be constructed or improved;
2. The location where bid blanks and specifications may be secured;
3. The time and place assigned for the opening of sealed bids;
4. The type and character of bidder's security required, if any; and
5. The location and deadline for submission of bid

B. Notices inviting bids/RFP's shall be made as follows:

1. For supplies, services, and equipment, notices inviting bids shall be published at least once in the official newspaper of the city, with the first publication occurring at least ten calendar days before the date of opening the bids.
2. For public projects greater than \$25,000, notices inviting bids distinctly describing the project be published at least once in the official newspaper of the City, with the first publication at least fourteen calendar days before the date of the opening bids. Notices inviting bids distinctly describing the project shall also be mailed at least thirty calendar days before the date of opening bids to all construction journals as required by the Commission.

3. The City may also give such other notice as it deems appropriate

C. Security requirement on Bids/RFP's

Bidder's security may be required when deemed necessary by the purchasing authority. When required, the security form, amount and conditions, will be included in the bid documents. Bidders shall be entitled to return of bid security. However, a successful bidder shall forfeit his bid security upon refusal or failure to execute a contract within fifteen days after notice of

award of that contract, unless the City is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

D. Opening and Retention of Bids/RFP's

Sealed bids shall be submitted to the purchasing authority and shall be identified as bids on the envelope. Bids shall be opened in a public and read aloud at the time and place stated in the public notice with a representative from the Finance Department present. A tabulation of all bids received shall be available for public inspection during regular business hours for a period not less than thirty (30) calendar days after the bid opening.

E. Rejection of Bids/RFP's

The purchasing authority may reject:

1. Any bid that fails to meet the bidding requirements in any respect
2. All bids, for any reason whatsoever, and may readvertise for new bids or abandon the purchase
3. In the case of public projects, the council may, by passage of a resolution by a four-fifths vote, declare that the project can be performed more economically by employees of the City and may have the project done by force account

F. Bids/RFP's - None Received

If no bids are received the purchase may be made through negotiated contract or other process approved by the Finance Director, including, in the case of public projects, performing the work by employees of the City by force account.

G. Contract Award

Subject to the approval of the City Manager, contracts shall be awarded by the purchasing authority to the bid which represents the best value to the City as defined in Section 3.16.040, except as follows:

1. If at the time of bid opening, two or more bids received are for the same total amount or unit price, quality and service being equal, and if the discretion of the purchasing authority the public interest will not permit the delay of readvertising for bids, then the purchasing authority may accept the one he or she chooses or the lowest bid obtained through subsequent negotiation with tied bidders.
2. Sellers, vendors, suppliers and contractors who maintain places of business located within the limit of the City shall be given preference, if quality, price, service, and all other factors are equal.

The basis upon which the award is made shall be in writing.

H. Requiring Bond of Successful Bidder

The purchasing authority may require as a condition to executing a contract on behalf of the City, a performance bond or a labor and material bond, or both, in such amounts as the purchasing authority shall determine appropriate to protect the best interests of the City. The form and amounts of such bond(s) shall be described in the notice inviting bids.

I. Insurance

Insurance requirements will be provided via Purchase Order terms and conditions, or Request for Proposal terms and conditions information, or City contract.

J. Bidding Process Questions

Any questions received to the Project Manager during the bidding process should be supplied to all plan holders with corresponding answers. If the potential bidder asks the questions verbally, then the project manager shall record the questions and answer given and provide to all plan holders.

K. Change Orders

Projects at times will require change orders. Change Orders can be approved by the City Manager for amounts not to exceed \$25,000, or 10% of the original contract, whichever is larger. The change orders, once approved, will be executed by the Finance department, and finance will make corresponding Purchase Order Adjustments.

L. Project Folder

The Department will keep a project folder for contracts over \$25,000. The Project Folder will include proof of the Bidding process, copy of bid proposal costs, contract, purchase order, contract amendments, and all associated costs in relations to the project. The project folder shall also have copies of prudent communications. The project folder can be kept electronically on a shared drive.

M. Project Closeout

Upon completion of a project, the project shall be closed out with the City Council. In the project closeout the project is accepted as complete thus releasing any and all retention. The closeout will also provide a summary of the budget and total cost of the project. If the project is over budget, then additional funds need to be identified and if the project is under budget then the reallocation of those need to be identified.

IV. Capital Equipment Purchases between \$25,001 - \$50,000

Section 3.16.050 (A)(2) of the Municipal Code provides the City Manager with the authority to approve contracts for single equipment purchases based on the following criteria:

- Single equipment purchases are not greater than \$50,000
- The equipment was clearly identified and described in the budget
- City Council approves the capital equipment purchase in the budget
- The equipment description listed in the budget is consistent with the item purchased
- The final cost does not exceed the amount approved in the budget

The purchasing authority shall follow the procedures listed for Open Market Purchases; however the City Manager must approve any specifications prior to the solicitation of bids. If there is a change to the equipment description or if the quotations exceed the budget, the purchase becomes subject the Formal Procedures outlined in Section III.

V. Emergency Procedures

An emergency is defined as an unexpected occurrence or threatened occurrence that poses a danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, or any emergency proclaimed pursuant to Municipal Code 8.08.060.

Upon approval of the City Manager or Finance Director, authorized purchasing authorities may exceed the purchasing limits of \$25,000. The following procedures are applicable to emergency purchases:

- Documentation. It will be the responsibility of the requesting department to attach a copy of the written justification of the emergency signed by the City Manager to any invoices at the time the invoice is submitted to accounts payable for payment.
- Reporting. All emergency purchases of goods and services over \$25,000 will be immediately reported by the department responsible for the purchase to the City Clerk for inclusion as an information item on the Agenda for the next scheduled meeting of the City Council.

In accordance with Chapter 2.5, Section 22050(a) of the Public Contract Code, the information on emergency purchase action shall be presented to the City Council for review and determination, by a four-fifths vote, that there is a need to continue the emergency action. This must occur within seven days after the action, or at the City Council's next regularly scheduled meeting if that meeting will occur within 14 days after the action. The emergency purchase action shall be presented to the City Council at least at every subsequent regularly scheduled meeting until the action is terminated. The City Council must determine, by a four-fifth vote, that there is a need to continue the emergency action.

SUPPLEMENTAL PURCHASING INFORMATION

I. Requests for Proposals (RFP)

Request for Proposal (RFP) are typically associated with general or professional service contracts over \$5,000. This document requests a firm to submit a proposal to perform the scope of work associated with a specific project. Cost is not the sole basis for selection in an RFP, other criteria such as experience, turn-around time, and approach to work are determining factors when evaluating a proposal. Based on the estimated cost of service, the corresponding Open Market and Formal bid procedures are applicable.

Additional information related to the development and criteria of RFP's is listed below:

A. RFP Requirements

The RFP will be specific to the project and preparation will require some general knowledge of the project. However, preparation of the RFP should not involve any work for which the proposer would normally be compensated during the project. For example, on engineering projects, free preliminary engineering in the RFP should be discouraged. The RFP should address the following:

- 1) Required Information: In the RFP, the consultant shall be advised of the following requirements:
 - a. Standard contract requirements
 - b. Selection criteria.
 - c. Date and time proposal is due.
 - d. The name and telephone number of the staff member responsible for the project.

- 2) Selection & Evaluation Criteria. Proposals will be evaluated on the basis of the evaluation factors listed in the Request for Proposal. Respondents should be ranked based on the selection criteria. As a minimum, the following criteria will be used to evaluate the RFP.
 - a. Firm experience (including work and project-related references).
 - b. Specific staff experience and availability (including work and project-related references).
 - c. Approved methods to accomplish the work.
 - d. Scope of work and schedule
 - e. cost

- 3) Price Considerations. Although price is always a consideration in recommending awarding the final selection, prices will not be a mandatory consideration in the initial evaluation process. At the discretion of the department, a department may opt to adopt an RFP procedure with price information in a separate sealed envelope. The envelopes shall not be opened until the highest rated firm is identified based upon demonstrated competence and professional qualifications. At that time, the price information will be compared to professional qualification to ensure that the price is fair and reasonable. If a major discrepancy between highest rated firm and the others exist, that discrepancy shall be evaluated and explained before award of the work. If not satisfactorily resolved, the department may to negotiate with the next-highest-ranked firm.

II. Sole Source

1. Materials, Supplies & Equipment:

- a. Definition. Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process. The following are examples of circumstances, which could necessitate sole source procurements:

- 1) Where compatibility of equipment, accessories or replacement parts is an important consideration;
- 2) Where public utility services are to be procured;
- 3) Where a sole supplier's item is needed for trial use or testing;
- 4) Where a used item is offered at a bargain price and subject to prior sale;
- 5) Where a cooperative purchasing agreement has been developed with another public agency that used a competitive selection process.
- 6) Where supply proximity is an important consideration.

2. Consultant or General Services:

- a. In the case where a consulting firm has satisfactorily performed the previous stage of a project (e.g. a pre-design), or has acquired extensive background and working knowledge, the firm may be selected for follow-up work without solicitations from other firm upon written justification and recommendation of the department head and approval by the City Manager or designee.
 - b. If a firm is a highly recognized authority in a field or specialty, or has unique specific knowledge regarding the project, then the firm may be selected without other solicitations for contracts and upon written justification and recommendation of the department head and approval by the City Manager or designee.
 - c. Upon those infrequent occasions when confidence in the consultant and quality of service are important.
3. Documentation: It is the responsibility of the requesting department to maintain in their files a complete, written justification of the sole source purchase approved by the City Manager.
4. Authorization & Reporting: All sole source purchases of more than \$25,000 are authorized by the City Council and fully disclosed in the staff agenda report. Sole source purchases between \$5,000 and \$25,000 are authorized by the City Manager. Sole source purchases less than \$5,000 are authorized by the Department Heads.

III. Multiple Year Contracts

1. Applicability. When it is in the best interest of the City, multiple year contracts will be allowed. High vendor "startup costs" or the need for continuity may make a multiple year contract financially or operationally advantageous to the City. Under no circumstances should a multiple year contract be used to avoid competitive procurement procedures.
2. Termination Due to Lack of Funds. All multiple year contracts should contain a clause allowing the City to terminate the contract in thirty (30) days or subsequent fiscal years due to a lack of budgeted funds.
3. Term. The term of a multiple year contract should be clearly delineated. "Open end" contracts will not be used.
4. Authority. Multiple year contracts are subject to the same authority levels detailed above.
5. Changes. Changes to multiple year contracts are covered under "Change Orders" below.
6. Extension. Extension of contracts requires the approval of the City Manager via City contract amendment form.
7. Addendum. Increase in dollar amounts on an agreement, which results in an aggregate total in excess of \$25,000 requires approval from the City Council.

IV. Purchasing Policy Waiver

If the Finance staff receives an invoice for payment in excess of \$5,000 and it appears that this policy was not followed (i.e., three bids are not documented or copy of purchase order is not attached to the invoice), the invoice will be stamped with the "Purchasing Policy Waived" stamp and submitted to the City Manager or Finance Director for payment approval.

This policy was approved and authorized by the City Council on October 27, 2016:

Jamie Goldstein
 City Manager



ADMINISTRATIVE POLICY

Number: III-11

Issued:

~~11/01/2014~~ October 27, 2016

Jurisdiction: Staff

COLLECTIONS POLICY

I. PURPOSE

The purpose of the Collection Policy is to provide an efficient and effective method to collect past-due accounts receivable.

II. POLICY

~~It is the policy of the City of Capitola to pursue the most effective method of collecting late account receivables.~~

III. PROCEDURE

- A. If an accounts receivable payment has not been received by its due date, a Final Notice will be sent via ~~both regular USPS Mail and~~ USPS Certified Mail stating that if payment is not received within 10 days of the date of the final notice, or if payment arrangements have not been made, the outstanding debt will be turned over to a Collection Agency.
- B. The City Manager may grant a time extension, provided the debtor has made good faith efforts to pay the outstanding amount.
- C. If payment is not received, the account is sent to the Collection Agency.
- D. If, after a period of no less than three months, the Collection Agency determines the business or individual refuses to pay the debt and the Collection Agency can no longer proceed with the collection, the account will be returned to the City if the amount is \$250-500 or more.
- E. Once an account is returned to the City by the Collection Agency, City staff will take accounts totaling \$250-500 or more to Small Claims Court for collection. The procedure for calendaring the receivable for collections in Small Claims Court is as follows:
 1. Backup documentation (including invoices and/or notices sent to debtor) and filing forms completed by City staff will be sent to City Attorney.
 2. The City Attorney will review documentation and provide assistance to staff for determining the party to be served.
 3. City staff will file the case with Small Claims Court. Once filed with the Court, the City's complaint will be served in accordance with applicable court rules. The City Attorney's Office may be called upon to assist with service of process.
 4. City staff will attend the court hearing.

Date: ~~November 1, 2014~~ October 27, 2016
authorized by:

This policy is approved and

Jamie Goldstein, City Manager

Attachment: III-11 Collections Redline (1594 : Finance Admin Policy Updates)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: Finance Department

SUBJECT: Authorize Participation in the Public Agencies' Post-Employment Benefits Trust Program

RECOMMENDED ACTION: Authorize participation in the Public Agencies' Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) with U.S. Bank as trustee, appointing the City Manager as the Plan Administrator, and authorizing the City Manager to negotiate and execute the documents to implement the Program.

DISCUSSION: In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 requires governmental employers that sponsor Defined Benefit plans (i.e., California Public Employees' Retirement System (PERS)) recognize a net pension liability, also known as an unfunded actuarial accrued liability (UAAL) on their balance sheet. This is the difference between the City's total pension liability (actuarial accrued liability) and actual plan assets. The City of Capitola's total Net Pension Liability as of June 30, 2015 is just over \$15 million.

CalPERS has also significantly changed the methodology for calculating the City's Annual Required Contributions (ARC) in regards to amortizing the UAAL. Until recently, the City's only option for reducing the UAAL was to commit additional funds to CalPERS. Unfortunately, these additional funds would be subject to the same market volatility risk as the CalPERS investment policy target of 7.5%, and are not accessible to the City for other CalPERS pension expenses.

The City implemented a PERS Contingency Fund in the Fiscal Year 2015/16 Budget process to help offset future pension cost increases. The Fund was initially funded with General Fund surplus, based on a recommendation from the Finance Advisory Committee. The \$300,000 was the projected PERS increases over the next two years. The Trust Fund would ensure the \$300,000 is only available for PERS expenditures and would allow for potential future investment growth. The funding goal for the trust is one year of PERS contributions (approximately \$1.2 million)

PERS Trust Fund
October 27, 2016

A recent private letter ruling received from the IRS established that public agencies or municipalities could create a separate trust to "pre-fund" its PERS unfunded liability. This would provide the City with an alternative to sending funds to CalPERS that will provide for greater local control over assets, portfolio management by a registered investment advisor selected and monitored by the City, with future excess contributions transferred to CalPERS (or the City to reimburse for up to two years of pension expenses) at the discretion of the City.

Expected benefits offered by a establishing the Trust Account include:

- Pension Volatility Risk Mitigation – contributions from the trust may be transferred to CalPERS at the City's discretion to offset fluctuations in the required annual contributions;
- Investment flexibility with Section 115 Trust compared to restrictions on general City investments (Govt. Code 53216.1);
- Investment security with Section 115 Trust compared to CalPERS investment management, risk appetite and portfolio allocation;
- Investments may be tailored to the City's unique demographics;
- Oversight and local control of fund management selection and monitoring of investment performance;
- Increased flexibility on use of trust assets (i.e., trust assets may be accessed any time as long as the assets are used to fund the City's pension obligations and defray reasonable expenses associated therewith);
- Potential for positive credit rating agency and investor consideration;
- Accumulated funds and investment earnings partially offset Net Pension Liability reportable in the Financial Statements under GASB 68.

The action requested today will authorize participation in the pension stabilization trust administered by PARS and will authorize the City Manager to negotiate and execute the documents to implement the program. An investment policy for trust assets will be developed with the assistance of HighMark Capital Management (a registered investment advisor for this program).

A fiscal policy has been drafted by staff authorizing contributions to be made to the pension stabilization trust. The City is currently holding \$300,000 in a pension stabilization reserve which would be transferred to the PARS Trust Fund. The future funding goals for the fund is to have one year of PERS contributions in the Trust with an annual funding provided by potential general fund surplus.

FINANCIAL IMPACTS: The City has held \$300,000 in the PERS Contingency Fund since it was implemented in Fiscal Year 2015/16. These funds would be transferred to the Trust Fund. As the funds in the trust can be used to stabilize pension costs, they may allow the City to avoid large employer contribution rate increases in the future, and

PERS Trust Fund
October 27, 2016

the balance in the trust will offset the Net Unfunded Pension Liability reported in the annual financial statements.

ATTACHMENTS:

1. PARS Administrative Services Agreement (PDF)
2. IRS Favorable Private Letter Ruling (PDF)

Report Prepared By: Mark Welch
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

10/21/2016

PERS Trust Fund
October 27, 2016

DRAFT
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS, the City of Capitola ("City") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective October 27, 2016; and
2. The City Council hereby appoints the City Manager, or his/her successor or his/her designee as the City's Plan Administrator for the Program; and
3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Program.

PASSED AND ADOPTED by the City Council of the City of Capitola this 27th day of October, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

Ed Botorff, Mayor

ATTEST

By: _____, CMC
Susan Sneddon, City Clerk

PERS Trust Fund
October 27, 2016

STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

_____, the City Clerk of the City of Capitola, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said City at a regular meeting thereof held on the _____, and passed by a _____ vote of said Council.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2016.

City Clerk

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement (“Agreement”) is made this ____ day of _____, 2016, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter “PARS”) and the [Agency Name] (“Agency”).

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations (“Plan”), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as “Exhibit 1A” (“Services”) in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as “Exhibit 1B”.
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS’ standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency’s providing PARS the information specified in the exhibit attached hereto as “Exhibit 1C” (“Data”). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
- (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
- (B) To Agency: [Agency]; [Address]; [City, State, Zip]; Attention: [Plan Administrator]
- Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2016 and ending _____, 2019 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

- 19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
- 20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
- 21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
- 22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

Attachment: PARS Administrative Services Agreement (1630 : PERS Trust Fund)

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust (“Trustee”), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

(A) An annual asset fee paid by the Agency or paid from Plan Assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

(B) The annual asset fee referenced above shall be paid as follows:

Annual Asset Fee Payment Option (Please select one option below):

- Annual Asset Fee shall be paid from Plan Assets.
- Annual Asset Fee shall be invoiced to and paid by the Agency.

Attachment: PARS Administrative Services Agreement (1630 : PERS Trust Fund)

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 115.00-00

Third Party Communication: None
Date of Communication: Not Applicable

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292
Telephone Number:
(202) 317-5800
Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14
Date: June 5, 2015

Legend

Trust = Public Agencies Post-Employment Benefits Trust
Trust Agreement = Public Agencies Post-Employment Benefits Trust Agreement
Trustee = U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust's income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer's governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust's administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

PLR-146796-14

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Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of \$600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).
2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Attachment: IRS Favorable Private Letter Ruling (1630 : PERS Trust Fund)

PLR-146796-14

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The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,



Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL

Attachment: IRS Favorable Private Letter Ruling (1630 : PERS Trust Fund)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 27, 2016

FROM: City Manager Department

SUBJECT: Consider Amendments to the Administrative Policy I-7 Regarding the Memorial Program

RECOMMENDED ACTION: Approve Amendment to Administrative Policy I-7.

BACKGROUND: The City established a Memorial Bench Program in 1993 as a way to help finance the purchase and maintenance of benches, while providing the public with a way to memorialize loved-ones. In March of 2002 a formal Memorial Program Administrative Policy was created. The Policy has been amended over time to add new programs such as the placement of plaques on the Capitola Wharf.

City Council requested that staff review the existing Policy in order to make sure that the administration of the Program was properly documented in the Policy.

DISCUSSION: The City of Capitola Memorial Program is intended to establish a uniform procedure for the purchase and placement of memorial items in the City of Capitola. The existing City Policy has four approved Memorial Programs: Memorial Benches, Memorial Plaques on Capitola Wharf, Memorial Plaques on the Grand Avenue railing and Memorial Trees.

The proposed amendments to the Memorial Program include:

- Memorial Bench Program - added the recently completed McGregor Multi-Use Park and the new Rispin Park, and other locations where memorial benches exist.
- Memorial Plaque Program – changes made to clarify existing Program.
- Memorial Tree Program –removed from the Policy as this Program has never been utilized.
- Update Policy to remove attached list of available locations, as that list changes regularly and the Policy quickly becomes out of date. The current list of available locations will be maintained at City Hall. Currently there are no available plaque locations on the wharf as suitable locations on the hand railing have been exhausted.

Staff modified language of the Policy and Application to further clarify that participating individuals are purchasing memorial items for the life of the plaque or the bench. When the memorial item is damaged or needs to be replaced the existing owner of the memorial item will be given the first right to replace the item at a reduced cost.

Memorial Program Amendment
October 27, 2016

FISCAL IMPACT: The cost of the memorial items is paid by the customer which includes the cost of the item, installation and maintenance.

ATTACHMENTS:

1. Admin Policy I-7 Memorial Program 2016 redlined
2. Memorial Program Application 10-2016 redlined
3. Memorial Program Availability 10-2016 redlined

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

10/21/2016



ADMINISTRATIVE POLICY

Number: I-7
 Issued: March 14, 2002
Sept. 12, 2002
Dec. 09, 2004
June 28, 2007
April 26, 2012
October 27, 2016
 Jurisdiction: City Council

MEMORIAL PROGRAM

- I. PURPOSE: To establish a uniform procedure for the purchase and placement of Memorial items in the City of Capitola.

It is the intent of the City to allow citizens to memorialize loved-ones while at the same time balancing the needs of the City. This policy is meant to emphasize the importance of the memorials while assuring that they are consistent with City policies and do not negatively impact City resources.

- II. POLICY:

1. The City has ~~four~~three approved memorial programs: Memorial Benches, ~~Memorial Plaques on Capitola, Memorial Wharf & Grand Avenue Memorial Plaques on the Grand Avenue railing, and Memorial Trees, and The policy~~ may be amended to add other programs as directed by the City Council.
2. Applications for a memorial item will be received and approved by the City Manager or his/her designee, with site selection review by the Public Works Department, ~~except for the placement of a new tree, which will be approved by the City Council. Refer to Section 4, paragraph 3 for other exceptions.~~
3. All memorial items costs, including asset materials, installation materials, staff time for installation and maintenance will be covered by the application fee, ~~and The application~~ applicable fees will be reviewed and adjusted annually by the City Council to ensure cost recovery.
4. Memorial assets become the property of the City of Capitola. Arrangements can be made with the ~~Public Works Department~~City of Capitola for the return of plaques upon request or the removal of the asset.

- III. PROCEDURE:

1. Customers may download or request information and application ~~(attachment 1)~~ for a memorial item. ~~If required, from the Administrative Services Director~~ City staff who will send the customer an informational letter along with a list of currently available sites.
2. Customer will take a photograph of the desired location and submit along with application and payment. If necessary, The customer is instructed to contact ~~City staff will coordinate a the~~ Public with Public Works Department to schedule a site meeting for approval of exact location of the memorial item. ~~Upon agreement, the customer is referred to the Administrative Office for application and payment submittal. A receipt is will be issued, and the application with a copy of the receipt and photograph is are~~ given to the Public Works Department City staff for ordering and the Public Works Department installation.
3. Upon installation, the ~~Public Works Department~~ City Staff will notify the ~~Administrative Services Director who will notify the~~ customer.

IV. Memorial Programs Locations

1. Municipal Plaques: Memorial Plaques may be purchased ~~to memorialize a view~~ on a railing along the Capitola Wharf or Grand Avenue.

a. Location:

1. Wharf : No more than one ~~(1)~~ plaque will be placed on ~~a the~~ top railing (no more than 1 per railing) unless the additional plaque is for a relative. If possible, City should be notified of this intent when first plaque is purchased. then a second plaque may be placed on a railing for a total of 250 plaques. When 250 plaques have been sold, the program will be considered complete.
2. Grand Avenue: No more than one (1) plaque for every 20 eight (8) feet of fence railing along Grand Ave. ~~for a total of 50 plaques. nue unless the additional plaque is for a relative. If possible, City should be notified of this intent when first plaque is purchased.~~

- b. Plaque: The plaques are made of bronze, and are 4²² x 4²² or 4² x 2² eight inches by three inches (8²² x 3²²). The customer will determine inscriptions on the plaque, which will be ordered and installed by the City.

- c. Cost: The cost of the plaque, installation and maintenance is determined by their actual cost, and is reviewed annually by the City Council (see application for current cost).

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~~e. 1/3 of the cost of a plaque on Grand Avenue will be put in a special fund to be used to pay for the replacement of the fence. For Plaques on the Wharf, \$100 of the cost will be placed in the Wharf Fund.~~

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d. Maintenance/ Replacement/ Removal: The City will maintain plaques ~~for the life of the plaque.~~ The City of Capitola will determine when the plaque is no longer reasonable to maintain and needs to be either replaced or removed. Upon such determination, the customer will be notified by mail. ~~The and the~~ customer may elect to purchase another ~~p~~Plaque or relinquish the site. If a reasonable attempt to contact the customer fails, the City will open the site for purchase after 60 days~~proceed with removal within 60 days.~~ If the wharf ~~railing~~ or Grand Ave. ~~fence~~is damaged by a natural disaster and or if the plaque is ~~lost~~ missing or damaged, the customer may elect to purchase another plaque or relinquish the site. Replacement Plaques will be charged at the City's ~~direct~~ replacement cost, not including maintenance.

2. Memorial Benches: A memorial bench program was established in 1993. The primary purpose of the program was to aid the City in the maintenance of the benches along the Esplanade. The popularity of the program led to the expansion of the bench placements to include other areas of the City, as listed below. When the approved ~~number of benches in a location~~ number of benches have ~~has~~ been purchased, the locations are considered "full" ~~(attachment 2).~~ Bench plaques are eight inches by two inches (8"x2"). Customers may choose the inscription for the plaque, ~~to be~~ the plaques will be ordered and installed by the City.

a. Bench Locations:

- ~~1. 1.~~ Esplanade _____
- ~~2. _____~~ 6. Jade Street Park
- ~~3. 2.~~ Wharf _____
- ~~4. _____~~ 7. Cortez Park
- ~~5. 3.~~ Depot Hill _____
- ~~6. _____~~ 8. Monterey Ave Park
- ~~7. 4.~~ Cliff Dr Ave / Grand Ave Ave. _____
- ~~8. _____~~ 9. Noble Gulch Park
- ~~9. 5.~~ Prospect Avenue _____
- ~~10. _____~~ 10. Rispin/Peery Park
11. McGregor Park
12. Cliff Dr.
13. Soquel Creek Park
14. Depot Hill Park
15. Riverview near Stockton Bridge
16. Lawn Way

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Attachment: Admin Policy I-7 Memorial Program 2016 redlined (1593 : Memorial Program Amendment)

- 17. Library
- 18. Hihn Park
- 19. Capitola Road and Wharf Road
- 20. Rispin Park

- b. Maintenance, Removal or Replacement of Existing Benches: The City will maintain all benches. ~~When it is determined by the Public Works Department~~ The City will determine when that a Memorial Bench is no longer reasonable to maintain or it is necessary to remove for any reason. ~~Upon such determination, the customer will be notified by mail and the customer may elect to purchase another bench or relinquish the bench. If after a reasonable attempt to contact the customer fails, the City may dispose of the plaque and the bench location may become available for purchase.~~
- b. ~~the City will contact the original purchaser of the bench and allow them the opportunity to either replace the bench or relinquish the site.~~
- c. Plaque Damage: ~~If a plaque is damaged or unreadable, the customer will be notified by mail and the customer may elect to purchase another plaque or relinquish the bench. If a reasonable attempt to contact the customer fails, the City will proceed with removal within 60 days and make the bench available. the customer may choose to pay for the replacement of the plaque, or relinquish the bench.~~ If the customer does not wish to replace the plaque, another customer may purchase a plaque to be placed there and the original plaque will be returned if desired. ~~Replacement Benches will be charged at City's direct replacement cost not including maintenance.~~

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3. Memorial Trees:

- a. ~~An existing tree in the City may be memorialized with a plaque placed at the foot of the tree, mounted on a cement platform. Approval of memorializing an existing tree will be at the discretion of the Public Works Department, unless it is deemed necessary by the City Manager to be approved by the City Council.~~
- b. ~~A customer may purchase a new tree to be planted and memorialized with a plaque in the City with the approval of the Public Works Department and the City Council.~~
- c. ~~The plaques are made of bronze, and are 4" x 4". The customer will determine inscription on the plaque, which will be ordered~~

~~and installed by the City.~~

- ~~d. Cost: The cost of the plaque, installation and maintenance is determined by their actual cost, and is reviewed annually by the City Council (see application for current cost).~~
- ~~e. Maintenance/ Replacement/ Removal: The City will maintain plaques for the life of the plaque. The City will determine when the plaque is no longer reasonable to maintain and needs to be either replaced or removed. Upon such determination, the customer will be notified by mail and the customer may elect to purchase another Plaque or relinquish the site. If it is determined that the tree is to be permanently removed for any reason or is destroyed, the plaque will be returned to the customer. If a reasonable attempt to contact the customer fails, the City will proceed with removal.~~
- ~~f. Program Completion: The program will continue until it is determined by the Public Works Department and the City Council to be complete or it begins to negatively impact City resources.~~

Jamie Goldstein
City Manager



420 Capitola Avenue
Capitola, California 95010
Telephone: (831) 475-7300
FAX: (831) 479-8879
Website: <http://www.cityofcapitola.org>

MEMORIAL PROGRAM APPLICATION (04/26/12/10/2016)
(Fees will be evaluated annually and will be included in the City of Capitola fee schedule)

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- Memorial Bench ~~\$1,212~~1026
- Wharf Plaque ~~\$580~~770
- Tree Plaque ~~\$360~~ + Cost of Tree
- Grand Ave. Plaque ~~\$580~~770
- Memorial Picnic Table ~~\$1,526~~

Applicant:

Name: _____

Permanent Address¹: _____

Phone: (H) _____ (W) _____

Email: _____

1st Choice Location: _____

2nd Choice Location: _____

DESIRED MEMORIAL INSCRIPTION: _____

¹The City will maintain Memorial Benches and Plaques for the life of the bench or plaque. The City will determine when it is no longer reasonable to maintain a Memorial Bench or Plaque. Upon such determination, the customer will be notified by mail at the permanent address on this application and at that time the customer may elect to pay to replace the bench or plaque. If after a reasonable attempt to contact the customer fails, the City may dispose of the plaque and the Memorial Plaque or Bench location may become available. Replacement benches and plaques will be charged at City's direct replacement cost.

Attachment: Memorial Program Application 10-2016 redlined (1593 : Memorial Program Amendment)

Applicant

Acknowledgement _____

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PLEASE MAKE CHECK PAYABLE TO: CITY OF CAPITOLA

Staff Use Only:

- Location: Acceptable
- Not Acceptable

Comments: _____

~~CITY COUNCIL~~ Staff ACTION: APPROVED DATE: _____

NOT APPROVED _____

WORK ORDER: ISSUE DATE: _____

COMPLETED DATE: _____

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Attachment: Memorial Program Application 10-2016 redlined (1593 : Memorial Program Amendment)

Revised: ~~04/26/2016~~ 09/14/2016

MEMORIAL PROGRAM LOCATIONS

MEMORIAL BENCH LOCATIONS

<u>Location:</u>	<u># of Benches</u>	<u># of Benches Available</u>
ESPLANADE/VILLAGE	35	FULL
CLIFF DR	6	FULL
PROSPECT AVE:	16	FULL
DEPOT HILL/GRAND AVE	12	FULL
WHARF	41	FULL
JADE STREET PARK	27	22
CORTEZ PARK	7	6
MONTEREY AVE. PARK	6	4
NOBLE GULCH PARK	3	2
RISPIN/PEERY PARK	5	3
SOQUEL CREEK	7	FULL

MCGREGOR PARK

MEMORIAL TREE LOCATION:

~~Existing Tree locations determined by Public Works & Applicant. In some instances as deemed necessary, approval will be by the City Council.~~

~~New Tree locations determined by City Council with recommendation by Public Works dept.~~

WHARF PLAQUE LOCATION ~~(250)~~

~~# OF PLAQUES: 250 # OF PLAQUES AVAILABLE: 400~~

GRAND AVENUE PLAQUE LOCATION

No more than 1 plaque for every ~~20-8~~ feet.

~~# OF PLAQUES: 50 # OF PLAQUES AVAILABLE: 45~~



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Revised: ~~04/26/2010~~ 10/2016

MEMORIAL PROGRAM LOCATIONS

MEMORIAL BENCH LOCATIONS

<u>Location:</u>	<u># of Benches</u>		<u># of Benches Available</u>
ESPLANADE/VILLAGE	35		FULL
CLIFF DR	6		FULL
PROSPECT AVEROTARY PARK:			1618
FULL			
DEPOT HILL CLIFF AVE /GRAND AVE		12	FULL
WHARF	41		FULL
JADE STREET PARK	27		22
CORTEZ PARK	7		6
MONTEREY AVE. PARK	6		4
NOBLE GULCH PARK	3		2
RISPIN /PEERY PARK		5	3
SOQUEL CREEK	7		FULL
MCGREGOR PARK	3		
RISPIN PARK			
DEPOT HILL PARK	3		
RIVERVIEW (HUBBACK)	1		
LAWN WAY	4		
LIBRARY	1		
HIHN PARK	2		
CAPITOLA RD. /WHARF RD.	1		
BEACH AND VILLAGE LOT	1		

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MEMORIAL TREE LOCATION:

~~Existing Tree locations determined by Public Works & Applicant. In some instances as deemed necessary, approval will be by the City Council.~~

~~New Tree locations determined by City Council with recommendation by Public Works dept.~~

Attachment: Memorial Program Availability 10-2016 redlined (1593 : Memorial Program Amendment)

WHARF PLAQUE LOCATION (250)

OF PLAQUES: 250

OF PLAQUES AVAILABLE: ~~400~~0

GRAND AVENUE PLAQUE LOCATION

No more than 1 plaque for every ~~20~~8 feet.

OF PLAQUES: ~~50~~120

OF PLAQUES AVAILABLE: ~~4575~~————