

# City of Capitola Agenda

Mayor: Sam Storey  
Vice Mayor: Dennis Norton  
Council Members: Ed Bottorff  
Stephanie Harlan  
Michael Termini  
Treasurer: Christine McBroom



**REVISED**

## **CAPITOLA CITY COUNCIL REGULAR MEETING**

**THURSDAY, DECEMBER 12, 2013**

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

**CLOSED SESSION – 6:30 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 City Council's Open Session Meeting.*

### **CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)**

Negotiator: Lisa Murphy, Administrative Services Director  
Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Head Group

### **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9)**

Schroedel et al. v. the City of Capitola  
[Santa Cruz Superior Court Case No. CV 175684]

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

*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, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

**2. PRESENTATIONS**

A. Proclamation honoring Ettamae Shaffer, Capitola Historical Museum volunteer.

**3. REPORT ON CLOSED SESSION**

**4. ADDITIONAL MATERIALS**

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

A. 9.A.

DETAILS:

Revised 2013 Capitola Board, Commission & Committee Appointment List.

**5. ADDITIONS AND DELETIONS TO AGENDA**

**6. 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.*

**7. CITY COUNCIL REORGANIZATION**

A. Selection of new Mayor and Vice Mayor.

**8. 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.*

**9. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS**

A. City Council appointments/reappointments of public members to various Boards, Committees and Commissions; and City Council representation on various City and County/Multi-County Boards, Commissions, and Committees.

RECOMMENDED ACTION:

Council determination regarding appointments.

**CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, December 12, 2013**

**10. 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 approving the City Council Minutes of the Special Joint Meeting of the City Council and the Planning Commission held on November 21, 2013; and the Regular City Council Meeting held on November 26, 2013.  
RECOMMENDED ACTION:  
Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of December 5, 2013.  
RECOMMENDED ACTION:  
Receive Minutes.
- C. Consider a Resolution to apply for a Housing-Related Parks Grant to fund improvements to the Rispin property.  
RECOMMENDED ACTION:  
Adopt Resolution.
- D. Consider adopting a Resolution setting the interest rate for Tenant's Security Deposits for 2014 at zero percent (0%), as was set for 2013.  
RECOMMENDED ACTION:  
Adopt Resolution.
- E. Consider a Resolution authorizing MuniServices to examine Measure O sales or transactions and use tax records.  
RECOMMENDED ACTION:  
Adopt Resolution.
- F. Consider authorizing the Police Department to purchase a Cellebrite forensic extraction device, and amend the Fiscal Year 2013-2014 State Supplemental Law Enforcement Services Fund (SLESF) budget to authorize additional expenditures of \$8,100 from the unassigned fund balance.  
RECOMMENDED ACTION:  
Authorize the purchase and budget amendment.
- G. Consider an agreement with California State Association of Counties Excess Insurance Joint Powers Authority (CSAC EIA) for Dental and Vision Benefits; authorize the City Manager to execute the agreement with CSAC EIA; adopt a Resolution delegating authority to the City Manager to execute the Dental Memorandum of Understanding (MOU) with CSAC EIA.  
RECOMMENDED ACTION:  
Authorize the City Manager to execute the CSAC EIA agreement and adopt Resolution.

## CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, December 12, 2013

- H. Consider a Resolution approving the Rate Schedule for the Residential and Commercial Garbage Collection and Recycling in Capitola effective January 1, 2014.  
RECOMMENDED ACTION:  
Adopt Resolution.

### 11. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Consider an Ordinance amending Chapter 15.04 of the Capitola Municipal Code pertaining to Building and Fire Model Codes to become effective January 1, 2014 [1st Reading].  
RECOMMENDED ACTION:  
Introduce Ordinance.
- B. Receive budget update and allocation of fund balance for Fiscal Year 2012/2013.  
RECOMMENDED ACTION:  
Receive update and approve budget amendment.
- C. Consider approving Memorandums of Understanding with the following: (1) Association of Capitola Employees; (2) Capitola Police Captains; (3) Capitola Police Officers Association; (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Head Group.  
RECOMMENDED ACTION:  
Approve Memorandums of Understanding.
- D. Consider a three-year agreement with Wells Fargo Bank to provide for the City's banking services.  
RECOMMENDED ACTION:  
Authorize City Manager and the Finance Director to award contract.
- E. Consider an Ordinance amending Chapter 2.44 of the Capitola Municipal Code pertaining to the Personnel System [1st Reading].  
RECOMMENDED ACTION:  
Introduce Ordinance.

### 12. ADJOURNMENT

Adjourn to the next Regular Meeting of the City Council on Thursday, January 9, 2014, at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

**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 - Thursday, December 12, 2013**

**Notice regarding City Council:** The Capitola 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 on the Internet at the City's website: [www.ci.capitola.ca.us](http://www.ci.capitola.ca.us). Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

**Agenda Document Review:** The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. 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 replayed at 12:00 Noon on the Saturday following the meetings 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.ci.capitola.ca.us](http://www.ci.capitola.ca.us) by clicking on the Home Page link "**View Capitola Meeting Live On-Line.**" Archived meetings can be viewed from the website at anytime.

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# City of Capitola Mayor's Proclamation

In Recognition and Appreciation to  
Ettamae Shaffer  
for Service to the Citizens of Capitola  
July 1996 through October 2013

*WHEREAS, long-time Santa Cruz County resident, Ettamae Shaffer, has served over seventeen years as a Capitola Historical Museum docent; and*

*WHEREAS, Ettamae Shaffer enriched the museum's collection with personal historical artifacts and regular contributions; and*

*WHEREAS, Ettamae Shaffer, an ever-faithful docent to the museum, has spent hundreds of hours each year welcoming visitors; and*

*WHEREAS, Ettamae Shaffer frequently made helpful suggestions on how to improve the museum reception area and enhance the visitor and docent experience; and*

*WHEREAS, Ettamae Shaffer was the museum docent who had her own personal key to the museum, and*

*WHEREAS, Ettamae Shaffer established trust in her duty to become the only museum volunteer with a permanent placeholder in the museum's volunteer schedule; and*

*WHEREAS, Ettamae Shaffer became a good friend and Friday afternoon companion of Museum Director, Carolyn Swift;*

*WHEREAS, Ettamae Shaffer dutifully drove herself to each and every Friday afternoon museum shift in her immaculate, forest green, 1993 Chrysler LeBaron convertible.*

*NOW, THEREFORE, I, Stephanie Harlan, Mayor for the City of Capitola, on behalf of the entire City Council, do hereby acknowledge and extend our deepest appreciation to Ettamae Shaffer for seventeen years of service to the community as a Capitola Historical Museum volunteer.*

*Stephanie Harlan*

Stephanie Harlan, Mayor

Signed and sealed this 12<sup>th</sup> day of December 2013

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**REVISED** 2013 CAPITOLA BOARD, COMMISSION & COMMITTEE  
APPOINTMENT LIST

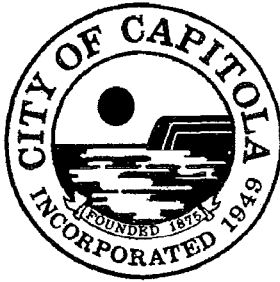
Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p><b>Architectural and Site Review Committee ▲ ■</b> Staff: Katie Cattan, Senior Planner Steve Jesberg, Public Works Dir Mark Wheeler, Building Official</p> <p><u>Meets:</u> 2<sup>nd</sup> &amp; 4<sup>th</sup> Wednesday of each month at 3:30 p.m. in the City Hall Council Chambers</p> <p>Mayoral Appointment</p>	<ul style="list-style-type: none"> <li>• Derek Van Alstine</li> <li>• Frank Phanton</li> <li>• <b>Vacant</b></li> <li>• Carolyn Swift</li> </ul>	<ul style="list-style-type: none"> <li>• Architect</li> <li>• Architect (<i>Alternate</i>)</li> <li>• Landscape Architect</li> <li>• Historian</li> </ul>
<p><b>Art &amp; Cultural Commission ▲</b> Staff: Kelly Sue Barreto, Administrative Assistant Lisa Murphy, Administrative Services Director</p> <p><u>Meets:</u> 2<sup>nd</sup> Tuesday of each month at 6:30 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<ul style="list-style-type: none"> <li>• Michael Termini</li> <li>• Linda Smith</li> <li>• Kim Hogan</li> <li>• Roy Johnson</li> <li>• Nathan Cross</li> <li>• David Kraemer</li> <li>• Joyce Murphy</li> <li>• Jenny Shelton</li> <li>• James Wallace</li> </ul>	<ul style="list-style-type: none"> <li>• Council Rep</li> <li>• Planning Commission Rep</li> <li>• Artist</li> <li>• Arts Professional</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> </ul>
<p><b>Commission on the Environment</b> Staff: Community Dev Director Grunow</p> <p><u>Meets:</u> A minimum of 4 times a year as needed on the 4<sup>th</sup> Tuesday of a month at 6:00 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<p><b>Five Vacancies</b></p>	<ul style="list-style-type: none"> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> </ul>
<p><b>Finance Advisory Committee</b> Staff: Tori Hannah, Finance Director</p> <p><u>Meets:</u> 3<sup>rd</sup> Tuesday of every other month at 6:00 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<ul style="list-style-type: none"> <li>• Michael Termini</li> <li>• Sam Storey</li> <li>• Christine McBroom</li> <li>• Nathan Cross</li> <li>• <b>Vacant</b></li> <li>• Will O’Sullivan</li> <li>• Gary Snelson</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor Appt</li> <li>• Vice Mayor</li> <li>• City Treasurer</li> <li>• Norton, Appt</li> <li>• Business Rep</li> <li>• Harlan Appt</li> <li>• Bottorff Appt</li> </ul>

Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p><b>Historical Museum Board</b> Staff: Carolyn Swift, Museum Coordinator</p> <p><i>Meets: 1<sup>st</sup> Thursday of each month at 5:30 p.m. in the Museum</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Alistair “Bob” Anderson</li> <li>• Stephanie Kirby</li> <li>• Niels Kisling</li> <li>• Thomas McGranahan</li> <li>• David Shoaf</li> <li>• Linda Smith</li> <li>• Gordon van Zuiden</li> </ul>	<p>All appointments to the Historical Museum Board are at large.</p>
<p><b>Planning Commission ▲ ■</b> Staff: Katie Cattan, Senior Planner</p> <p><i>Meets: 1<sup>st</sup> Thursday of each month at 7:00 p.m. in the City Hall Council Chambers</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Ron Graves</li> <li>• Gayle Ortiz</li> <li>• Mick Routh</li> <li>• Linda Smith</li> <li>• TJ Welch</li> </ul>	<ul style="list-style-type: none"> <li>• Harlan Appt</li> <li>• Norton Appt</li> <li>• Storey Appt</li> <li>• Termini Appt</li> <li>• Bottorff Appt</li> </ul>
<p><b>Traffic &amp; Parking Commission</b> Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: 2<sup>nd</sup> Wednesday of every other month at 6:30 p.m. in the City Hall Council Chambers</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Margaret Kinstler</li> <li>• James Ross</li> <li>• Carin Hanna</li> <li>• Gary Wetsel</li>   <li>• Linda Hanson</li> <li>• Vicki Muse</li> <li>• John Martorella</li> <li>• Molly Ording</li> <li>• Nels Westman</li> <li>• Ron Graves</li> </ul>	<ul style="list-style-type: none"> <li>• Village Resident</li> <li>• Village Resident</li> <li>• Village Business Owner</li> <li>• Village Business Owner</li>   <li>• Norton Appt</li> <li>• Harlan Appt</li> <li>• Bottorff Appt</li> <li>• Storey Appt</li> <li>• Termini Appt</li> <li>• Planning Commission Rep</li> </ul>
<p><b>Wharf Working Group</b> Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: As needed on the 4<sup>th</sup> Tuesday of a month at 12 p.m. in the Wharf House Restaurant</i></p>	<ul style="list-style-type: none"> <li>• Dennis Norton</li> <li>• Michael Termini</li> <li>• Jamie Goldstein</li> <li>• John and Sally Ealy</li> <li>• Willie Case</li> </ul>	<ul style="list-style-type: none"> <li>• Council Rep</li> <li>• Council Rep</li> <li>• City Manager</li> <li>• Capitola Boat &amp; Bait</li> <li>• Wharf House Restaurant</li> </ul>

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

Revised: 12/06 ss



## CITY COUNCIL AGENDA REPORT

**SPECIAL MEETING OF DECEMBER 12, 2013**

FROM: CITY CLERK'S OFFICE

SUBJECT: CITY COUNCIL CONSIDERATION OF REORGANIZATION SELECTION OF  
MAYOR AND VICE MAYOR

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**RECOMMENDED ACTION:** That City Council considers a new Mayor and Mayor Pro Tempore.

**BACKGROUND:** Pursuant to Capitola Municipal Code Section 2.04.150, "At a regular meeting which falls approximately one year after the last general municipal election, the city council shall consider choosing a new mayor and a new mayor pro tempore. Any city council member is eligible for either of those two positions. Government Code Section 36802 reads as follows: "The mayor shall preside at the meetings of the council. If he or she is absent or unable to act, the mayor pro tempore shall serve until the mayor returns or is able to act. The mayor pro tempore has all of the powers and duties of the mayor".

**DISCUSSION:** This matter is before the City Council to determine if it is the desire of the Council to reorganize at this time. If so, a new Mayor should be selected. The newly selected Mayor will then preside over the remainder of the meeting and call for nominations for Vice Mayor. A new Vice Mayor should be selected.

**FISCAL IMPACT:** None

**ATTACHMENTS:** None

**Report Prepared By:** Susan Sneddon, CMC  
City Clerk

**Reviewed and Forwarded  
By City Manager** 

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## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: CITY CLERK'S OFFICE  
SUBJECT: CITY COUNCIL APPOINTMENTS/RE-APPOINTMENTS OF PUBLIC MEMBERS TO VARIOUS BOARDS, COMMITTEES AND COMMISSIONS; AND CITY COUNCIL REPRESENTATION ON VARIOUS CITY AND COUNTY/MULTI-COUNTY BOARDS, COMMISSIONS, AND COMMITTEES

**RECOMMENDED ACTION:** City Council to provide the following: (1) Appointments to the City's Finance Advisory Committee; (2) Appointments to the Commission on the Environment; (3) Consider the re-establishment and initiation of recruitment for the Library Ad Hoc Committee; (4) Appointments to the various County and Multi-County Boards, Commissions and Committees; and (5) Consider nominating a staff member for the City-representative vacancy on the Santa Cruz County Hazardous Materials Advisory Commission.

**BACKGROUND:** Each year in December it is customary for the City Council to review its appointments to City Boards, Commissions and Committees (City Advisory Bodies), as well as appointments to other County and County and Multi-County Boards, Commissions and Committees (County Advisory Bodies). This provides an opportunity for Council Members to step down from representing the City on certain committees, and request appointment of another Council Member representative.

**DISCUSSION:** Attached is a worksheet showing membership on City and County Advisory Bodies [Attachment 1]. Also attached are the "2013 Capitola Board, Commission & Committee Appointment List" [Attachment 2], and the "2013 County/Multi-County Boards Capitola Representatives List" [Attachment 3].

It is important to note that individual Council Member appointments can be made without an application from the person they wish to appoint. Communication was made with the current members to see if they would be interested in continuing to serve.

**CITY BOARDS, COMMISSIONS AND COMMITTEES REQUIRING ACTION:**

The following City Advisory Bodies that require appointments or re-appointments are the **Finance Advisory Committee** and the **Commission on the Environment**. Note that appointments to the City's Art and Cultural Commission were made at the November 26, 2013, City Council meeting. See the attached worksheet showing those members that are requesting re-appointment, and a list of new applicants [Attachment 1].

**Finance Advisory Committee (FAC):** Recruitment was conducted from October 16, 2013, through November 22, 2013. The Capitola-Soquel Chamber of Commerce is recommending Joyce Murphy for appointment to fill the FAC Business Representative vacancy. Attached is the Chamber's letter of recommendation, the current FAC Roster, and Ms. Murphy's application [Attachment 4].

**Commission on the Environment (COE):** At the October 24, 2013, City Council meeting, Resolution No. 3967 was adopted repealing Resolution No. 3424, and re-establishing the COE [Attachment 5]. The COE membership shall be comprised of five members, consisting of one City Council member and one appointee from each of the remaining four City Council members. Recruitment for the COE was conducted from October 25, 2013, through November 22, 2013. See the attached worksheet showing a list of applicants [Attachment 1]. Also attached is COE's previous Roster and new applicants [Attachment 6].

**CITY BOARDS, COMMISSIONS AND COMMITTEES NOT REQUIRING ACTION:**

The following City Advisory Bodies do not require appointments because the members' terms are not expiring the end of this year:

- **Historical Museum Board**
- **Planning Commission**
- **Traffic & Parking Commission**

**Item #: 9.A. Staff Report.pdf** COUNCIL REPRESENTATION/APPOINTMENTS

Recently there became a vacancy on the **Architectural & Site Review Commission** for a Landscape Architect. Recruitment was initiated on November 19, 2013. No applications have been received to date. Staff will continue to recruit for this vacancy with a term ending April 1, 2015.

Staff recommends that the City Council consider the re-establishment and initiation of recruitment for the **City's Library Ad Hoc Committee** as planning for the new Capitola Library will begin in 2014. This Committee was established in January 2010, and was commissioned to consider various aspects of a new, permanent Capitola Branch Library, including building location on site, parking, review and discussion of other civic uses or accommodations for the proposed structure, outdoor space and suggestions, potential funding sources, and scheduling. Attached is the Committee's 2012 Roster [Attachment 7].

**COUNTY/MULTI-COUNTY BOARDS, COMMISSIONS AND COMMITTEES REQUIRING ACTION:**

The following County Advisory Bodies are to be reviewed for the consideration of making appointments:

- **Santa Cruz County Children's Network (alternate representative vacancy)**
- **Santa Cruz County Flood Control & Water Conservation District, Zone 5**
- **Santa Cruz County Hazardous Materials Advisory Commission\***
- **Santa Cruz County Regional Transportation Commission (SCRTC)**

\*Staff initiated recruitment to fill a vacancy for a City representative on the Santa Cruz County Hazardous Materials Advisory Commission beginning on September 9, 2013. No applications were received so staff is suggesting the City Council could nominate a staff member to fill the vacancy. Based on the Commission's responsibilities, Public Works Director Steve Jesberg would be a logical choice for nomination. The cities of Santa Cruz, Watsonville, and Scotts Valley have appointed staff members as City representatives on this Commission. The meetings occur on the fourth Wednesday of every other month at 9:00 a.m. and are held at Central Fire Protection District's Administration Office located on 17th Avenue in Santa Cruz.

**COUNTY/MULTI-COUNTY BOARDS, COMMISSIONS AND COMMITTEES NOT REQUIRING ACTION:**

The following County Advisory Bodies do not expire this year, therefore no appointments of Council Members are needed at this time unless Council Members want to step down, otherwise the terms are not expiring the end of this year:

- **AMBAG (Association of Monterey Bay Area Governments)**
- **Capitola Public Safety & Community Service Foundation**
- **Criminal Justice Council of Santa Cruz County**
- **Cultural Council of Santa Cruz**
- **Santa Cruz County Library Financing Authority**
- **Santa Cruz County Library Joint Powers Board**
- **Santa Cruz County Integrated Waste Management Local Task Force**
- **Santa Cruz County Sanctuary Inter-Agency Task Force**
- **Santa Cruz County Sanitation District**

**ATTACHMENTS:**

1. Draft 2014 City and County Bodies Worksheet;
2. 2013 Capitola Board, Commission & Committee Appointment List;
3. 2013 County/Multi-County Boards Capitola Representatives List;
4. FAC applications, Chamber's Letter of Recommendation, and Roster;
5. COE Re-establishment Resolution No. 3967;
6. COE applications, and Roster;
7. 2012 Library Ad Hoc Committee Roster

**Report Prepared By:** Susan Sneddon, CMC  
City Clerk

**Reviewed and Forwarded**  
**By City Manager:** 

## 2014 City Board, Commission & Committee Appointment List

NAME OF BOARD/COMMISSION/ COMMITTEE – MEETING INFORMATION	INCUMBENTS/NEW APPLICANTS	APPOINTEE
<p><b>Commission on the Environment</b></p> <p><u>Staff:</u> Rich Grunow, Community Development Director</p> <p><i>Meets: A minimum of 4 times a year as needed on the 4<sup>th</sup> Tuesday of a month at 6:00 p.m. in the City Hall Council Chambers</i></p> <p><b>Council Appointment</b></p>	<p><b>The following former members re-applied:</b></p> <p>Elisabeth Russell Kristin Sullivan</p> <p><b>New applications received:</b></p> <p>Bruce Arthur Amie Forest</p>	<p>_____ (Council Member Appt)            _____ (Council Member Appt)            _____ (Council Member Appt)            _____ (Council Member Appt)            _____ (Council Member)</p>
<p><b>Finance Advisory Committee</b></p> <p><u>Staff:</u> Tori Hannah, Finance Director</p> <p><i>Meets: 3<sup>rd</sup> Tuesday of every other month at 6:00 p.m. in the City Hall Council Chambers</i></p> <p><b>(1) Mayor or Vice Mayor will serve and (1) Council Appointment.</b></p>	<p><b>The following incumbents with terms expiring re-applied:</b></p> <p>Nathan Cross (Norton Appt) Will O'Sullivan (Harlan Appt) Gary Snelson (Bottorff's Appt)</p> <p><b>New applications received:</b></p> <p>Joyce Murphy (Business Rep.)</p>	<p>_____ (Council Member Appt)            _____ (Council Member Appt)            _____ (Council Member Appt)</p> <p>_____ (Business Rep)  <u>Christine McBroom</u> (City Treasurer)            _____ (Mayor appointee)            _____ (Vice Mayor or appointee)</p>
<p><b>Wharf Working Group</b></p> <p><u>Staff:</u> Steve Jesberg, Public Works Director</p> <p><i>Meets: As needed on the 4<sup>th</sup> Tuesday of a month at 12 p.m. in the Wharf House Restaurant</i></p>	<p>Dennis Norton (Council Rep) Michael Termini (Council Rep) Jamie Goldstein (City Manager) John and Sally Ealy (Capitola Boat &amp; Bait) Willie Case (Wharf House Restaurant)</p>	<p>Dennis Norton (Council Rep) Michael Termini (Council Rep) Jamie Goldstein (City Manager) John and Sally Ealy (Capitola Boat &amp; Bait) Willie Case (Wharf House Restaurant)</p>

## 2014 County Board, Commission & Committee Appointment List

<b>Association of Monterey Bay Area Governments (AMBAG)</b>	Ed Bottorff (Rep) Dennis Norton (Alternate)	No action is needed at this time unless Council Member wants to step down
<b>Capitola Public Safety &amp; Community Service Foundation</b>	Council Member Termini (Rep)	No action is needed at this time unless Council Member wants to step down
<b>Criminal Justice Council of Santa Cruz County</b>	Michael Termini (Rep) Jamie Goldstein (Rep)	No action is needed at this time unless Council Member or City Manager steps down
<b>Cultural Council of Santa Cruz County</b>	Dennis Norton	No action is needed at this time unless Council Member wants to step down
<b>Santa Cruz County Children's Network</b>	Council Member Storey (Rep) VACANCY (Alternate Rep)	Council Member Storey (Council Rep) Council Member _____ (Council Rep)
<b>Santa Cruz County Flood Control &amp; Water Conservation District, Zone 5</b>	Council Member Norton (Rep) Council Member Bottorff (Alternate Rep)	Appoint/reappoint Council Member Representative and Alternate.
<b>Santa Cruz County Hazardous Materials Advisory Commission</b>	VACANCY Applicant must be a resident of Santa Cruz County	Appoint to fill a <b>vacancy</b> that expires on 4/1/2015
<b>Santa Cruz County Library Financing Authority</b>	Michael Termini (Rep) Sam Storey (Alternate Rep)	No action is needed at this time unless Council Member wants to step down.
<b>Santa Cruz County Library Joint Powers Board</b>	Michael Termini	No action is needed at this time unless Council Member wants to step down.
<b>Santa Cruz County Integrated Waste Management Local Task Force</b>	Administration Services Director Murphy (Rep) Council Member Harlan (Alternate Rep)	No action is needed at this time unless Council Member wants to step down.
<b>Santa Cruz County Regional Transportation Commission (SCRTC)</b>	Council Member Norton (Rep) Council Member Termini (Alternate Rep)	Appoint/reappoint Council Member Representative and Council Member Alternate.
<b>Santa Cruz County Sanctuary InterAgency Task Force</b>	Council Member Harlan (Rep)	No action is needed at this time unless Council Member wants to step down.
<b>Santa Cruz County Sanitation District</b>	Council Member Harlan (Rep) Council Member Storey (Alternate Rep)	No action is needed at this time unless Council Member wants to step down.

2013 CAPITOLA BOARD, COMMISSION & COMMITTEE  
APPOINTMENT LIST

Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p><b>Architectural and Site Review Committee ▲ ■</b> Staff: Katie Cattan, Senior Planner Steve Jesberg, Public Works Dir Mark Wheeler, Building Official</p> <p><u>Meets:</u> 2<sup>nd</sup> &amp; 4<sup>th</sup> Wednesday of each month at 3:30 p.m. in the City Hall Council Chambers</p> <p>Mayoral Appointment</p>	<ul style="list-style-type: none"> <li>• Derek Van Alstine</li> <li>• Frank Phanton</li> <li>• <b>Vacant</b></li> <li>• Carolyn Swift</li> </ul>	<ul style="list-style-type: none"> <li>• Architect</li> <li>• Architect (<i>Alternate</i>)</li> <li>• Landscape Architect</li> <li>• Historian</li> </ul>
<p><b>Art &amp; Cultural Commission ▲</b> Staff: Kelly Sue Barreto, Administrative Assistant Lisa Murphy, Administrative Services Director</p> <p><u>Meets:</u> 2<sup>nd</sup> Tuesday of each month at 6:30 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<ul style="list-style-type: none"> <li>• Michael Termini</li> <li>• Linda Smith</li> <li>• Kim Hogan</li> <li>• Roy Johnson</li> <li>• Nathan Cross</li> <li>• David Kraemer</li> <li>• Joyce Murphy</li> <li>• Jenny Shelton</li> <li>• James Wallace</li> </ul>	<ul style="list-style-type: none"> <li>• Council Rep</li> <li>• Planning Commission Rep</li> <li>• Artist</li> <li>• Arts Professional</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> <li>• At Large Member</li> </ul>
<p><b>Commission on the Environment</b> Staff: Community Dev Director Grunow</p> <p><u>Meets:</u> A minimum of 4 times a year as needed on the 4<sup>th</sup> Tuesday of a month at 6:00 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<p style="text-align: center;"><b>Five Vacancies</b></p>	<ul style="list-style-type: none"> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> <li>• (Council Member Appt)</li> </ul>
<p><b>Finance Advisory Committee</b> Staff: Tori Hannah, Finance Director</p> <p><u>Meets:</u> 3<sup>rd</sup> Tuesday of every other month at 6:00 p.m. in the City Hall Council Chambers</p> <p>Council Appointment</p>	<ul style="list-style-type: none"> <li>• Michael Termini</li> <li>• Sam Storey</li> <li>• Christine McBroom</li> <li>• Nathan Cross</li> <li>• <b>Vacant</b></li> <li>• Will O'Sullivan</li> <li>• Gary Snelson</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor Appt</li> <li>• Vice Mayor</li> <li>• City Treasurer</li> <li>• Norton, Appt</li> <li>• Business Rep</li> <li>• Harlan Appt</li> <li>• Bottorff Appt</li> </ul>

Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p><b>Historical Museum Board</b> Staff: Carolyn Swift, Museum Coordinator</p> <p><i>Meets: 1<sup>st</sup> Thursday of each month at 5:30 p.m. in the Museum</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Alistair “Bob” Anderson</li> <li>• Stephanie Kirby</li> <li>• Niels Kisling</li> <li>• Thomas McGranahan</li> <li>• David Shoaf</li> <li>• Linda Smith</li> <li>• Gordon van Zuiden</li> </ul>	<p>All appointments to the Historical Museum Board are at large.</p>
<p><b>Planning Commission ▲ ■</b> Staff: Katie Cattan, Senior Planner</p> <p><i>Meets: 1<sup>st</sup> Thursday of each month at 7:00 p.m. in the City Hall Council Chambers</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Ron Graves</li> <li>• Gayle Ortiz</li> <li>• Mick Routh</li> <li>• Linda Smith</li> <li>• TJ Welch</li> </ul>	<ul style="list-style-type: none"> <li>• Harlan Appt</li> <li>• Norton Appt</li> <li>• Storey Appt</li> <li>• Termini Appt</li> <li>• Bottorff Appt</li> </ul>
<p><b>Traffic &amp; Parking Commission</b> Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: 2<sup>nd</sup> Wednesday of every other month at 6:30 p.m. in the City Hall Council Chambers</i></p> <p><i>Council Appointment</i></p>	<ul style="list-style-type: none"> <li>• Margaret Kinstler</li> <li>• James Ross</li> <li>• Carin Hanna</li> <li>• Gary Wetsel</li> <li>• Linda Hanson</li> <li>• Vicki Muse</li> <li>• John Martorella</li> <li>• Molly Ording</li> <li>• Nels Westman</li> <li>• Ron Graves</li> </ul>	<ul style="list-style-type: none"> <li>• Village Resident</li> <li>• Village Resident</li> <li>• Village Business Owner</li> <li>• Village Business Owner</li> <li>• Norton Appt</li> <li>• Harlan Appt</li> <li>• Bottorff Appt</li> <li>• Storey Appt</li> <li>• Termini Appt</li> <li>• Planning Commission Rep</li> </ul>
<p><b>Wharf Working Group</b> Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: As needed on the 4<sup>th</sup> Tuesday of a month at 12 p.m. in the Wharf House Restaurant</i></p>	<ul style="list-style-type: none"> <li>• Dennis Norton</li> <li>• Michael Termini</li> <li>• Jamie Goldstein</li> <li>• John and Sally Ealy</li> <li>• Willie Case</li> </ul>	<ul style="list-style-type: none"> <li>• Council Rep</li> <li>• Council Rep</li> <li>• City Manager</li> <li>• Capitola Boat &amp; Bait</li> <li>• Wharf House Restaurant</li> </ul>

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

Revised: 12/02 ss

**2013 COUNTY/MULTI-COUNTY BOARDS  
CAPITOLA REPRESENTATIVES LIST**

Name of Board – Meeting Information	Capitola Representative(s)
<p>Advisory Council of the Area Agency on Aging - Seniors Council of Santa Cruz &amp; San Benito Counties <i>(Meets: 2<sup>nd</sup> Wednesday of each month except for August and December, from 10:00 a.m. to 12:00 Noon at 234 Santa Cruz Avenue, Aptos)</i></p>	<ul style="list-style-type: none"> <li>• Al Carlson</li> <li>• Stephanie Harlan <i>(Alternate)</i></li> </ul>
<p>Association of Monterey Bay Area Governments (AMBAG) ▲ <i>(Meets: 2<sup>nd</sup> Wednesday of each month at 7:00 p.m. at various locations)</i></p>	<ul style="list-style-type: none"> <li>• Ed Bottorff</li> <li>• Dennis Norton <i>(Alternate)</i></li> </ul>
<p>Capitola Public Safety &amp; Community Service Foundation <i>(Meets: Meet every 3rd Tuesday at 5:00 p.m. in the Council Chambers)</i></p>	<ul style="list-style-type: none"> <li>• Mike Termini <i>(Representative)</i></li> </ul>
<p>Community Action Board of Santa Cruz County <i>(Meets: 3<sup>rd</sup> Wednesday of each month at 6:15 p.m.)</i></p>	<ul style="list-style-type: none"> <li>• Cynthia Finley</li> <li>• George Winslow <i>(Alternate)</i></li> </ul>
<p>Community Television of Santa Cruz County Board of Directors <i>(Meets: 4<sup>th</sup> Thursday of the month, 6 times per year, at 6 or 6:30 p.m. at Community Television Offices, 816 Pacific Avenue, Santa Cruz)</i></p>	<ul style="list-style-type: none"> <li>• Doree Steinmann <i>(Term expires 11/2016)</i></li> </ul>
<p>Criminal Justice Council of Santa Cruz County <i>(Meets: Quarterly, starting February 7, 2013 at 3:00 p.m. at 2701 Cabrillo College Drive, Aptos)</i></p>	<ul style="list-style-type: none"> <li>• Jamie Goldstein</li> <li>• Michael Termini</li> </ul>
<p>Cultural Council of Santa Cruz County <i>(Meets: 3<sup>rd</sup> Thursday of every other month from 3:30 to 5:00 p.m. at various locations)</i></p>	<ul style="list-style-type: none"> <li>• Dennis Norton</li> </ul>
<p>LAFCO (Local Agency Formation Commission) ▲ <i>(Meets: 1<sup>st</sup> Wednesday of each month except for July, at 9:30 a.m. in the County Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz)</i></p>	<ul style="list-style-type: none"> <li>• Ed Bottorff ♦ <i>(Appointed on 1/30/13 by City Selection Committee. Term expires 5/6/2014.)</i></li> </ul>
<p>League of California Cities <i>(Meets: Monterey Bay Division meets on the 1<sup>st</sup> Monday of every other month at 7 p.m. at various locations. Dinner meetings)</i></p>	<p>Open to All Council Members</p>
<p>Monterey Bay Unified Air Pollution Control District ▲ <i>(Meets: 3<sup>rd</sup> Wednesday of each month at 1:30 p.m. at the District Office: 24580 Silver Cloud Ct., Monterey)</i></p>	<ul style="list-style-type: none"> <li>• Sam Storey ♦ <i>(Appointed on 1/30/13 by the City Selection Committee. Term expires 12/31/2015.)</i></li> </ul>



Name of Board/Commission/Committee	Capitola Representative(s)
Santa Cruz County Children's Network (Meets five times a year at noon in the County Office of Education)	<ul style="list-style-type: none"> <li>• Sam Storey (Representative)</li> <li>• _____ (Alternate)</li> </ul>
Santa Cruz County Conference & Visitors Council (Meets: Last Wednesday at 3:00 p.m. every other month except for November when meeting is TBD, at Goodwill Industries, 350 Encinal Street, Santa Cruz)	<ul style="list-style-type: none"> <li>• None needed</li> </ul> <p>Selection Committee approved the appointment of Vice Mayor Reed (Scotts Valley) to serve as the city rep for a two year term (1/1/13-12/31/14).</p>
Santa Cruz County Flood Control & Water Conservation District, Zone 5 (Meets: Quarterly on the 4 <sup>th</sup> Tuesday at 10 a.m. in the County Board of Supervisors Chambers, 701 Ocean Street)	<ul style="list-style-type: none"> <li>• Dennis Norton (Representative) ♦</li> <li>• Ed Bottorff (Alternate) ♦</li> </ul>
Santa Cruz County Hazardous Materials Advisory Commission (Meets: 4th Wednesday of every other month at 9 a.m. at Central Fire District Headquarters, 930 17 <sup>th</sup> Avenue)	<ul style="list-style-type: none"> <li>• Vacant</li> </ul> <p>(Term expires 4/1/2015.)</p>
Santa Cruz County Library Financing Authority (Meets twice yearly in January and June Main Library)	<ul style="list-style-type: none"> <li>• Michael Termini ♦</li> <li>• Sam Storey (Alternate)</li> </ul>
Santa Cruz County Library Joint Powers Board ▲ (Meets: 1 <sup>st</sup> Monday of each month at 7:30 p.m. at the Main Library Community Room)	<ul style="list-style-type: none"> <li>• Michael Termini ♦</li> </ul>
Santa Cruz County Integrated Waste Management Local Task Force (Meets four times per year)	<ul style="list-style-type: none"> <li>• Lisa Murphy (Representative)</li> <li>• Stephanie Harlan (Alternate)</li> </ul>
Santa Cruz County Regional Transportation Commission (SCCRTC) ▲ ■ (Meets: 1 <sup>st</sup> Thursday of each month except for July, at 9 a.m. at various locations)	<ul style="list-style-type: none"> <li>• Dennis Norton (Representative) ♦</li> <li>• Michael Termini (Alternate) ♦</li> </ul>
Santa Cruz County Sanctuary Inter-Agency Task Force (Meets quarterly)	<ul style="list-style-type: none"> <li>• Stephanie Harlan (Representative)</li> </ul>
Santa Cruz County Sanitation District ▲ (Meets: 1 <sup>st</sup> & 3 <sup>rd</sup> Thursday of each month at 4:45 p.m. at the East Cliff Pumping Station on Lode St., Santa Cruz)	<ul style="list-style-type: none"> <li>• Stephanie Harlan (Representative) ♦</li> <li>• Sam Storey (Alternate) ♦</li> </ul>
Santa Cruz County Workforce Investment Board	The City Manager generally serves on this Board.
Santa Cruz Metropolitan Transit District Board ▲ ■ (Meets: 3 <sup>rd</sup> Friday of each month at 8:15 a.m. at Santa Cruz City Hall Council Chambers, 809 Center Street and other locations)	<ul style="list-style-type: none"> <li>• Ron Graves (Representative)</li> </ul> <p>(Term expires 12/31/2014.)</p>
Santa Cruz Regional 911 Board ▲	<ul style="list-style-type: none"> <li>• Jamie Goldstein (Representative)</li> </ul>

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

♦ = Council Member appointment required

Revised: 11/14 ss





CITY OF CAPITOLA  
 420 Capitola Avenue  
 Capitola, Ca 95010  
 (831) 475-7300  
 FAX (831) 479-8879

## Capitola Finance Advisory Committee Current Members

Name	Appointee	Street Address	Contact	Date Appointed	Term Expires
Michael Termini	Mayor Harlan	503 Oak Drive Capitola, CA 95010	(C) 831-476-6206 <a href="mailto:michael@triadelectric.com">michael@triadelectric.com</a>	1/10/13 12/8/11 12/9/10 1/18/07 12/9/04	12/31/14
Sam Storey, Vice Mayor		705 Escalona Drive Capitola, CA 95010	(C) 831- 239-9396 <a href="mailto:samforcapitola@att.net">samforcapitola@att.net</a>	1/10/13	12/31/14
Christine McBroom, Treasurer		627 Gilroy Drive Capitola, CA 95010	(W) 831-476-7300 (C) 831-247-7285 <a href="mailto:cmcbroom@lanaifinancialsolutions.com">cmcbroom@lanaifinancialsolutions.com</a>	9/12/13 1/10/13 12/9/10 7/23/09	12/31/16
Nathan Cross	Norton	620 Gilroy Drive Capitola, CA 95010	(H) 831-462-4137 (C) 831-212-9388 <a href="mailto:4xross@gmail.com">4xross@gmail.com</a>	1/10/13 12/8/11	12/31/13
Will O'Sullivan	Mayor Harlan	201 Cortz Street Capitola, CA 95010	(H) 831-476-3231 (W) 831-423-2003 ext. 105 <a href="mailto:wocrs@hotmail.com">wocrs@hotmail.com</a>	1/10/13 11/22/11	12/31/13
Gary Snelson	Bottorff	1605 38th Avenue Capitola, CA 95010	(H) 831-476-8298 (C) 909-223-9164 <a href="mailto:PapaGary@Baymoon.com">PapaGary@Baymoon.com</a>	1/10/13	12/31/13
Vacant, Business Representative					12/31/13

**Staff Representative:**

Tori Hannah, Finance Director  
 831-475-7300 ext. 224  
[thannah@ci.capitola.ca.us](mailto:thannah@ci.capitola.ca.us)

Revised: 09/13 md



NOV 21 2013  
CITY OF CAPITOLA  
CITY CLERK  
BOARDS AND COMMISSIONS APPLICATION

# CITY of CAPITOLA

## BOARDS AND COMMISSIONS APPLICATION

Citizens are encouraged to serve on the various City Boards, Committees, and Commissions. Appointments are made at a public City Council meeting.

Application for:

- Art & Cultural Commission  
*[Artist; Arts Professional; At Large Member]*  
*Please underline category above.*
- Finance Advisory Committee  
*[Business Representative; At Large Member]*  
*Please underline category above.*
- Historical Museum Board
- Architect & Site Committee  
*[Architect; Landscape Architect; Historian]*  
*Please underline category above.*
- Traffic & Parking Commission  
*[Village Resident; Village Business Owner; At Large Member]*  
*Please underline category above.*
- Planning Commission
- Other Committee \_\_\_\_\_

Name: MURPHY Joyce E  
Last First M.I.

Telephone: 831 475 2950 476 3855 430 6383  
Home Business Cell

E-mail Address: pacificgallery@sbcglobal.net

Physical Address of Residence: 540 RIVERVIEW DR, CAPITOLA CA 95010

Mailing Address: " " "

Business Address: 321 CAPITOLA AVE, CAPITOLA

Occupation: SHIP OWNER

Are you a resident of the City of Capitola? Yes  No

Describe your qualifications and interest in serving on this Board/Commission/Committee:  
I AM A LOCAL BUSINESS OWNER FOR THE PAST THIRTY YEARS  
AND WOULD LIKE TO BRING MY EXPERTISE TO THE COMMITTEE  
LOOKING FORWARD TO LEARNING MORE ABOUT HOW THE  
CITY SPENDS ITS MONEY

(Use additional paper, if necessary)

**Please Note:** Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

11/21/2013  
Date

J. Murphy  
Signature of Applicant

Mail or Deliver Application to:  
Capitola City Hall  
Attn: City Clerk

420 Capitola Avenue, Capitola, CA 95010

For questions please call the City Clerk at (831) 475-7300



716-G Capitola Avenue  
Capitola, CA 95010  
Phone: (831) 475-6522  
Fax: (831) 475-6530

capitola soquel  
CHAMBER OF COMMERCE

November 21, 2013

City of Capitola  
Su Snedden  
420 Capitola Avenue  
Capitola, Ca. 95010

Hello Su:

The Capitola-Soquel Chamber of Commerce would like to endorse Joyce Murphy from Pacific Gallery & Framing as the business representative to serve on the City of Capitola's Finance Advisory Committee.

Joyce has been a long time Business Owner in Capitola Village and will offer her expertise to the committee.

Thank you!

  
Toni Castro  
Chief Executive Officer

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## RESOLUTION NO. 3967

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
REPEALING RESOLUTION NO. 3424 AND RE-ESTABLISHING  
THE COMMISSION ON THE ENVIRONMENT**

**WHEREAS**, The City of Capitola benefits substantially from numerous and significant environmental resources, some of which include Soquel Creek, the ocean and Capitola Beach, and associated riparian and sensitive habitat areas; and

**WHEREAS**, protection and enhancement of these environmental resources maintains and enhances a quality of life in the City of Capitola that is beneficial to all; and

**WHEREAS**, the City Council of the City of Capitola desires to receive advice and recommendations on matters of an environmental concern from a special commission comprised of dedicated individuals with expertise in ecological and resource protection issues; and

**WHEREAS**, it is the desire of the City Council to establish such a commission and to provide for its regular time and place of meeting and staff.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Capitola that Resolution No. 3424 is hereby repealed in its entirety.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the City Council of the City of Capitola as follows:

- Section 1. The Commission shall be called the City of Capitola Commission on the Environment (COE) and is hereby established.
- Section 2. The purpose of the COE is to provide advice and recommendations to the City Council on policy matters relating to sustainability, environmental protection, and resource enhancement which benefit the City of Capitola and which are not under the jurisdictions of existing committees or commissions. The COE will also, from time to time, consider any such matters referred to it by the City Council or the City Manager.
- Section 3. The COE shall be comprised of five members, consisting of one City Council member and one appointee from each of the remaining four City Council members. The COE may, at their discretion, appoint non-voting ex officio members such as student participants.
- Section 4. The COE members may be City residents or non-residents.
- Section 5. The regular meetings of the COE will be held on a monthly basis.
- Section 6. The City will provide staff support to the COE as assigned by the City Manager. The assigned staff will be primarily responsible for assisting the COE with the preparation of agendas and minutes, compilation of material for discussion at meetings and follow-up as necessary.

**I HEREBY CERTIFY** that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 24<sup>th</sup> day of October, 2013, by the following vote:

AYES: Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan

NOES: None

ABSENT/ABSTAIN: None

ATTEST:  CMC  
Susan Sneddon, City Clerk

  
Stephanie Harlan, Mayor

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City of Capitola  
 420 Capitola Avenue  
 Capitola, CA 95010  
 Phone (831) 475-7300  
 FAX (831) 479-8879

**CAPITOLA  
 COMMISSION ON THE ENVIRONMENT  
 CURRENT MEMBERS**

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES</u>
Norton, Dennis [City Council Representative]	712 Capitola Avenue #C Capitola, CA 95010 (H) 476-2616 Email: <a href="mailto:Dnortondesigns@msn.com">Dnortondesigns@msn.com</a>	12/08/05 (Vice Chair 2006) 12/11/08 12/09/10 12/05/12	12/16
Vacant [Bottorff Appointee]	Capitola, CA 95010 ( ) Email:		12/14
Sullivan, Kristin [Harlan's Appointee]	508 Oak Drive Capitola, CA 95010 (H) 477-0571 (W) 408-864-8625 Email: <a href="mailto:sully@cruzio.com">sully@cruzio.com</a>	2/10/05 (At Large) 1/18/07 (Chair 2006) 12/11/08 (Graves Appt) 12/09/10 1/10/13	12/14
Vacant [Storey's Appointee]	Capitola, CA 95010 ( ) Email:		12/14
Vacant [Termini's Appointee]	Capitola, CA 95010 ( ) Email:		12/14
Russell, Elisabeth [At-Large Member]	601 Monterey Ave Capitola, CA 95010 (H) 476-5160 (C) 588-1694 Email: <a href="mailto:ebertrandrussell@hotmail.com">ebertrandrussell@hotmail.com</a>	3/12/09 12/09/10 1/10/13	12/14

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES</u>
Marlatt, Madeline [Ex-Officio Student]	2150 Francesco Circle Capitola, CA 95010 (H) 476-3208 (C) 247-8237 Email: <a href="mailto:maddiemarlatt@rocketmail.com">maddiemarlatt@rocketmail.com</a>	1/10/13	12/14
Peters, Steven [Ex-Officio Member]	County of Santa Cruz Environmental Health Service 701 Ocean Street, Room 312 Santa Cruz, CA 95060 (W) 454-5010 (FAX) 454-3128 Email: <a href="mailto:env032@co.santa-cruz.ca.us">env032@co.santa-cruz.ca.us</a>	4/5/05 1/18/07 12/11/08 12/09/10 1/10/13	12/14
Ricker, John [Ex-Officio Member]	County of Santa Cruz Environmental Health Service 701 Ocean Street, Room 312 Santa Cruz, CA 95060 (W) 454-2750 (FAX) 454-3128 Email: <a href="mailto:John.Ricker@co.santa-cruz.ca.us">John.Ricker@co.santa-cruz.ca.us</a>	4/5/05 1/18/07 12/11/08 12/09/10 1/10/13	12/14

**STAFF REPRESENTATIVE:****HISTORY OF THE COMMISSION ON THE ENVIRONMENT:**

October 24, 2013      *The Capitola Commission on the Environment was re-established by Resolution No. 3967.*

January 13, 2005      *The Capitola Commission on the Environment was established by Resolution No. 3424*

February 8, 2007      *Resolution No. 3610 Amended Section 3 of Resolution No. 3424 regarding Membership on the Commission.(to allow another Council Member to serve on behalf of the Mayor; add a Youth Member; add Ex-Officio Members)*

April 24, 2008      *Resolution No. 3696 Amended Section 3 of Resolution No. 3610 regarding Membership on the Commission.(removed "Appointee of the Mayor" and added two (2) At Large Members)*

October 8, 2009      *Resolution No. 3779 Amended Section 3 of Resolution No. 3696 regarding Youth Member on the Commission (does not require Capitola residence)*

*The Mayor's seat is up each time the mayor changes. Terms for other council appointments are for 2 years and expire following a general municipal election of council members.*

[Revised: 10/13 ss





RECEIVED

Item #: 9.A. Attach 6.pdf

NOV 21 2013

# CITY of CAPITOLA

## CITY OF CAPITOLA BOARDS AND COMMISSIONS APPLICATION

Citizens are encouraged to serve on the various City Boards, Committees, and Commissions. Appointments are made at a public City Council meeting.

Application for:

- Art & Cultural Commission  
*[Artist; Arts Professional; At Large Member]*  
*Please underline category above.*
- Finance Advisory Committee  
*[Business Representative; At Large Member]*  
*Please underline category above.*
- Historical Museum Board
- Architect & Site Committee  
*[Architect; Landscape Architect; Historian]*  
*Please underline category above.*
- Traffic & Parking Commission  
*[Village Resident; Village Business Owner; At Large Member]*  
*Please underline category above.*
- Planning Commission
- Other Committee COMMISSION on the ENVIRONMENT

Name: FOREST AMIE  
Last First M.I.

Telephone: \_\_\_\_\_ 831-331-3218  
Home Business Cell

E-mail Address: AMIE.FOREST@GMAIL.COM

Physical Address of Residence: 516 OAK DR., CAPITOLA CA 95010

Mailing Address: SAME

Business Address: \_\_\_\_\_

Occupation: CREATIVE DIRECTOR

Are you a resident of the City of Capitola? Yes  No

Describe your qualifications and interest in serving on this Board/Commission/Committee: I AM a LIFELONG ENVIRONMENTALIST and HAVE BEEN INVOLVED IN SEVERAL LOCAL CAMPAIGNS/ ORGANIZATIONS: FRIENDS of SQUEL CREEK; STOP the SEAWALL at DEPOT HILL; STYROFOAM CONTAINER BAN in the CITY; SAVE CAPITOLA ELEMENTARY. I'VE ATTENDED SEVERAL CITY GPAC MEETINGS and SERVED on ART COMMISSION PANELS -

(Use additional paper, if necessary)

**Please Note:** Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

11.21.13  
Date

[Signature]  
Signature of Applicant

Mail or Deliver Application to:

Capitola City Hall

Attn: City Clerk

420 Capitola Avenue, Capitola, CA 95010

For questions please call the City Clerk at (831) 475-7300



# CITY of CAPITOLA

## BOARDS AND COMMISSIONS APPLICATION

Citizens are encouraged to serve on the various City Boards, Committees, and Commissions. Appointments are made at a public City Council meeting.

NOV 14 2013

Application for:

- Art & Cultural Commission  
[Artist; Arts Professional; At Large Member]  
*Please underline category above.*
- Finance Advisory Committee  
[Business Representative; At Large Member]  
*Please underline category above.*
- Historical Museum Board
- Architect & Site Committee  
[Architect; Landscape Architect; Historian]  
*Please underline category above.*
- Traffic & Parking Commission  
[Village Resident; Village Business Owner; At Large Member]  
*Please underline category above.*
- Planning Commission
- Other Committee Commission on the Environment

CITY OF CAPITOLA  
CITY CLERK

Name: Arthur Bruce R  
Last First M.I.

Telephone: 831-476-4586 N/A 831-818-5659  
Home Business Cell

E-mail Address: CAPCOUNCIL@AOL.COM

Physical Address of Residence: 104 CLIFF AVENUE

Mailing Address: JAMIE

Business Address: JAMIE

Occupation: Retired - Consulting


Are you a resident of the City of Capitola? Yes  No

Describe your qualifications and interest in serving on this Board/Commission/Committee:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Use additional paper, if necessary)

**Please Note:** Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

11/12/13  
Date

  
Signature of Applicant

Mail or Deliver Application to:  
Capitola City Hall  
Attn: City Clerk  
420 Capitola Avenue, Capitola, CA 95010  
For questions please call the City Clerk at (831) 475-7300

**City of Capitola**

420 Capitola Avenue  
 Capitola, CA 95010  
 (831) 475-7300  
 FAX (831) 479-8879

**CITY OF CAPITOLA****2012 LIBRARY AD HOC COMMITTEE MEMBERS**

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE/EMAIL ADDRESS</u>
Arnone, Michael (Norton's Appointee)	3370 Samuel Place Santa Cruz, CA 95062	462-4988 <a href="mailto:rknown1@hotmail.com">rknown1@hotmail.com</a>
Gorson, Barbara (Storey's Appointee)	617 Riverview Drive Capitola, CA 95010	464-6717 <a href="mailto:gorson@pacbell.net">gorson@pacbell.net</a>
Gualtieri, Tony (Nicol's Appointee)	502 Grand Avenue Capitola, CA 95010	475-2217 <a href="mailto:tkcapitola@sbcglobal.net">tkcapitola@sbcglobal.net</a>
Healy, Mary (Nicol's Appointee)	2192 Francesco Circle Capitola, CA 95010	477-1931 <a href="mailto:msmith4755@sbcglobal.net">msmith4755@sbcglobal.net</a>
Hofacre, John (Termini's Appointee)	1375 49 <sup>th</sup> Avenue Capitola, CA 95010	464-2399/295-2468 <a href="mailto:jbbhofacre@sbcglobal.net">jbbhofacre@sbcglobal.net</a>
Norton, Dennis (Successor Agency Representative)	712 Capitola Avenue #C Capitola, CA 95010	476-2616 <a href="mailto:dnortondesigns@msn.com">dnortondesigns@msn.com</a>
Ortiz, Gayle (Harlan's Appointee)	517 Riverview Drive Capitola, CA 95010	476-7016 <a href="mailto:gayle@gocapitola.com">gayle@gocapitola.com</a>
Steingrube, Lisa (Storey's Appointee)	701 Monterey Avenue Capitola, CA 95010	462-2577/332-7920 <a href="mailto:lisasteingrube@gmail.com">lisasteingrube@gmail.com</a>
Termini, Michael (Successor Agency Representative)	503 Oak Drive Capitola, CA 95010	476-6206 <a href="mailto:michael@triadelectric.com">michael@triadelectric.com</a>
VACANT (Harlan's Appointee)	Capitola, CA 95010	

*(The Director's name in parenthesis is the member who made appointment.)*

**STAFF REPRESENTATIVE:**

Katie Cattan, Senior Planner  
 (831) 475-7300, Ext. 256  
[kcattan@ci.capitola.ca.us](mailto:kcattan@ci.capitola.ca.us)

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## CITY COUNCIL AGENDA REPORT

### MEETING OF DECEMBER 12, 2013

FROM: OFFICE OF THE CITY CLERK

SUBJECT: NOVEMBER 21, 2013 SPECIAL JOINT MEETING OF THE CITY COUNCIL/  
PLANNING COMMISSION; AND THE NOVEMBER 26, 2013, REGULAR  
CITY COUNCIL MEETING

---

**RECOMMENDED ACTION:** Approve the subject minutes as submitted.

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

**ATTACHMENTS:**

1. November 21, 2013, Special Joint Meeting of the City Council and the Planning Commission;
2. November 26, 2013, Regular City Council Meeting.

Report Prepared By: Susan Sneddon, CMC  
City Clerk

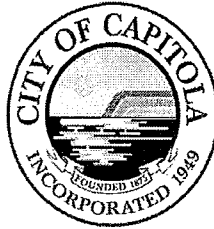
Reviewed and Forwarded  
By City Manager:

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**CAPITOLA CITY COUNCIL/PLANNING COMMISSION  
SPECIAL JOINT MEETING MINUTES  
THURSDAY, NOVEMBER 21, 2013**

CITY COUNCIL

Mayor: Stephanie Harlan  
Vice Mayor: Sam Storey  
Council Members: Ed Bottorff  
Dennis Norton  
Michael Termini  
Christine McBroom  
Treasurer



PLANNING COMMISSION

Chairperson: Mick Routh  
Commissioners: Ron Graves  
Gayle Ortiz  
Linda Smith  
TJ Welch

**CAPITOLA CITY COUNCIL  
SPECIAL MEETING**

**THURSDAY, NOVEMBER 21, 2013**

**6:00 PM**

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

**JOINT MEETING OF THE CAPITOLA CITY COUNCIL**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini, and Mayor Stephanie Harlan

Planning Commissioners Ron Graves, Gayle Ortiz, Linda Smith, TJ Welch, and Chairperson Mick Routh

**2. ADDITIONAL MATERIALS (None provided)**

**3. CITY COUNCIL / PLANNING COMMISSION / STAFF COMMENTS (None provided)**

**4. GENERAL GOVERNMENT / PUBLIC HEARINGS**

A. General Plan Update Status Report and Initiation of Public Review. Community Development Director Grunow introduced this item and provided background information regarding the General Plan Update process. He stated that over the past three years, the General Plan Advisory Committee (GPAC), and staff have engaged in an intensive public participation process which has included 19 GPAC meetings, and four public workshops. He stated that GPAC reached consensus on most issues and voted unanimously to recommend that staff initiate the public review of the draft General Plan and Environmental Impact Report (EIR).

Ed Newman, GPAC Chair, commented on GPAC's three-year review process of the General Plan. He commended the GPAC members for their involvement in the process.

**Item #: 10.A. Attach 1.pdf**

**MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL AND THE PLANNING COMMISSION - Thursday, November 21, 2013**

Planning Commission and City Council discussion ensued regarding the General Plan Update and the Environmental Impact Report.

Kathleen Atkinson, local resident, requested that the City consider climate adaptation and future environmental issues resulting in sea level rise when considering issues in the General Plan.

**ACTION**      **Motion made by Planning Commissioner Graves, seconded by Planning Commissioner Ortiz, to authorize staff to initiate public review of the draft General Plan and Environmental Impact Report. The motion was passed unanimously.**

**ACTION**      **Motion made by Council Member Norton, seconded by Council Member Termini, to authorize staff to initiate public review of the draft General Plan and Environmental Impact Report. The motion was passed unanimously.**

**5. ADJOURNMENT**

Mayor Harlan adjourned the meeting at 8:30 PM to the next Regular Meeting of the City Council on Thursday, November 14, 2013, at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Chairman Mick Routh adjourned the meeting at 8:30 PM to the next Regular Meeting of the Planning Commission to be held on Thursday, December 5, 2013, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Approved by the Planning Commission on January 16, 2014

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk



**CAPITOLA CITY COUNCIL  
REGULAR MEETING ACTION SUMMARY  
TUESDAY, NOVEMBER 26, 2013 - 7:00 PM**

**CLOSED SESSION – 6:30 PM  
CITY MANAGER’S OFFICE**

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9)**

Schroedel et al. v. the City of Capitola  
[Santa Cruz Superior Court Case No. CV 175684]

**CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)**

Negotiator: Lisa Murphy, Administrative Services Director  
Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains; (3) Capitola Police Officers Association; (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Head Group

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

**2. PRESENTATIONS**

A. Proclamation recognizing Heartland Hospice and proclaiming December 1, 2013, "Heartland Hospice Day." [120-40]

**3. REPORT ON CLOSED SESSION [520-25]**

Assistant City Attorney Adair Paterno stated that City Council received a status report regarding the following existing litigation: Schroedel et al. v. the City of Capitola; there was no reportable action. In addition, she stated that the City Council received a status report from Administration Services Director Murphy, City's labor negotiator, regarding labor negotiations with the following employee organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains; (3) Capitola Police Officers Association; (4) Confidential Employees; (5) Mid-Management Group; (6) Department Head Group. Ms. Paterno stated that there was no reportable action regarding the labor negotiations.

**4. ADDITIONAL MATERIALS (None provided)**

**5. ADDITIONS AND DELETIONS TO AGENDA**

City Manager Goldstein stated that General Government **Item 10.D.** regarding the Building and Fire Model Codes will be continued to the December 12, 2013, City Council Meeting, because the City Clerk issued a public notice for this meeting. In addition, he stated that **Item 10.E.** regarding the Santa Cruz Lighted Whistle Buoy will be discussed following **Item 10.B.**

**The City Council voted on the following General Government/Public Hearing Item 10.D.**

**10.D.** Consider an Ordinance amending Section 15.04.010 pertaining to Building and Fire Model Codes to become effective January 1, 2014 [1st Reading]. [1110-

CAPITOLA CITY COUNCIL MINUTES – Tuesday, November 26, 2013

10/570-10].

**ACTION** Motion made by Council Member Storey, seconded by Council Member Termini, to continue Item 10.D. regarding an Ordinance amending Section 15.04.010 pertaining to Building and Fire Model Codes to the December 12, 2013, City Council meeting. The motion was passed unanimously.

6. **PUBLIC COMMENTS** (None provided)

7. **CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

Council Member Termini stated that Surfin' Santa will be on Capitola's main beach on Saturday, November 30<sup>th</sup>. In addition, he encouraged the community to attend the upcoming Heartland Hospice Day event.

Council Member Norton provided an update regarding the Santa Cruz County Regional Transportation Commission (SCCRTC) recent meeting. He stated that the SCCRTC has approved the following City funding requests: 1) Upper Pacific Cove Parking Lot Trail and Depot Hill Park Improvements; and (2) Capitola Avenue/Bay Avenue Intersection Improvements.

8. **BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS**

Note: Appointments/reappointments were made under General Government/Public Hearings Item 10.B. for the City's Art & Cultural Commission. [1010-60/110-10]

9. **CONSENT CALENDAR**

- A. Consider approving the City Council Minutes of the November 14, 2013, Regular City Council Meeting.
- B. Approval of City Check Register Reports dated October 18, 2013, October 25, 2013, November 1, 2013, November 8, 2013, and November 15, 2013. [300-10]
- C. Consider accepting the Office of Traffic Safety Selective Traffic Enforcement Program (STEP) grant funds in the amount of \$51,368; and, amend the Fiscal Year 2013-2014 General Fund Operating Budget by increasing both revenues and expenditures by \$51,368. [490-20]
- D. Consider the approval of a contract with JFS, Inc., DBA Capitola Boat and Bait for the Wharf Lease and Mooring Concession Agreement. [500-10 A/C: JFS, Inc.]

**ACTION** Motion made by Council Member Termini, seconded by Council Member Storey, to approve the following Consent Calendar items: 9.A.; 9.B., 9.C.; and 9.D. The motion was passed unanimously.

10. **GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Presentation regarding the budget for the General Plan Update. [740-40]  
Council Member Termini stated that at the November 21, 2013, Special Joint Meeting of the City Council and the Planning Commission it was agreed to not amend the Local Coastal Program (LCP).  
City Manager Goldstein suggested that the City not commit to a complete LCP rewrite; some focused changes may be made following the General Plan Update. He stated that staff would like to see the results of several jurisdictions going through similar processes.  
Community Development Director responded that the City is required to amend

## CAPITOLA CITY COUNCIL MINUTES – Tuesday, November 26, 2013

the LCP in order to change any Zoning Ordinances.

City Council discussion ensued regarding this item.

Steve Noack, DC&E, provided comments regarding the City's General Plan budget. He stated that DC&E is committed to completing the General Plan Update within the City's budget.

**ACTION**      **Motion made by Council Member Bottorff, seconded by Council Member Norton, to receive the report regarding the budget for the General Plan Update, and to authorize staff to work with DC&E in obtaining a retention agreement for the completion of the General Plan Update. The motion was passed unanimously.**

- B. Consider the Art & Cultural Commission's (Commission) recommendation to appoint the following to the Art & Cultural Commissioners: Kim Hogan as "Artist"; Roy Johnson as "Artist Professional"; and David Kraemer, James Wallace, and Nathan Cross as "At-Large Members", with terms ending December 31, 2015. Also, consider a Resolution amending the Commission Bylaws regarding membership; and, appoint Laurie Hill, Joan Davisson and Stephanie Gelman to fill the new "At-Large Member" seats. [1010-60/110-10]

**ACTION**      **Motion made by Council Member Norton, seconded by Council Member Storey, for the following actions: (1) Re-appoint Kim Hogan as "Artist"; Roy Johnson as "Arts Professional"; and David Kraemer, James Wallace, and Nathan Cross as "At-Large Members" to the Art & Cultural Commission, with terms ending December 31, 2015; and (2) Adopt Resolution No. 3971 amending the Art & Cultural Commission Bylaws regarding membership; and appointing Laurie Hill, Joan Davisson, and Stephanie Gelman to fill the new "At-Large Member" seats. The motion was passed unanimously.**

- E. Adopt a Resolution opposing the United States Coast Guard's proposed removal of the Santa Cruz Lighted Whistle Buoy, aka "Mile Buoy".

**ACTION**      **Motion made by Council Member Termini, seconded by Council Member Norton, to adopt Resolution No. 3970 opposing the United States Coast Guard's proposed removal of the Santa Cruz Lighted Whistle Buoy, aka "Mile Buoy." The motion was passed unanimously.**

Council Member Storey stated that, due to a conflict of interest, he will recuse himself from participating on Item 10.C. regarding funding for the City's Emergency Housing Assistance and Security Deposit Affordable Housing Programs for Fiscal Year 2013/2014 because his spouse is employed by Community Action Board. He left the dias.

- C. Consider funding for the City's Emergency Housing Assistance and Security Deposit Affordable Housing Programs for Fiscal Year 2013/2014. [330-10/750-10]

**ACTION**      **Motion made by Council Member Norton, seconded by Council Member Termini, to approve funding for the City's Emergency Housing Assistance and Security Deposit Affordable Housing Programs for Fiscal Year 2013/2014. The motion carried with the following vote: AYES: Council Members Norton, Bottorff, Termini, and Mayor Harlan. NOES: None. ABSENT: Council Member Storey. ABSTAIN: None.**

## 11. ADJOURNMENT

**Item #: 10.A. Attach 2.pdf**

**CAPITOLA CITY COUNCIL MINUTES – Tuesday, November 26, 2013**

Mayor Harlan adjourned the meeting at 7:50 p.m. to the next Regular Meeting of the City Council to be held on Thursday, December 12, 2013, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_  
Susan Sneddon, City Clerk

DRAFT



**ACTION SUMMARY MINUTES  
CAPITOLA PLANNING COMMISSION  
THURSDAY, DEC. 5, 2013  
7 P.M. CITY COUNCIL CHAMBERS**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Commissioners: Ron Graves, Gayle Ortiz, Linda Smith and TJ Welch  
Absent: Chairperson Mick Routh

**2. ORAL COMMUNICATIONS**

- A. Additions and Deletions to Agenda
- B. Public Comments
- C. Commission Comments
- D. Staff Comments

**3. APPROVAL OF MINUTES**

- A. November 7, 2013, Regular Meeting Minutes

**ACTION Approved 4-0**

**4. CONSENT CALENDAR**

- A. **209 Fanmar Way #13-150 APN: 035:163-01 & 02**  
Design Permit and Coastal Development Permit to remodel an existing single-family home in the CV (Central Village) Zoning District  
Environmental Determination: Categorical Exemption  
Owner: Vince and Sheryl Barabba  
Representative: John Hofacre, Architect, filed: 10/24/2013

**ACTION Approved 4-0**

- B. **141 Magellan Street #13-153 APN 036-192-20**  
Design Permit and Coastal Development Permit for remodel of existing single-family home in the R-1 (Single-Family) Zoning District.  
Environmental Determination: Categorical Exemption  
Owner: Gene Benson  
Representative: Roy Horn, filed: 11/4/2013

**ACTION Approved 4-0**

- C. **723 El Salto Drive #13-155 APN: 036-143-35**  
Coastal Development Permit and Minor Land Division to create two lots of record, and request for a two-year extension to the previously approved Minor Land Division to convert four apartment units to condominiums in the R-1/VS (Single Family/Visitor Serving) Zoning District.

This project requires a Coastal Development Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Categorical Exemption

Owner: Doug Dodds

Representative: Thacher & Thompson, filed: 11/5/2013

**ACTION Approved 4-0**

**D. 904 Sir Francis #06-061 APN 036-222-07**

Request for a one-year extension to a previously approved Coastal Development Permit and Architectural and Site Review for the remodel of an existing single-family residence and construction of a new second story in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Justin and Lisa Maffia

**ACTION Approved 4-0**

**5. PUBLIC HEARINGS**

**A. 2178 41st Avenue #12-080 APN: 034-221-02**

Modification to Design Permit and a Conditional Use Permit to incorporate a carwash into the recently approved commercial retail building (7-Eleven) in the CC (Community Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Ed Hadad, filed: 3/28/13

Representative: Joe Nguyen, ASI Consulting

**ACTION Denied 4-0**

**B. 115 San Jose 13-160 APN 035-221-17**

Conditional Use Permit for outdoor seating and an outdoor ATM in the CV (Central Village) Zoning District.

Environmental Determination: Categorical Exemption

Owner: Capitola Associates, LLC

Representative: Shane Gomes, filed: 11/12/2013

**ACTION Approved 4-0 (seating), Denied without prejudice (ATM) 4-0**

**6. DIRECTOR'S REPORT**

**7. COMMISSION COMMUNICATIONS**

**8. ADJOURNMENT**

Adjourned at 8:12 p.m. to the next Planning Commission meeting Thursday, January 16, 2014, at 7 p.m., in the Capitola City Council Chambers, 420 Capitola Ave., Capitola, California.



## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: COMMUNITY DEVELOPMENT DEPARTMENT  
SUBJECT: APPLICATION FOR HOUSING-RELATED PARKS GRANT

**RECOMMENDED ACTION:** Adopt the attached Resolution authorizing staff to submit a Housing-Related Parks Grant application to fund improvements on the Rispin Property.

**BACKGROUND:** The State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated October 2, 2013 (NOFA), under its Housing-Related Parks (HRP) Program. This program is funded through the Housing and Emergency Shelter Trust Fund Act of 2006 (Prop 1C). The 2013 NOFA makes \$25 million available to fund the creation and renovation of parks and community recreation facilities that benefit the community and add to the quality of life.

**DISCUSSION:** In order to be eligible, the applicant is required to have an approved Housing Element and to have submitted required Annual Progress Reports. Capitola meets these threshold requirements. The grant award is non-competitive, and is calculated based upon the number of bedrooms in qualifying low-income and very-low income housing units assisted by the jurisdiction between Jan 1, 2010, and June 30, 2013. Qualifying units must have been newly-built or preserved, with affordability covenants.

Two recent affordable housing projects meet the criteria for qualifying low-income and very-low income housing units during the applicable years: Bay Avenue Senior Apartments (all 108 units, including 33 new units); and Castle Mobile Home Park (33 units).

Awards are calculated based upon the number of bedrooms in qualifying units, and the City qualifies for Bonus Awards for: New construction units, infill units, very low income units, and park-deficient communities. Using the state's calculation algorithm, the City is potentially eligible for up to \$355,400.

**Rispin Property:** These grant funds would be used for improvements at the Rispin Property, including: (1) Restoration of Rispin Gardens; (2) Accessible pathways connecting different levels of the Park and interconnecting with the Rispin/Peery Pathway; (3) Lighting for security and public access throughout the property; (4) Interpretive elements focusing on the historic site and existing natural resources; and (5) Partial removal/lowering of the wall along Wharf Road, increasing property visibility from the road while retaining elements of the historical wall.

### **ATTACHMENTS:**

1. Draft Resolution

**Report Prepared By:** Richard Grunow  
Community Development Director

**Reviewed and Forwarded  
By City Manager:**

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## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AUTHORIZING  
APPLICATION FOR A HOUSING-RELATED PARKS GRANT**

**WHEREAS**, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated October 2, 2013, under its Housing-Related Parks (HRP) Program; and

**WHEREAS**, the City of Capitola desires to apply for a HRP Program grant and submit the 2013 Designated Program Year Application Package released by the Department for the HRP Program; and

**WHEREAS**, the Department is authorized to approve funding allocations for the HRP Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement;

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the City Council of the City of Capitola as follows:

1. The City of Capitola is hereby authorized and directed to apply for and submit to the Department the HRP Program Application Package released October 2013, for the 2013 Designated Program Year. If the application is approved, the City Manager is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement), and any and all other documents required or deemed necessary or appropriate to secure the HRP Program Grant from the Department, and all amendments thereto (collectively, the "HRP Grant Documents").
2. The City of Capitola shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The City hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.
3. That the City Manager is authorized to execute in the name of the City of Capitola the HRP Program Application Package and the HRP Grant Documents as required by the Department for participation in the HRP Program.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 12<sup>th</sup> day of December, 2013, by the following vote:

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:

ATTEST:

\_\_\_\_\_  
Susan Sneddon, City Clerk

\_\_\_\_\_  
\_\_\_\_\_, Mayor

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## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: CITY CLERK'S OFFICE

SUBJECT: CONSIDERATION OF A RESOLUTION SETTING INTEREST RATE FOR  
TENANT'S SECURITY DEPOSITS FOR 2014

**RECOMMENDED ACTION:** Adopt a Resolution setting the interest rate for tenant's security deposits for 2014 at zero percent (0%), as was set for 2013.

**BACKGROUND:** The City Council adopted Ordinance No. 804 on February 12, 1998, adding Chapter 5.48 to the Municipal Code requiring interest on security deposits for residential rental properties. Resolution No. 2948 set the interest rate for 1998 at 2%, which became effective March 14, 1998. Pursuant to the first sentence of Municipal Code Section 5.48.025, "On or before December 31 of each year, the City Council shall set the minimum interest rate (for tenant security deposits) for the next calendar year," the City Council reviews the interest rate and adopts a Resolution setting the rate for the next year. It has been the City Council's practice to set its interest rate for tenant security deposits consistent with the amount set by the Board of Supervisors of Santa Cruz County. A history of interest rates since adoption of the implementing Ordinance is also attached for your information.

**DISCUSSION:** The County's Investment Officer has completed a survey of annual simple interest on passbook savings and will be recommending at the November 19, 2013, County Board of Supervisors meeting that a Resolution be adopted setting the interest rate for tenant's security deposits for 2014 at 0.01%. At the December 12, 2013, Capitola City Council meeting staff will report to the Council results of the November 19, 2013, County Board of Supervisors meeting regarding the adoption of this Resolution. Based on the Council's action taken in 2013, staff has prepared a Resolution setting the rate at zero percent.

Notices will be mailed and/or emailed to all interested parties on Friday, December 6, 2013, along with the agenda report. A copy of the notice is attached.

**FISCAL IMPACT** – None

### ATTACHMENTS

1. Draft Resolution
2. History of Interest Rate for Tenant's Interest on Security Deposits
3. Notice

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager 

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS FOR 2014  
AT ZERO PERCENT (0.00 %) IN THE CITY OF CAPITOLA**

**WHEREAS**, Municipal Code Section 5.48.025 contemplates the City Council setting the minimum interest rate for tenant security deposits; and

**WHEREAS**, the current rate of interest for residential rental security deposits is Zero Percent (0.0%); and

**WHEREAS**, the County of Santa Cruz Board of Supervisors, at its meeting to be held November 19, 2013, will vote whether to set the rate at 0.01% as recommended by the County's Investment Officer. Based on the Council's action to set the interest rate a zero percent (0.00%) last year, which is the average current rate for savings passbook accounts, and

**WHEREAS**, although it has been the practice of the Capitola City Council to set its interest rate for tenant security deposits consistent with other jurisdictions within the County of Santa Cruz, the Council finds the rate of 0.01% to be burdensome to property owners in the City of Capitola.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Capitola that the rate of simple interest payable annually on residential rental security deposits by landlords shall be zero percent (0.00%) effective January 1, 2014.

**I HEREBY CERTIFY** that the above and foregoing Resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12<sup>th</sup> day of December, 2013, by the following vote:

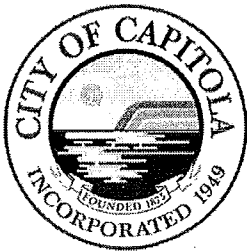
AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

\_\_\_\_\_  
\_\_\_\_\_, Mayor

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420 Capitola Avenue  
 Capitola, California 95010  
 Telephone: (831) 475-7300  
 FAX: (831) 479-8879  
 Website: [www.ci.capitola.ca.us](http://www.ci.capitola.ca.us)

## HISTORY INFORMATION REGARDING TENANT'S INTEREST ON SECURITY DEPOSITS FOR RESIDENTIAL RENTAL PROPERTIES

### ORDINANCES ADOPTED

Ordinance No. 804, Ordinance Adding Chapter 5.48 to the Municipal Code Requiring Interest on Security Deposits for Residential Rental Properties, adopted February 12, 1998, effective March 14, 1998

Ordinance No. 813, Ordinance Amending Section 5.48.040 of the Municipal Code regarding Payment of Tenant's Interest, adopted December 19, 1999, effective January 18, 2000

### RESOLUTIONS ADOPTED

Resolution No. 2948	Two Percent (2.00%)	Effective March 14, 1998
Resolution No. 3007	Two Percent (2.00%)	January 1, 1999
Resolution No. 3067	Two Percent (2.00%)	January 1, 2000
Resolution No. 3107	Two Percent (2.00%)	January 1, 2001
Resolution No. 3180	One Percent (1.00%)	January 1, 2002
Resolution No. 3258	.58 Percent (0.58%)	January 1, 2003
Resolution No. 3322	.32 Percent (0.32%)	January 1, 2004
Resolution No. 3416	.32 Percent (0.32%)	January 1, 2005
Resolution No. 3510	.43 Percent (0.43%)	January 1, 2006
Resolution No. 3594	.34 Percent (0.34%)	January 1, 2007
Resolution No. 3671	.31 Percent (0.31%)	January 1, 2008
Resolution No. 3731	.23 Percent (0.23%)	January 1, 2009
Resolution No. 3791	.10 Percent (0.10%)	January 1, 2010
Resolution No. 3849	Zero Percent (0.00%)	January 1, 2011
Resolution No. 3898	Zero Percent (0.00%)	January 1, 2012
Resolution No. 3945	Zero Percent (0.00%)	January 1, 2013

*Revised 12/12 md*

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Capitola, California 95010  
Telephone: (831) 475-7300  
FAX: (831) 479-8879  
Website: [www.ci.capitola.ca.us](http://www.ci.capitola.ca.us)

December 6, 2013

RE: NOTICE OF CAPITOLA CITY COUNCIL CONSIDERATION OF A RESOLUTION  
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS IN 2014

Interested Parties:

This is to inform you that on Thursday, December 12, 2013, the Capitola City Council will consider a Resolution setting the interest rate for tenant security deposits in 2014. Attached is a copy of the agenda report.

The Santa Cruz County Board of Supervisors, at its meeting to be held November 19, 2013, will vote whether to set the rate at 0.01% as recommended by the County's Investment Officer. Based on the Council's action to set the interest rate a zero percent (0.00%) last year, staff has recommended setting the interest rate at zero percent for 2014. The item is on the City Council's Consent Calendar; however, it could be pulled for separate discussion.

Please confirm that you still want to be informed of this information and that the name and mailing address on the envelope is correct. A certified copy of the Council's Resolution will be sent to you once it has been adopted.

In an effort to go "green," the City would prefer sending this information to interested parties by email. If you received this in the mail and have an email address where this information can be sent, please contact the City Clerk's office at 831-475-7300 or provide your email address to the City Clerk at [ssneddon@ci.capitola.ca.us](mailto:ssneddon@ci.capitola.ca.us).

Should you have questions regarding this information, please feel free to contact me.

Sincerely,

**CITY OF CAPITOLA**

Susan Sneddon  
City Clerk

Enclosure

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# CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: FINANCE DEPARTMENT

SUBJECT: CONSIDER A RESOLUTION AUTHORIZING MUNISERVICES TO EXAMINE  
MEASURE O TRANSACTIONS (SALES) AND USE TAX RECORDS

---

**RECOMMENDED ACTION:** Approve Resolution authorizing MuniServices to examine Measure O transactions (sales) and use tax records.

**BACKGROUND/DISCUSSION:** Pursuant to Ordinance No. 976 approved by City Council on December 5, 2012, the City entered into a contract with the State Board of Equalization for the Permanent Retail Transactions and Use Tax (Measure O). Section 7056 of the State of California Revenue and Taxation Code limits the disclosure of confidential sales tax records, and requires specific authorization for third parties to have access to the tax records.

In July 2001, the City entered into an agreement with MuniServices to review and provide services related to the collection and payment for transaction and use taxes. The State Board of Equalization is indicating the current Agreement is not specific as to which sales and use tax information is appropriate for them to review. They are requesting an updated Resolution, as well as confirmation of the Agreement. A letter from MuniServices' Senior Vice President of Client Services is attached for reference.

**FISCAL IMPACT:** None.

**ATTACHMENTS**

1. Draft Resolution;
2. Letter Agreement from MuniServices dated November 20, 2013

Report Prepared By: Kyle Solberg  
Senior Accountant

Reviewed and Forwarded  
By City Manager: 

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RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
AUTHORIZING MUNISERVICES EXAMINATION OF SALES  
OR TRANSACTIONS AND USE TAX RECORDS**

**WHEREAS**, on December 5, 2012, the City Council approved Ordinance No. 976 amending the Capitola Municipal Code and providing for a local transactions and use tax; and

**WHEREAS**, on December 5, 2012, the City Council approved Resolution No. 3951, entering into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of the Transactions and Use Tax Ordinances and the local sales and use taxes; and

**WHEREAS**, The City deems it necessary for authorized representatives of Capitola to examine confidential sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected by the Board for Capitola; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales or transactions and use tax records of the Board; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code requires that any person designated by Capitola shall have an existing contract to examine Capitola's sales and transactions and use tax records.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Capitola as follows:

**Section 1.** That the Finance Director, or other officer or employee of Capitola designated in writing by the Finance Director to the State Board of Equalization (hereafter referred to as Board) is hereby appointed to represent Capitola with authority to examine all of the sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected for Capitola by the Board of Equalization pursuant to the contract between Capitola and the Board. The information obtained by examination of Board records shall be used for purposes related to the collection of Capitola's sales and transactions and use taxes by the Board pursuant to the contract.

**Section 2.** That the Finance Director, or other officer or employee of Capitola designated in writing by the Finance Director to the Board, is also hereby appointed to represent Capitola with the authority to examine those sales and transactions and use tax records of the Board for purposes related to the following governmental functions of Capitola:

- a) Tracking and economic development;
- b) Forecasting and budget related functions;
- c) Detection of misallocations and deficiencies.

The information obtained by examination of Board records shall be used only for those governmental functions of Capitola listed above.

**Section 3.** That MuniServices, LLC, is hereby designated and authorized to examine all of the sales and transactions and use tax records of the Board pertaining to all sales and use taxes collected for Capitola, and any transaction and use taxes collected for Capitola under the following Transactions and Use Tax Ordinances and any future Transactions and Use Tax Ordinances that may be enacted in the City of Capitola:

City of Capitola Transactions and Use Tax (CPGT) - Effective on April 1, 2005.  
City of Capitola Permanent Retail Transactions and Use Tax (CPRG) - Effective on April 1, 2013.

The person or entity designated by this section meets all of the following conditions:

- a) Has an existing contract with Capitola to examine sales and transactions and use tax records;
- b) Is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to an officer or employee authorized under Section 1 (or Section 2) of this Resolution to examine the information;
- c) Is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) Is prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.

**BE IT FURTHER RESOLVED** that the information obtained by examination of Board records shall be used only for purposes related to the collection of Capitola's sales and transactions and use taxes by the Board pursuant to the contracts between Capitola and the Board of Equalization and for purposes relating to the governmental functions of Capitola listed in Section 2 of this Resolution.

**Section 4.** That this Resolution supersedes all prior Sales and Transactions and Use Tax Resolutions of Capitola adopted pursuant to subdivision (b) of Revenue and Taxation Code Section 7056.

**I HEREBY CERTIFY** that the above and foregoing Resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12<sup>th</sup> day of December, 2013, by the following vote

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

December 4, 2013

City of Capitola  
Attn: Tori Hannah, Finance Director  
420 Capitola Avenue  
Capitola, CA 95010

Re: Authorization for new District Tax work

Dear Ms. Hannah:

This letter is to memorialize our agreement that the contract we and the City of Capitola entered on or about July 26, 2001, (the "Agreement") includes authority for us to review and provide services related to the collection and payment for the City of Capitola Permanent Retail Transactions and Use Tax (CPRG), which became effective on or about April 1, 2013, in addition to the City of Capitola Transaction and Use Tax (CPGT). Collectively these taxes are referred to as the "District tax".

The State Board of Equalization (the "SBE") insists that although the parties referred generically to transaction and use taxes as part of the scope of the Agreement, since the District tax was enacted after the contract was signed the contract cannot authorize our work on the District tax. We disagree with the SBE's position. Nevertheless, we and the City deem it prudent to memorialize in this letter agreement our understanding that our work on the District tax is covered by the terms of the Agreement.

1. The following language is incorporated into Exhibit A of the Sales Tax (SUTA) Addendum as if set forth therein.

***Transaction and Use Tax***

*"MuniServices is authorized by this Agreement to examine transaction tax, sales tax, and use tax records of the State Board of Equalization (SBE), including, but not limited to, the transaction and use tax that became effective on or about April 1, 2013, known as the City of Capitola Permanent Retail Transactions and Use Tax (CPRG) to be collected for City.*

*MuniServices is required to disclose information contained in, or derived from, those transaction, sales and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.*

*MuniServices is prohibited from performing consulting services for a retailer during the term of this Agreement.*

*MuniServices is prohibited from retaining the information contained in, or derived from, those transaction, sales and use tax records, after this Agreement has expired."*

City of Capitola  
Attn: Ms. Hannah  
Page 2

2. The City and MuniServices agree that although the scope of work generically refers to "sales and use tax" those references are meant to include "sales, transaction, and use tax" as part of the scope of work, including but not limited to any transaction and use taxes adopted after the effective date of the Agreement.
3. The parties agree that the Agreement is applicable to all Transaction and Use Tax Ordinances currently enacted in the City and which may become enacted while the Agreement is in effect.
4. Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

If this letter agreement correctly reflects the terms agreed by MuniServices and the City of Capitola, please sign this letter agreement in the space provided below and return by facsimile to (559) 312-2957, or by email to [patricia.dunn@muniservices.com](mailto:patricia.dunn@muniservices.com). By signing in the space below, you represent that you have authority to bind City of Capitola to this Agreement.

Sincerely yours,

Doug Jensen  
Sr. Vice President Client Services  
MuniServices, LLC

City of Capitola

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_







## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: POLICE DEPARTMENT

SUBJECT: AUTHORIZE THE POLICE DEPARTMENT TO PURCHASE A CELLEBRITE FORENSIC EXTRACTION DEVICE AND AMEND THE FISCAL YEAR 2013-2014 STATE SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) BUDGET TO AUTHORIZE ADDITIONAL EXPENDITURES OF \$8,100 FROM THE UNASSIGNED FUND BALANCE.

---

**RECOMMENDED ACTION:** Authorize the purchase of a Cellebrite forensic extraction device, and amend the Fiscal Year 2013/2014 SLESF Budget to increase expenditures by \$8,100, and approve budget amendment.

**BACKGROUND:** The California Legislature passed the "State Supplemental Law Enforcement Services Fund" (SLESF) Bill. This bill is also known as the "Citizens Option for Public Safety" (COPS). Funds received are to be used exclusively for personnel and/or equipment to support front line law enforcement, and cannot be used to supplant existing funding. The Police Department was granted \$100,000 in Fiscal Year 2012-2013 and has \$70,100 remaining that must be used by June 30, 2014 or forfeited.

**DISCUSSION:** To support our front line law enforcement efforts, the Police Department intends to use \$8,100 of the grant funds to purchase a new Cellebrite forensic extraction device. In 2012, the Police Department applied for and was granted \$3,000 from Target to purchase a Cellebrite forensic extraction device, which was used to extract cell phone data. The technology is now dated, and the software will no longer be supported effective early 2014. The vendor's quote includes a \$3,000 trade in discount for the old device.

**FISCAL IMPACT:** Amend the Fiscal Year 2013-2014 SLESF Fund Budget to increase expenditures by \$8,100.

**ATTACHMENTS:**

1. Budget Amendment

Prepared by: Denice Pearson  
Administrative/Records Analyst

Reviewed and Forwarded  
By City Manager: 

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City of Capitola Budget Adjustment Form



Date 11/26/2013

Requesting Department Police

Administrative Council

Item #  
Council Date: 12/12/2013  
Council Approval

Revenues		
Account #	Account Description	Increase/Decrease
Total		\$0

Expenditures		
Account #	Account Description	Increase/Decrease
1300-00-00-000-4650.400	Equipment	\$8,100
Total		\$8,100

Net Impact (8,100)

Purpose: To purchase a forensic extraction device  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Department Head Approval \_\_\_\_\_

Finance Department Approval \_\_\_\_\_

City Manager Approval \_\_\_\_\_

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# CITY COUNCIL AGENDA REPORT

**MEETING OF DECEMBER 12, 2013**

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONTRACT TO JOIN CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE JOINT POWERS AUTHORITY FOR DENTAL AND VISION BENEFITS

**RECOMMENDED ACTION:** Authorize the City Manager to: (1) Execute a joint powers agreement to join the California State Association of Counties Excess Insurance Authority (CSAC EIA); (2) Adopt a Resolution delegating authority to the City Manager; and (3) Authorize the City Manager to execute the Dental Memorandum of Understanding with CSAC EIA.

**BACKGROUND:** The City offers dental and vision benefits to all employees. These benefits are separate from the City-offered health insurance programs. The dental and vision benefits are self funded while the health benefits are fully insured by CalPERS. Currently the City uses a third-party administrator, the Lipman Company, to administer and oversee the plan. In September 2013 the Lipman Company gave a notice of termination of services to the City as they are no longer providing these types of services effective December 31, 2013.

**DISCUSSION:** Following the receipt of the Notice of Termination staff immediately obtained proposals from other self-funded administrators, as well as fully insured companies. In doing careful research of proposals, staff determined the proposal from Alliant Insurance Brokers to utilize CSAC EIA as the City's dental and vision insurance provider was the most cost effective and least risky program. These programs move the City from a self-funded program to a fully-insured program thus reducing the City's liability while providing a comprehensive benefit program to employees.

With a self-funded plan, employers assume the liability and risk associated with uncertain costs in exchange for a slight financial benefit. The advantage of self-funded insurance plan is it gives a degree of flexibility over the plan's design and options for the employees. The City sets the premium rates based on the claims history. With that comes risk, if the claims are higher than anticipated then the City must assume the liability.

The advantage to moving to a fully insured program is it alleviates the City's liability, and in addition the fully-insured program provides better benefit coverage for the employee's dollar. Employees will be in a network that has negotiated reduced costs for services as opposed to what they are paying now – retail prices. The City has not raised their rates in two years, and was preparing to do so which would have been very close to the new dental and vision rates. The new dental program offers better benefits such as; preventative and diagnostic care that will be 100% covered; a higher maximum amount for reimbursement; and greater reimbursement amounts for services.

Dental	City Current Rates	Delta Dental Rates
Employee Only	\$ 48.00	\$ 60.00
Employee + 1	\$ 96.00	\$107.00
Employee +2	\$118.00	\$145.00

**Item #: 10.G. Staff Report.pdf**

AGENDA STAFF REPORT DECEMBER 12, 2013  
CSAC EIA AGREEMENT FOR DENTAL AND VISION BENEFITS

Vision: Maximum benefit in the current program is \$250/year and \$500 for family. In the new program, the annual exam will be no cost, lenses are 100% covered annually, there is a \$130 annual allowance for contacts and a \$130 allowance every 24 months for new frames. Each family member is entitled to the same amount.

Vision	City Current Rates	Vision Service Plan Rates
Employee Only	\$ 7.00	\$ 7.09
Employee + 1	\$14.00	\$14.18
Employee +2	\$18.00	\$22.82

For the first year the City will be a member of CSAC EIA but will remain self funded until there is a claims history. At the conclusion of the first year, the City will be fully insured. A Memorandum of Understanding for Vision is not required by CSAC EIA as it is not considered a major program.

**FISCAL IMPACT:** The administration costs for the program will decrease by \$3,500 per year.

**ATTACHMENT:**

1. CSAC EIA Joint Powers Authority Agreement
2. Draft Resolution
3. CSAC EIA Dental Memorandum of Understanding

**Report Prepared By:** Lisa G. Murphy  
Administrative Services Director

**Reviewed and Forwarded  
by City Manager:** 



Adopted: October 5, 1979  
Amended: May 12, 1980  
Amended: January 23, 1987  
Amended: October 7, 1988  
Amended: March 1993  
Amended: November 18, 1996  
Amended: October 4, 2005  
Amended: February 28, 2006

**JOINT POWERS AGREEMENT  
CREATING THE CSAC EXCESS INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. The CSAC Excess Insurance Authority was formed under the sponsorship of CSAC. All such counties, hereinafter called member counties, and public entities, hereinafter called member public entities, [collectively "members"] shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

**RECITALS**

**WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

**WHEREAS**, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

**WHEREAS**, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

**WHEREAS**, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

**WHEREAS**, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

**WHEREAS**, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

**NOW THEREFORE**, the parties agree as follows:

ARTICLE 1  
DEFINITIONS

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Authority" shall mean the CSAC Excess Insurance Authority created by this Agreement.

"Board of Directors" or "Board" shall mean the governing body of the Authority.

"Claim" shall mean a claim made against a member arising out of an occurrence which is covered by an excess or primary insurance program of the Authority in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of the Authority.

"Government Code" shall mean the California Government Code.

"Insurance program" or "program" shall mean a program of the Authority under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board. The Board of Directors or the Executive Committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of the Authority in which the member is a participant.

"Member county" shall mean any county which, through the membership of its supervisors in CSAC, has executed this Agreement and become a member of the Authority. "Member county" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity which does not maintain a membership in CSAC, has executed this Agreement and become a member of the Authority, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.



JPA, CSAC-EIA

Amended: February 28, 2006

"Participating public entity" shall mean any member public entity which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member which is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

"Reinsurance" shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss which exceeds the joint funding capacity of that program.

## ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

## ARTICLE 3 PARTIES TO AGREEMENT

(a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.

(b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.

(c) A member for purposes of providing insurance coverage under any program of the Authority, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of the Authority.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

(d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.

(e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.

(f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).

(g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

#### ARTICLE 4

##### TERM

This Agreement shall continue in effect until terminated as provided herein.

#### ARTICLE 5

##### CREATION OF THE AUTHORITY

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the CSAC Excess Insurance Authority, with such powers as are hereinafter set forth.

#### ARTICLE 6

##### POWERS OF THE AUTHORITY

The Authority shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

(a) To make and enter into contracts.

JPA, CSAC-EIA

Amended: February 28, 2006

- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

## ARTICLE 7 BOARD OF DIRECTORS

The Authority shall be governed by the Board of Directors, which shall be composed as follows:

- a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board.
- b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board.
- c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of the Authority's insurance programs, shall require the affirmative vote of a majority of those Board members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board members as a whole shall have a minimum of one vote. The public entity Board members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board votes authorized herein be less than the number of public entity Board members at a duly noticed meeting, the public entity Board members shall decide among themselves which Board member shall vote. Should they be unable to decide, the President of the Authority shall determine which director(s) shall vote.

**ARTICLE 8**  
**POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board shall form an Executive Committee, as provided in Article 11. The Board may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board except adoption of the Authority's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.

(d) The Board may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of the Authority. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board may delegate its powers and duties only to a committee of the Board composed of a majority of Board members and/or alternate members. Any committee which is not composed of a majority of Board members and/or alternate members may function only in an advisory capacity.

(e) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

JPA, CSAC-EIA

Amended: February 28, 2006

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of the Authority, including all provisions for reinsurance and administrative services necessary to carry out such program.

(h) The Board, directly or through the Executive Committee, shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the Chief Executive Officer.

(j) The Board shall receive and act upon reports of the committees and the Chief Executive Officer.

(k) The Board shall act upon each claim involving liability of the Authority, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 15 and 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities which have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

## ARTICLE 9

### MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board, the Executive Committee and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

**ARTICLE 10  
OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

**ARTICLE 11  
EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board which shall consist of eleven members: the President and Vice President of the Board, and nine members elected by the Board from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of the Authority.

The Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

**ARTICLE 12  
COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two year terms, subject to reappointment by the Board. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board as directed by the Board.

## ARTICLE 13

## STAFF

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Chief Executive Officer.** The Chief Executive Officer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Article 16 of this Agreement. Pursuant to Government Code Section 6505.5, the Treasurer shall be the county treasurer of a member county of the Authority, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) **Auditor.** The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.5, the Auditor shall be the Auditor of the county from which the Treasurer is appointed by the Board under (2) above, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) **Charges for Treasurer and Auditor Services.** Pursuant to Government Code Section 6505, the charges to the Authority for the services of Treasurer and Auditor shall be determined by the board of supervisors of the member county from which such staff members are appointed.

(c) **Other Staff.** The Board, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

## ARTICLE 14

DEVELOPMENT, FUNDING AND IMPLEMENTATION  
OF INSURANCE PROGRAMS

(a) **Program Coverage.** Insurance programs of the Authority may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

(b) **Program and Authority Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs by the Board, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board may, in its discretion, allocate a share of such Authority general expense to those members which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

(1) **Development Charge.** Development costs of an insurance program shall be funded by a development charge, as established by the Board of Directors. The development charge shall be paid by each participant in the program following the program's adoption by the Board. Development costs are those costs actually incurred by the Authority in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among participants, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include a share of Authority general expenses, as allocated to the program development function.

The development charge shall be billed by the Authority to all participants in the program upon establishment of the program and shall be payable in accordance with the Authority's invoice and payment policy.

Upon the conclusion of program development: any deficiency in development funds shall be billed to all participants which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; any surplus in such funds shall be transferred into the Authority's general expense funds.

(2) **Annual Premium.** Except as provided in (3) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board, program reinsurance costs, and program administrative costs for the year, plus that participant's share of Authority general expense allocated to the program by the Board.

(3) **Premium Surcharge**

(i) If the Authority experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses,



JPA, CSAC-EIA

Amended: February 28, 2006

the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

(ii) If it is determined by the Board of Directors, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the Board of Directors may impose a surcharge on all participating members.

(iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, the Authority notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. The Authority shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

(iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

(c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, the Authority shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, program development costs, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.

(d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.

As a condition of late entry, the member shall pay the development charge for the program, as adjusted at the conclusion of the development period, but not subject to further adjustment,

and also any costs incurred by the Authority in analyzing the member's loss data and determining its annual premium as of the time of entry.

(e) **Reentry Into A Program.** Any county or public entity that is a member of an insurance program of the Authority who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

## ARTICLE 15 ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by the Authority.

(b) **Funds and Accounts.** The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) **Annual Audit.** Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of the Authority is located and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Authority.

## ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

JPA, CSAC-EIA

Amended: February 28, 2006

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

## ARTICLE 17

### RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.

(b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(c) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of the Authority in which the member is a participant, and shall provide copies of such records to the Authority as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board or Executive Committee.

(e) Each member shall pay development charges, premiums, and premium surcharges due to the Authority as required under Article 14. Penalties for late payment of such charges, premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to the Authority any additional premiums due, as determined and assessed by the Board of

Directors under Articles 22 or 23. Any costs incurred by the Authority associated with the collection of such premiums or other charges, shall be recoverable by the Authority.

(f) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(g) Each member shall cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.

(h) Each member county shall maintain membership in CSAC.

(i) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

#### **ARTICLE 18 ADMINISTRATION OF CLAIMS**

(a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.

(b) The Authority may develop standards for the administration of claims for each insurance program of the Authority so as to permit oversight of the administration of claims by the members.

(c) Each participating member shall give the Authority timely written notice of claims in accordance with the provisions of the Bylaws.

(d) A member shall not enter into any settlement involving liability of the Authority without the advance written consent of the Authority.

(e) The Authority, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the Authority, may involve liability of the Authority.

#### **ARTICLE 19 NEW MEMBERS**

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

**ARTICLE 20  
WITHDRAWAL**

(a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to the Authority if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.

(b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

**ARTICLE 21  
CANCELLATION**

(a) Notwithstanding the provisions of Article 20, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a majority vote of the Board members. Such action shall have the effect of canceling the member's participation in all insurance programs of the Authority as of the date that all membership is canceled.

(2) Cancel any member's participation in an insurance program of the Authority, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting who represent participants in the program.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

(b) A member that does not enter one or more of the insurance programs developed and implemented by the Authority within the member's first year as a member of the Authority shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(c) A member which withdraws from all insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(d) A member county that terminates its membership in CSAC shall be considered to have thereby withdrawn as a party to this Agreement, and its membership in the Authority and participation in any insurance program of the Authority shall be automatically canceled as of that time, without the action of the Board of Directors.

**ARTICLE 22**  
**EFFECT OF WITHDRAWAL OR CANCELLATION**

(a) If a member's participation in an insurance program of the Authority is canceled under Article 21, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any program of the Authority, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 23 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium which the Board determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the county's participation in any program.

**ARTICLE 23**  
**TERMINATION AND DISTRIBUTION OF ASSETS**

(a) A three-fourths vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from the member public entities, is required to terminate this Agreement; provided, however, that this Agreement and the

JPA, CSAC-EIA

Amended: February 28, 2006

Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member which was a participant in an insurance program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

**ARTICLE 24**  
**LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS**  
**AND LEGAL ADVISORS**

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

**ARTICLE 25  
BYLAWS**

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

**ARTICLE 26  
NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the Chief Executive Officer of the Authority, at the office address of the Authority as set forth in the Bylaws.

**ARTICLE 27  
AMENDMENT**

A two-thirds vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from member public entities, is required to amend this Agreement.

**ARTICLE 28  
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

**ARTICLE 29  
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.



**ARTICLE 30**  
**EFFECTIVE DATE OF AMENDMENTS**

Any amendment of this Agreement shall become effective upon the date specified by the Board and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board member's must take place no later than 30 days from the effective date specified by the Board.

**ARTICLE 31**  
**DISPUTE RESOLUTION**

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then of course the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32  
FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

JPA, CSAC-EIA

Amended: February 28, 2006

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: \_\_\_\_\_

MEMBER: \_\_\_\_\_

(Print Name of Member)

BY: \_\_\_\_\_

(Authorized signature of Member)

Seal:

APPENDIX A  
JOINT POWERS AGREEMENT  
CSAC EXCESS INSURANCE AUTHORITY

MEMBERS (As Of February 27, 2012)

ALAMEDA COUNTY  
ALPINE COUNTY  
AMADOR COUNTY  
BUTTE COUNTY  
CALAVERAS COUNTY  
COLUSA COUNTY  
CONTRA COASTA COUNTY  
DEL NORTE COUNTY  
EL DORADO COUNTY  
FRESNO COUNTY  
GLENN COUNTY  
HUMBOLDT COUNTY  
IMPERIAL COUNTY  
INYO COUNTY  
KERN COUNTY  
KINGS COUNTY  
LAKE COUNTY  
LASSEN COUNTY  
MADERA COUNTY  
MARIN COUNTY  
MARIPOSA COUNTY  
MENDOCINO COUNTY  
MERCED COUNTY  
MODOC COUNTY  
MONO COUNTY  
MONTERERY COUNTY  
NAPA COUNTY  
NEVADA COUNTY  
ORANGE COUNTY  
PLACER COUNTY  
PLUMAS COUNTY  
RIVERSIDE COUNTY  
SACRAMENTO COUNTY  
SAN BENITO COUNTY  
SAN DIEGO COUNTY  
SAN JOAQUIN COUNTY  
SAN LUIS OBISPO COUNTY  
SANTA BARBARA COUNTY  
SANTA CLARA COUNTY  
SANTA CRUZ COUNTY  
SHASTA COUNTY  
SIERRA COUNTY  
SISKIYOU COUNTY  
SOLANO COUNTY  
SONOMA COUNTY  
STANISLAUS COUNTY  
SUTTER COUNTY  
TEHAMA COUNTY  
TRINITY COUNTY  
TULARE COUNTY  
TUOLUMNE COUNTY  
VENTURA COUNTY  
YOLO COUNTY

YUBA COUNTY  
ALAMEDA COUNTY MEDICAL CENTER  
ALPINE COUNTY SUPERIOR COURT  
AMADOR COUNTY SUPERIOR COURT  
AMADOR TRANSIT  
ANAHEIM UNION HIGH SCHOOL DISTRICT  
ANTELOPE VALLEY HEALTHCARE DISTRICT  
ANTELOPE VALLEY TRANSIT AUTHORITY  
AUTHORITY FOR CALIF. CITIES EXCESS LIABILITY  
BAY AREA HOUSING AUTHORITY RMA  
BERKELEY UNIFIED SCHOOL DISTRICT  
BIG INDEPENDENT CITIES EXCESS POOL  
BUTTE COUNTY SUPERIOR COURT  
CALAVERAS COUNTY SUPERIOR COURT  
CALIFORNIA FAIR SERVICES AUTHORITY  
CSAC EXCESS INSURANCE AUTHORITY  
CALIF MENTAL HEALTH SERVICES AUTHORITY  
CAMPBELL UNION HIGH SCHOOL DISTRICT  
CAMPBELL UNION SCHOOL DISTRICT  
CAPITOL AREA DEVELOPMENT AUTHORITY  
CALIF ASSOC FOR PARK AND REC INDEMNITY  
CASITAS MUNICIPAL WATER DISTRICT  
CATALINA ISLAND MEDICAL CENTER  
CENTRAL COUNTY FIRE DEPARTMENT  
CENTRAL SIERRA CHILD SUPPORT AGENCY  
CITY OF ALAMEDA  
CITY OF ATSCADERO  
CITY OF ATWATER  
CITY OF BAKERSFIELD  
CITY OF BELL  
CITY OF BELMONT  
CITY OF BERKLEY  
CITY OF BUENA PARK  
CITY OF BURLINGAME  
CITY OF CALABASAS  
CITY OF CARMEL BY THE SEA  
CITY OF CATHEDRAL CITY  
CITY OF CHICO  
CITY OF CHULA VISTA  
CITY OF CLAREMONT  
CITY OF CONCORD  
CITY OF COSTA MESA  
CITY OF CORONA  
CITY OF COVINA  
CITY OF CUPERTINO  
CITY OF CYPRESS  
CITY OF DALY CITY  
CITY OF DEL MAR  
CITY OF DOWNEY  
CITY OF EL CAJON  
CITY OF EL CENTRO  
CITY OF EL MONTE  
CITY OF ELK GROVE

CITY OF ESCALON  
 CITY OF ESCONDIDO  
 CITY OF FAIRFIELD  
 CITY OF FOLSOM  
 CITY OF FONTANA  
 CITY OF FREMONT  
 CITY OF FRESNO  
 CITY OF GARDEN GROVE  
 CITY OF GOLETA  
 CITY OF HAWTHORNE  
 CITY OF HEMET  
 CITY OF HUNTINGTON BEACH  
 CITY OF IMPERIAL BEACH  
 CITY OF IONE  
 CITY OF IRVINE  
 CITY OF LA MESA  
 CITY OF LAGUNA HILLS  
 CITY OF LANCASTER  
 CITY OF LEMON GROVE  
 CITY OF LIVE OAK  
 CITY OF LIVERMORE  
 CITY OF LOMPOC  
 CITY OF LOS ALTOS  
 CITY OF MAYWOOD  
 CITY OF MERCED  
 CITY OF MILL VALLEY  
 CITY OF MILLBRAE  
 CITY OF MISSION VIEJO  
 CITY OF MONTEBELLO  
 CITY OF MONTEREY  
 CITY OF MORENO VALLEY  
 CITY OF MURRIETA  
 CITY OF NAPA  
 CITY OF NATIONAL CITY  
 CITY OF NEEDLES  
 CITY OF NEWPORT BEACH  
 CITY OF NOVATO  
 CITY OF OAKLAND  
 CITY OF OCEANSIDE  
 CITY OF OROVILLE  
 CITY OF PASO ROBLES  
 CITY OF PERRIS  
 CITY OF PLEASANTON  
 CITY OF POMONA  
 CITY OF PORT HUENEME  
 CITY OF RANCHO CORDOVA  
 CITY OF RANCHO SANTA MARGARITA  
 CITY OF REDDING  
 CITY OF REDWOOD CITY  
 CITY OF RIALTO  
 CITY OF RICHMOND  
 CITY OF RIDGECREST  
 CITY OF SACRAMENTO  
 CITY OF SAN BERNARDINO  
 CITY OF SAN BUENAVENTURA  
 CITY OF SAN CLEMENTE  
 CITY OF SAN DIEGO

CITY OF SAN JACINTO  
 CITY OF SANTA CLARA  
 CITY OF SANTA ROSA  
 CITY OF SIMI VALLEY  
 CITY OF SOLANO BEACH  
 CITY OF SOUTH SAN FRANCISCO  
 CITY OF STANTON  
 CITY OF STOCKTON  
 CITY OF SUNNYVALE  
 CITY OF TORRANCE  
 CITY OF TWENTYNINE PALMS  
 CITY OF VACAVILLE  
 CITY OF VISALIA  
 CITY OF WALNUT CREEK  
 CITY OF WEST SACRAMENTO  
 CITY OF WHITTIER  
 CITY OF YUBA CITY  
 COACHELLA VALLEY ASSOC. OF GOVERNMENTS  
 COLUSA COUNTY SUPERIOR COURT  
 COMM. DEVELOPMENT COMM. OF LA COUNTY  
 CONTRA COSTA CO. IHSS PUBLIC AUTHORITY  
 CONTRA COSTA COUNTY SUPERIOR COURT  
 CORONA NORCO UNIFIED SCHOOL DISTRICT  
 COUNCIL OF SAN BENITO CO. GOVERNMENTS  
 DEL NORTE COUNTY SUPERIOR COURT  
 DEL NORTE IHSS PUBLIC AUTHORITY  
 DUBLIN SAN RAMON SERVICES DISTRICT  
 EAST BAY REGIONAL PARK DISTRICT  
 EAST SAN GABRIEL VALLEY ROP  
 EL DORADO COUNTY SUPERIOR COURT  
 ELK GROVE UNIFIED SCHOOL DISTRICT  
 EVERGREEN ELEMENTARY SCHOOL DISTRICT  
 EXCLUSIVE RISK MGMT. AUTHORITY OF CALIF.  
 FIRST 5 CONTRA COSTA CHLD & FAMILIES COMM  
 FIRST FIVE SACRAMENTO COMMISSION  
 GOLD COAST TRANSIT  
 GOLDEN EMPIRE TRANSIT DISTRICT  
 GOLDEN STATE RISK MANAGEMENT AUTHORITY  
 GREAT BASIN UNIFIED AIR POLL CONT DISRICT  
 GSRMA JPA ADMINISTRATION  
 HI-DESERT MEMORIAL HEALTH CARE  
 HOUSING AUTHORITY OF THE CO. OF RIVERSIDE  
 HUMBOLDT IHSS PUBLIC AUTHORITY  
 HUNTINGTON BEACH UNION HIGH SCHOOL DIST  
 IMPERIAL COUNTY IHSS PUBLIC AUTHORITY  
 INLAND EMPIRE HEALTH PLAN  
 IRVINE RANCH WATER DISTRICT  
 KERN HEALTH SYSTEMS  
 KERN IHSS PA  
 KINGS COUNTY AREA PUBLIC TRANSIT AGENCY  
 KINGS WASTE & RECYCLING AUTHORITY  
 LAKE COUNTY SUPERIOR COURT  
 LAKE ELSINORE UNIFIED SCHOOL DISTRICT  
 LASSEN COUNTY SUPERIOR COURT  
 LOCAL AGENCY WC EXCESS JPA  
 MADERA IHSS PUBLIC AUTHORITY  
 MARIN COUNTY TRANSIT DISTRICT

**Item #: 10.G. Attach 1.pdf**

CSAC Excess Insurance Authority  
Joint Powers Agreement Appendix A  
Page 3

MARIN IHSS PUBLIC AUTHORITY  
MERCED IHSS PUBLIC AUTHORITY  
MILITARY DEPT OF THE STATE OF CALIFORNIA  
MONTEREY BAY AREA SELF INSURANCE AUTH.  
MONTEREY SALINAS TRANSIT AUTHORITY  
MORONGO BASIN TRANSIT AUTHORITY  
MOUNTAIN COMMUNITIES HEALTHCARE DIST  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
MUNICIPAL POOLING AUTHORITY  
NAPA SANITATION DISTRICT  
NORTHERN CALIF CITIES SELF INSURANCE FUND  
NORTHERN CALIF SPECIAL DISTRICTS INS. AUTH  
OMNITRANS  
ORANGE COUNTY FIRE AUTHORITY  
ORANGE COUNTY SANITATION DISTRICT  
ORANGE COUNTY SUPERIOR COURT  
ORANGE COUNTY TRANSPORTATION  
AUTHORITY (OCTA)  
PASADENA UNIFIED SCHOOL DISTRICT  
PASIS - SAN BERNARDINO  
PASIS - SAN DIEGO  
PLEASANT HILL RECREATION & PARK DISTRICT  
PUBLIC AGENCY RISK SHARING AUTH OF CALIF  
PUBLIC ENTITY RISK MANAGEMENT AUTHORITY  
RIVERSIDE IHSS PUBLIC AUTHORITY  
RIVERSIDE COUNTY SUPERIOR COURT  
RIVERSIDE TRANSIT AGENCY  
SACRAMENTO AREA FLOOD CONTROL AGENCY  
SACRAMENTO COUNTY CONTRACTS  
SACRAMENTO COUNTY IHSS PUBLIC AUTHORITY  
SACRAMENTO METRO CABLE COMMISSION  
SAN BENITO COUNTY SUPERIOR COURT  
SAN BENITO IHSS PUBLIC AUTHORITY  
SAN BERNARDINO IHSS PUBLIC AUTHORITY  
SAN DIEGO COUNTY IHSS PUBLIC AUTHORITY  
SAN DIEGO HOUSING COMMISSION  
SAN DIEGO METRO TRANSIT SYSTEM  
SAN DIEGO UNIFIED SCHOOL DISTRICT  
SAN JOAQUIN IHSS PUBLIC AUTHORITY  
SAN JOSE UNIFIED SCHOOL DISTRICT  
SAN LUIS OBISPO COUNTY SUPERIOR COURT  
SAN LUIS OBISPO REGIONAL TRANSIT AUTH.  
SAN MATEO CO. SCHOOLS INSURANCE GROUP  
SANTA BARBARA COUNTY SUPERIOR COURT  
SANTA BARBARA METRO TRANSIT DISTRICT  
SANTA CLARA CO. VECTOR CONTROL DISTRICT  
SANTA CRUZ CO. FIRE AGENCIES INS. GROUP  
SANTA CRUZ COUNTY SUPERIOR COURT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHOOLS EXCESS LIABILITY FUND (SELF)  
SCHOOLS INS. RISK MANAGEMENT AUTHORITY  
SHASTA COUNTY SUPERIOR COURT  
SHASTA IHSS PUBLIC AUTHORITY  
SOLANO TRANSPORTATION AUTHORITY  
SONOMA COUNTY AS RESPECTS THE FAIR  
SONOMA CO. EMPLOYEES' RETIREMENT ASSOC.  
SONOMA COUNTY SUPERIOR COURT OF CALIF.

SOUTH COUNTY AREA TRANSIT  
SOUTH BAY AREA SCHOOLS INSURANCE AUTH.  
SOUTHERN CALIF SCHOOLS RISK MANAGEMENT  
SPECIAL DISTRICT RISK MANAGEMENT AUTH.  
STANISLAUS COUNTY SUPERIOR COURT  
SUTTER BUTTE FLOOD CONTROL AGENCY JPA  
SUTTER IHSS PUBLIC AUTHORITY  
TORRANCE UNIFIED SCHOOL DISTRICT  
TOWN OF COLMA  
TOWN OF YOUNTVILLE  
TRANSPORTATION CORRIDOR AGENCIES  
TRINDEL INSURANCE FUND  
TULARE IHSS PUBLIC AUTHORITY  
TUOLUMNE COUNTY SUPERIOR COURT  
TURLOCK IRRIGATION DISTRICT  
UC HASTINGS COLLEGE OF LAW  
VAN HORN REGIONAL TREATMENT FACILITY  
WEST SAN GABRIEL LIABILITY & PROPERTY JPA  
WEST SAN GABRIEL WC JPA  
WESTERN RIVERSIDE COUNCIL OF GOVTS  
YOLO PUBLIC AGENCY RISK MGMT INS AUTH

RESOLUTION NO.: \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CAPITOLA  
TO JOIN CALIFORNIA STATE ASSOCIATION OF COUNTIES (CSAC) EXCESS  
INSURANCE AUTHORITY**

**WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

**WHEREAS**, the City of Capitola desires to join together with the members of the CSAC Excess Insurance Authority (Authority) for the purpose of jointly funding and/c: establishing excess and other insurance programs as determined; and

**WHEREAS**, the Authority has determined that it is necessary for each member of the Authority to delegate to a person[s] or position[s] authority to act on the member's behalf in matters relating to the member and the Authority;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Capitola that said City Council does hereby approve becoming a member of the CSAC Excess Insurance Authority, authorizes execution of the CSAC Excess Insurance Authority Joint Powers Agreement, and except as to actions that must be approved by the City Council, the City Manager or his appointee is hereby appointed to act in all matters relating to the member and the Authority.

**PASSED AND ADOPTED** by the City Council this 12<sup>th</sup> day of December, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

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Adopted: October 26, 2009

**MEMORANDUM OF UNDERSTANDING  
DENTAL PROGRAM**

This Memorandum of Understanding (hereinafter "Memorandum") is entered into by and between the CSAC Excess Insurance Authority (hereafter "Authority") and the participating entities (hereafter Members) that are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Dental Program (hereafter "Program").
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereafter "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall apply.
3. **PURPOSE.** The Program is formed for the purpose of establishing a self-insured pool and group purchase pool for administrative services related to the Program.
4. **GOVERNING COMMITTEE.** The EIA Employee Benefits Committee (hereafter "Committee") shall have full authority to determine all matters affecting the Program and its members, including, but not limited to, approval of new members, and premium/rate setting. A majority of members of the Committee must be members of the Program.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative vote of a majority of the members of the Committee.

Except as otherwise provided herein, the Committee shall be authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions.

The Committee when necessary to fulfill the purposes of this Memorandum, shall meet on the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").

Any meeting of the Committee shall be subject to the applicable provisions of Government Code §54950 et seq., commonly known as the "Brown Act."

## Item #: 10.G. Attach 3.pdf

Dental Program

Memorandum of Understanding

Adopted: October 26, 2009

5. **PREMIUM.** Initial premiums upon entry into the Program for both Pool members and Self-Insured Members shall be established by Delta Dental of California (hereafter "Delta Dental") in consultation with the Committee, actuaries and/or other consultants.
6. **MEMBERSHIP.** Membership in the Program consists of either of the following:
  - a. A "Pool Member" is defined as a Member who joins the Program and is part of the self-insured pooled Program, or
  - b. A "Self-Insured Member" is defined as a member who participates in the group purchase Program for administrative services and is fully responsible for their own dental Program.
7. **MINIMUM PARTICIPATION LEVEL.** The Committee shall establish a minimum participation level in order for the Program to become effective. The Memorandum shall not be binding upon any Member unless the minimum level of participation is reached to begin the Program. This Memorandum shall remain in force should the participation level subsequently fall below the minimum established by the Committee.
8. **PROGRAM PARTICIPATION.** Adoption of this Memorandum by a Member allows for participation in the Program. Participation in the Program may be in either the Self-Insured Pool or the Group Purchase Pool. A Member shall be entitled to participate in the Program until it has withdrawn in accordance with the provisions of paragraph 17 of this Memorandum.
9. **RENEWALS.** Renewal rate action will be determined by the Committee with assistance from Delta Dental, actuarial or other consultants for the Pool Members. The renewal action for the Self-Insured Member will be determined by the Member in conjunction with assistance from Delta Dental, actuaries and/or other consultants. Pool Members that have Legacy Premium Stabilization Funds (see paragraph 11.a.) may use those funds to offset renewal rate increases.
10. **BILLINGS AND LATE PAYMENTS.** Billing dates, payment due dates, and any late fees and/or penalties will be set by the Committee. All Members will receive separate notification of any changes in due dates and/or penalty fees at least 30 days prior to effective date of any such change.

Notwithstanding any other provisions to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Committee,

Dental Program  
Memorandum of Understanding

Adopted: October 26, 2009

any Member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

11. **PREMIUM STABILIZATION FUNDS.** Premium Stabilization Funds as set forth apply only to Pool MEMBERS.
  - a. Legacy Premium Stabilization Fund. Current Delta Dental Member who are fully insured with Delta Dental are required to have their stabilization funds (if any) transferred to the EIA upon entry into the Program. These funds will be accounted for individually for the Member's use. If the Member leaves the Program with a fund balance remaining, those funds remain in the Program and the Member has no equity rights to those funds.
  - b. Program Premium Stabilization Fund. The Program Stabilization Fund shall consist of accumulated excess reserves (in excess of the required Incurred But Not Reported (IBNR) and margin requirements) generated by the Program with all years combined on a go forward basis. The Committee shall have authority to determine the use of these funds. These funds are not Member specific and they are separate from the Legacy Premium Stabilization Funds
12. **STABILIZATION INTEREST.** Interest generated by both premium stabilization funds are available for the Committee to use for any purpose, including administrative fees, rate offsets, or claim payments.
13. **DIVIDENDS AND ASSESSMENTS (Applicable to Pool Members Only).** Should the Program not be adequately funded for any reason, pro-rata assessments to the Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
  - a. Any dividends or assessments shall be based upon the preceding three years of percent of contribution for losses for Pooled Members only.
  - b. Self-Insured Members shall not be eligible for dividends or assessments.
14. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application

to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee shall develop specific criteria for accepting new members.

15. **COVERAGE DOCUMENTS.** Coverage documents shall be issued by Delta Dental to each individual Member and Delta Dental shall determine coverage for each Member in the Program. Coverage shall be governed in accordance with these documents. Any changes to the benefits are as determined by the Member subject to Delta Dental, Committee, actuarial, and/or other consultants pricing requirements.
16. **CLAIMS ADMINISTRATION.** The Committee shall authorize the retention of the services of Delta Dental to provide claims services for the Program.
17. **WITHDRAWAL.** Withdrawal of a Member from the Program shall be as follows:
  - a. Pool Member. After becoming a participant in the Program a Pool Member may withdraw from the Program at the end of a policy year only if it provides the AUTHORITY with sixty (60) days written notice prior to the end of the policy year.
  - b. Self-Insured Member. After becoming a participant in the Program a Self Insured Member may withdraw from the Program at the end of their specific policy year period by giving the Authority sixty (60) days written notice prior to the end of their specific policy year period.
18. **LIASION WITH THE AUTHORITY.** Each Member shall maintain staff to act as liaison with the Authority and Delta Dental and between the Member and the Authority's and Delta Dental's designated representative
19. **DISPUTES.** The Committee shall first determine any question or dispute with respect to the rights and obligations of the parties to this Memorandum, however, all final determinations shall be in accordance with Article 31 of the AGREEMENT.
20. **ADMINISTRATION COSTS.** The Authority shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through the Authority's budget process. The source of the funds for the Program will be administrative charges, interest earnings or a combination of both.

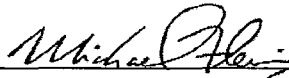
Dental Program  
Memorandum of Understanding

Adopted: October 26, 2009

- 21. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.
- 22. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
- 23. **AMENDMENT OF MEMORANDUM.** This Memorandum may be amended by a majority vote of the Committee and signature on the Memorandum by the Member's designated representative, or alternate who shall have authority to execute this Memorandum.
- 24. **EFFECTIVE DATE.** This Memorandum shall become effective on the first effective date of coverage for the Member and upon approval by the Committee and the signing of this agreement by the Members and Chief Executive Officer of the Authority.
- 25. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the undersigned have executed the Memorandum as of the date set forth below.

Dated: October 26, 2009

  
 \_\_\_\_\_  
 CSAC Excess Insurance Authority  
 Michael D. Fleming, Chief Executive Officer

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

Name \_\_\_\_\_

Member Entity \_\_\_\_\_

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## CITY COUNCIL AGENDA REPORT

### MEETING OF DECEMBER 12, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: ADOPT RESOLUTION AUTHORIZING AN INCREASE IN THE RESIDENTIAL AND COMMERCIAL GARBAGE COLLECTION AND RECYCLING RATES FOR 2014

**RECOMMENDED ACTION:** Adopt the proposed Resolution approving a Rate Schedule for Residential & Commercial Garbage Collection and Recycling in Capitola effective January 1, 2014, superseding Resolution No. 3948, as authorized in the Franchise Agreement dated April 24, 2008 and amended on December 13, 2012.

**BACKGROUND:** The City of Capitola has a franchise agreement with GreenWaste Recovery, Inc (GWR), to collect the City's commercial and residential refuse, recycling, yard waste and food waste. GreenWaste Recovery's Franchise Agreement allows for an annual customer rate increase of 100% of the San Francisco – Oakland – San Jose Bay Area Consumer Price Index (CPI).

**DISCUSSION:** To determine the new customer rates, the Agreement allows GWR to increase the rates by 100% of the CPI for the period ending October 2013, which was 1.558%. The average 64 gallon customer will have a monthly rate increase of \$0.39. The City continues to have the lowest rates in the County.

Residential Carts	Current Rates Monthly	New Rates Monthly
35 Gallon	\$14.76	\$14.99
64 Gallon	\$25.12	\$ 25.51

Customers will be notified of the new rates on their bills, refuse containers, city newsletter and our website.

**FISCAL IMPACT:** The increase of 1.588% results in the average residential customer increase of \$0.39 cents per/month.

**ATTACHMENT:**

1. Draft Resolution

Report Prepared By: Lisa G. Murphy  
Administrative Services Director

Reviewed and Forwarded  
by City Manager: 

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
APPROVING A RATE SCHEDULE FOR RESIDENTIAL AND COMMERCIAL  
GARBAGE COLLECTION AND RECYCLING IN CAPITOLA EFFECTIVE JANUARY 1, 2014  
SUPERSEDING RESOLUTION NO. 3948**

WHEREAS, the City of Capitola has a franchise agreement with Greenwaste Recovery, Inc., for refuse, recycling, yard and food waste collection; and

WHEREAS, the franchise agreement allows for Greenwaste Recovery to increase the rates annually by 100% of the Consumer Price Index for San Francisco-Oakland-San Jose area which was 1.588% for the period ending October 2013; and

WHEREAS, the City Council adopted Resolution No. 3948 on December 8, 2012, which adopted a rate schedule effective January 1, 2013; and

WHEREAS, the total fee increase for both commercial and residential will increase by 1.588%, as per the Franchise Agreement dated April 24, 2008, effective January 1, 2014; and

WHEREAS, the City Council considered the garbage rate increase at a public meeting where members of the public had the opportunity to address the council on the proposed increase.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola approves the Rate Schedule for Residential and Commercial Refuse, Recycling and Yard Waste in Capitola as shown on the "Schedule of Rates" attached to this resolution (Exhibit A-1, Residential Rates; Exhibit A-2 Commercial Rates) effective January 1, 2014.

BE IT FURTHER RESOLVED that this resolution supercedes Resolution No. 3948.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12<sup>th</sup> day of December, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

EXHIBIT A-1

**City of Capitola Residential Rate Structure  
Contract Year Beginning January 1, 2014**

Residential	# of Carts	CPI Adj 1.558%	
		Monthly	Quarterly
1) <u>Carts</u>			
10 Gallon	1	\$ 11.12	\$ 33.36
20 Gallon	1	\$ 13.23	\$ 39.69
35 Gallon	1	\$ 14.99	\$ 44.97
35 Gallon	2	\$ 29.99	\$ 89.97
35 Gallon	3	\$ 46.16	\$ 138.48
35 Gallon	4	\$ 61.75	\$ 185.25
35 Gallon	5	\$ 76.97	\$ 230.91
35 Gallon	6	\$ 92.37	\$ 277.11
35 Gallon	7	\$ 107.79	\$ 323.37
35 Gallon	8	\$ 120.08	\$ 360.24
64 Gallon	1	\$ 25.51	\$ 76.53
64 Gallon	2	\$ 51.00	\$ 153.00
64 Gallon	3	\$ 204.07	\$ 612.21
96 Gallon	1	\$ 36.15	\$ 108.45
96 Gallon	2	\$ 72.26	\$ 216.78
96 Gallon	3	\$ 108.40	\$ 325.20
96 Gallon	4	\$ 140.46	\$ 421.38
96 Gallon	5	\$ 180.66	\$ 541.98

Items 2 through 6 will not be changed during Franchise Term, i.e., will not receive the COLA adjustment as set forth in section 7.1c

2) Special pick-up for service not on a regular schedule

\$25.00 plus \$2.50 per bag, \$2.75 per 32 gallon can. For other means of bundling or containing, \$2.75 for each equivalent in volume to a 32 gallon can.

3) Special Service for walk-in by driver

\$5.00 per can or bag plus the monthly rate. Except as provided in Section 4.1.B(4).

4) Extra containers picked up at time of regular service shall be billed as in #2 above, but without the \$25.00 charge.

5) Bulky Goods Items Pricing

Furniture	\$ 10.00
Non-CFC Appliance	\$ 15.00
Carpet	\$ 0.50

6) Service Re-Start \$ 25.00

RESOLUTION NO. \_\_

EXHIBIT A-2

**City of Capitola Commercial Rate Structure  
Contract Year Beginning January 1, 2014**

CPI Increase 1.558%				CPI Increase 1.588%			
# of bins	Commercial Bins Bin Size	Frequency		# of bins	Commercial Bins Bin Size	Frequency	
1	1 cu yd	1	\$ 152.31	2	4 cu yd	1	\$ 697.63
1	1 cu yd	2	\$ 230.20	2	4 cu yd	2	\$ 1,320.85
1	1 cu yd	3	\$ 307.95	2	4 cu yd	3	\$ 1,944.10
1	1 cu yd	4	\$ 386.01	2	4 cu yd	4	\$ 2,641.26
1	1 cu yd	5	\$ 463.92	2	4 cu yd	5	\$ 3,190.55
1	1 cu yd	6	\$ 541.81	2	4 cu yd	6	\$ 3,813.80
2	1 cu yd	1	\$ 230.20	3	4 cu yd	1	\$ 1,008.73
2	1 cu yd	2	\$ 386.01	3	4 cu yd	2	\$ 1,944.10
2	1 cu yd	3	\$ 541.81	3	4 cu yd	3	\$ 2,878.95
2	1 cu yd	4	\$ 697.63	3	4 cu yd	4	\$ 3,813.80
2	1 cu yd	5	\$ 853.42	3	4 cu yd	5	\$ 4,748.68
2	1 cu yd	6	\$ 1,009.22	3	4 cu yd	6	\$ 5,683.49
3	1 cu yd	1	\$ 308.11	4	4 cu yd	1	\$ 1,320.85
3	1 cu yd	2	\$ 541.82	4	4 cu yd	2	\$ 2,567.34
3	1 cu yd	3	\$ 775.68	4	4 cu yd	3	\$ 3,813.81
3	1 cu yd	4	\$ 1,009.24	4	4 cu yd	4	\$ 5,060.26
3	1 cu yd	5	\$ 1,242.95	4	4 cu yd	5	\$ 6,306.80
3	1 cu yd	6	\$ 1,476.63	4	4 cu yd	6	\$ 7,553.19
4	1 cu yd	1	\$ 386.01	5	4 cu yd	1	\$ 1,679.47
4	1 cu yd	2	\$ 697.63	5	4 cu yd	2	\$ 3,190.56
4	1 cu yd	3	\$ 1,009.55	5	4 cu yd	3	\$ 4,748.67
4	1 cu yd	4	\$ 1,320.87	5	4 cu yd	4	\$ 6,306.73
4	1 cu yd	5	\$ 1,632.48	5	4 cu yd	5	\$ 7,864.91
4	1 cu yd	6	\$ 1,944.04	5	4 cu yd	6	\$ 9,422.91
1	2 cu yd	1	\$ 230.23	1	6 cu yd	1	\$ 541.81
1	2 cu yd	2	\$ 386.01	1	6 cu yd	2	\$ 1,009.23
1	2 cu yd	3	\$ 541.81	1	6 cu yd	3	\$ 1,476.67
1	2 cu yd	4	\$ 697.63	1	6 cu yd	4	\$ 1,944.10
1	2 cu yd	5	\$ 853.42	1	6 cu yd	5	\$ 2,411.51
1	2 cu yd	6	\$ 1,009.22	1	6 cu yd	6	\$ 2,878.95
2	2 cu yd	1	\$ 386.01	<b>Commercial Carts</b>			
2	2 cu yd	2	\$ 697.63	1	35G		\$ 19.96
2	2 cu yd	3	\$ 1,009.23	1	64G		\$ 40.36
2	2 cu yd	4	\$ 1,320.85	1	96G		\$ 60.04
2	2 cu yd	5	\$ 1,632.49	<b>Commercial Cans</b>			
2	2 cu yd	6	\$ 1,944.10	1	32G		\$ 15.25
2	6 cu yd	1	\$ 1,009.23	2	32G		\$ 30.52
2	6 cu yd	2	\$ 1,944.10				
2	6 cu yd	3	\$ 2,878.95				

2	6 cu yd	4	\$ 3,813.77
2	6 cu yd	5	\$ 4,748.67
2	6 cu yd	6	\$ 5,683.52
1	8 cu yd	1	\$ 697.63
1	8 cu yd	2	\$ 1,320.85
1	8 cu yd	3	\$ 1,944.10
1	8 cu yd	4	\$ 2,567.33
1	8 cu yd	5	\$ 3,190.57
1	8 cu yd	6	\$ 3,813.77

3 32G \$ 45.78

**Drop Box Rates**

1	40 Yard	\$ 925.72
1	Compactor	\$ 330.10

per pull plus disposal fees

DRAFT



## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 15.04 PERTAINING TO CITY BUILDING AND FIRE CODES

**RECOMMENDED ACTION:** Introduction of an Ordinance amending Municipal Code Chapter 15.04 pertaining to building and fire codes.

**BACKGROUND:** The State of California has adopted new editions of the California Building Codes, which take effect throughout the state on January 1, 2014. The proposed Ordinance would amend Title 15 of the Municipal Code to adopt the most current version of the California Building Codes as required by California Health and Safety Code Section 18541.5.

**DISCUSSION:** The City of Capitola must amend Title 15 of the Capitola Municipal Code approximately every three years to incorporate the most recent editions of building codes which have been adopted by the California Building Standards Commission. The California Building Standards Commission adopted new model codes which will go into effect on January 1, 2014. In addition, the Municipal Code will be amended to refer to the Central Fire Protection District Fire Code as the Fire Code for the City of Capitola.

During the last two Code cycles, the City adopted International Model Codes to serve as the Building and Fire Codes for Capitola. However, staff recommends the City Council adopt State Codes during this cycle because the City is already obligated to apply State Building and Fire Codes and because State standards are tailored to the geographic, climatic, and topographic conditions found in California.

Staff also recommends the City Council adopt amendments to the State Codes to retain regional code consistency and long-standing seismic construction standards which were not included in the most recent state code update.

**FISCAL IMPACT:** None

**ATTACHMENTS:**

1. Draft Ordinance
2. Current Chapter 15.04
3. Central Fire Protection District Fire Code and Resolutions

**Report Prepared By:** Richard Grunow  
Community Development Director

Reviewed and Forwarded  
By City Manager:

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## ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
AMENDING CHAPTER 15.04 OF THE CAPITOLA MUNICIPAL CODE  
PERTAINING TO ADOPTION OF CALIFORNIA BUILDING CODES**

THE CITY COUNCIL OF THE CITY OF CAPITOLA HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Chapter 15.04 is amended to be titled CONSTRUCTION AND FIRE CODES

SECTION 2. Section 15.04.010 of the Capitola Municipal Code is amended to read as follows:

15.04.010 Adoption of California Building Codes. The City of Capitola adopts the following Codes or designated portions thereof:

- A. The California Building Code and appendices, 2013 edition, which edition incorporates the International Building Code, 2012 edition as published by the International Code Council and includes the Historic, Existing Building, and International Property Maintenance Codes.
- B. The California Electrical Code, 2013 edition, which incorporates the 2011 National Electrical Code as published by the National Fire Protection Association.
- C. The California Mechanical Code, 2013 edition, which incorporates the 2012 Uniform Mechanical Code as published by the Association of Plumbing and Mechanical Officials.
- D. The California Plumbing Code, 2013 edition, which incorporates the 2012 edition of the Uniform Plumbing Code.
- E. The California Fire code as amended by the Central Fire Protection District Fire Code, 2013 edition.
- F. The California Residential Code, 2013 edition, which incorporates the International Residential Code, 2012 edition.
- G. The 2013 California Referenced Standards Code.
- H. The California Energy Code, 2013 edition.
- I. The California Green Building Standards Code, 2013 edition.

SECTION 3. Section 15.04.050 Modifications to the California Building Code.

- A. The following local geologic conditions justify modifications to California Building Standards Code as detailed in subsection B:

Geological – The region is located in an area of high seismic activities as indicated by United States Geological Survey and California Division of Mines and Geology. Recent earthquake activities have indicated the lack of flexibility of materials and/or building systems has been a contributing factor to damages that reduced the usability of buildings, degraded the life-safety of building occupants, and increased the cost of rehabilitation of the structures.

- B. The following modifications apply to the California Building Code:

1805.3.1. Concrete floors in all residential occupancies shall be protected from moisture penetration by a bed of at least three inches of clean rock, not less than 3/8 inch nor more than 1 inch in diameter. Dampproofing consisting of not less than 10-mil polyethylene with joints lapped not less than 12 inches, a vapor barrier that meets or exceeds ASTM E-1745 Standards, or other approved methods or materials shall be installed beneath the slab. Joints in the membrane shall be

ORDINANCE NO. \_\_\_\_\_

lapped and sealed in accordance with the manufacturer's installation instructions.

Section 1905.1.8. Amends ACI 318 section 22.10.1 of ACI 318 that allows the use of plain concrete in residential structures assigned to seismic design category D, E or F to read:

22.10. Plain concrete in structures assigned to seismic design category C, D, E or F.

22.10.1. Structures assigned to Seismic Design Category C, D, E or F shall not have elements of structural plain concrete, except as follows:

(a) Isolated footings of plain concrete supporting pedestals or columns are permitted, provided the projection of the footing beyond the face of the supported member does not exceed the footing thickness.

Exception: In detached one and two-family dwelling three stories or less in height, the projection of the footing beyond the face of the supported member is permitted to exceed the footing thickness.

(b) Plain concrete footing supporting walls are permitted, provided the footings have at least two continuous longitudinal reinforcing bars. Bars shall not be smaller than No. 4 and shall have a total area of not less than 0.002 times the gross cross-sectional area of the footing. A minimum of one bar shall be provided at the top and bottom of the footing. Continuity of reinforcement shall be provided at corners and intersections.

Exception: In detached one and two-family dwellings three stores or less in height and constructed with stud bearing walls, plain concrete footings with at least two continuous longitudinal reinforcing bars not smaller than No. 4 are permitted to have a total area of less than 0.002 times the gross cross-sectional area of the footing.

SECTION 4. The following changes and modifications are hereby made to the California Residential Code as referenced below:

R506.2.3. Concrete floors in all residential occupancies shall be protected from moisture penetration by a bed of at least three inches of clean rock, not less than 3/8 inch nor more than 1 inch in diameter. Damproofing consisting of not less than 10-mil polyethylene with joints lapped not less than 12 inches, a vapor barrier that meets or exceeds ASTM E-1745 Standards, or other approved methods or materials shall be installed beneath the slab. Joints in the membrane shall be lapped and sealed in accordance with the manufacturer's installation instructions.

R403.1.3. Seismic reinforcing.

a) Concrete footings located in Seismic Design Categories D0, D1 and D2, as established in Table R301.2 (1), shall have minimum reinforcement of at least two continuous longitudinal reinforcing bars not smaller than No. 4 bars. Bottom reinforcement shall be located a minimum of 3 inches (76 mm) clear from the bottom of the footing.

b) In Seismic Design Categories D0, D1 and D2 where a construction joint is created between a concrete footing and a stem wall, a minimum of one No. 4 bar shall be installed at not more than 4 feet (1219 mm) on center. The vertical bar shall extend to 3 inches (76 mm) clear of the bottom of the footing, have a standard hook and extend a minimum of 14 inches (357 mm) into the stem wall.



ORDINANCE NO. \_\_\_\_\_

c) In Seismic Design Categories D0, D1 and D2 where a grouted masonry stem wall is supported on a concrete footing and stem wall, a minimum of one No. 4 bar shall be installed at not more than 4 feet (1219 mm) on center. The vertical bar shall extend to 3 inches (76 mm) clear of the bottom of the footing and have a standard hook.

d) In Seismic Design Categories D0, D1 and D2 masonry stem walls without solid grout and vertical reinforcing are not permitted.

Exception: In detached one- and two-family dwellings which are three stories or less in height and constructed with stud bearing walls, isolated plain concrete footings supporting columns or pedestals are permitted.

In Seismic Design Categories D<sub>0</sub>, D<sub>1</sub>, and D<sub>2</sub>, Method GB is not permitted and the use of Method PCP is limited to one-story single family dwellings and accessory structures.

Add the "e" footnote notation in the title of Table R602.10., after the four footnotes currently shown, to read:

TABLE R602.10.1.3(3)<sup>a,b,c,d,e</sup>

e) R602.10.4.4. Limits on methods GB and PCP. In Seismic Design Categories D<sub>0</sub>, D<sub>1</sub>, and D<sub>2</sub>, Method GB is not permitted for use as intermittent braced wall panels, but gypsum board is permitted to be installed when required by this Section to be placed on the opposite side of the studs from other types of braced wall panel sheathing. In Seismic Design Categories D<sub>0</sub>, D<sub>1</sub>, and D<sub>2</sub>, the use of Method PCP is limited to one-story single family dwellings and accessory structures.

SECTION 5. This Ordinance shall take effect and be in full force thirty (30) days after its final adoption by the City Council.

This Ordinance was introduced on the 12<sup>th</sup> day of December, 2013, and was passed and adopted by the City Council of the City of Capitola on the 9<sup>th</sup> day of January, 2014, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

APPROVED:

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

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**Chapter 15.04**  
**UNIFORM CONSTRUCTION AND FIRE CODES**

## Sections:

- |           |  |
|-----------|--|
| 15.04.010 | Adoption of model codes.                       |
| 15.04.020 | Penalty for violation.                         |
| 15.04.040 | Residential doorway width.                     |
| 15.04.050 | Modifications to the California Building Code. |

**15.04.010 Adoption of model codes.**

The city of Capitola adopts the following model codes or designated portions thereof:

A. The 2009 International Building Code (IBC) and Appendix Chapters G, I, and K, published by the International Code Council.

B. The 2008 National Electrical Code (NEC) published by the National Fire Protection Association.

C. The 2009 Uniform Mechanical Code (UMC) published by the International Association of Plumbing and Mechanical Officials.

D. The 2009 Uniform Plumbing Code (UPC) published by the International Association of Plumbing and Mechanical Officials.

E. The 2009 International Fire Code (IFC) published by the International Code Council.

F. The 2009 International Property Maintenance Code (IPMC) published by the International Code Council.

G. The 2009 International Existing Building Code (IEBC) published by the International Code Council.

H. The 2009 International Residential Code (IRC) for One- and Two-Family Dwellings published by the International Code Council. (Ord. 951 § 1, 2011; Ord. 927 § 1, 2007; Ord. 842 § 1, 2002; Ord. 812 § 1, 1999; Ord. 784 § 1, 1995; Ord. 733, 1992; Ord. 712, 1991; Ord. 684 § 1, 1989; Ord. 607 § 1 (part), 1986; Ord. 592 § 1, 1985; Ord. 549 § 2, 1984; Ord. 511 § 1, 1981; Ord. 496, 1981; Ord. 489, 1980; Ord. 479 § 2, 1980)

**15.04.020 Penalty for violation.**

Any person violating any of the provisions or failing to comply with any of the mandatory requirements of said codes shall be guilty of a misdemeanor and punishable by a fine of not more than five hundred dollars or by imprisonment not to exceed six months or by both such fine and imprisonment. (Ord. 479 § 3, 1980)

**15.04.040 Residential doorway width.**

Residential structures not regulated by Chapter 11 of the California State Building Code shall have a minimum clear width of thirty inches at all doorways, through which any user may pass, excluding shower doors, closet or pantry doors when the back wall of the closet or pantry is less than three feet from the door. (Ord. 784 § 2, 1995; Ord. 607 § 1 (part), 1986; Ord. 502, 1981)

**15.04.050 Modifications to the California Building Code.**

A. The following local geologic conditions justify modifications to California Building Standards Code as detailed in subsection B:

Geological – The region is located in an area of high seismic activities as indicated by United States Geological Survey and California Division of Mines and Geology. Recent earthquake activities have indicated the lack of flexibility of materials and/or building systems has been a contributing factor to damages that reduced the usability of buildings, degraded the life-safety of building occupants, and increased the cost of rehabilitation of the structures.

B. The following modifications apply to the California Building Code:

California Plumbing Code Sections 604.11 and 604.13 are hereby amended to read as follows:

604.11 PEX. Cross-linked polyethylene (PEX) tubing shall be marked with the appropriate standard designation(s) listed in Table 14-1 for which the tubing has been approved. PEX tubing shall be installed in compliance with the provisions of this section.

604.11.1 PEX Fittings. Metal insert fittings, metal compression fittings and cold expansion fittings used with PEX tubing shall be manufactured to and marked in accordance with the standards for the fittings in Table 14-1.

604.11.2 Water Heater Connections. PEX tubing shall not be installed within the first eighteen (18) inches (457mm) of piping connected to a water heater.

604.13 PEX-AL-PEX and PE-AL-PE. Cross-linked polyethylene-aluminum cross-linked polyethylene (PEX-AL-PEX) and polyethylene-aluminum-polyethylene (PE-AL-PE) composite pipe shall be marked with the appropriate standard designation listed in Table 14-1 for which the piping has been listed or approved. PEX-AL-PEX and PE-AL-PE piping shall be installed in compliance with the provisions of this section.

(Ord. 927 § 2, 2007; Ord. 842 § 2, 2002)

**CENTRAL FIRE PROTECTION DISTRICT  
OF SANTA CRUZ COUNTY**

**ORDINANCE NO. 2013-01**

An ordinance of the Central Fire Protection District adopting the 2012 edition of the International Fire Code, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the Central Fire Protection District providing for the issuance of permits and collection of fees therefore; repealing Ordinance 2010-01 of the Central Fire Protection District and all other ordinances and parts of the ordinances in conflict therewith.

**PART 1**

The Board of Directors of the Central Fire Protection District does ordain as follows:

That portion of the 2013 California Fire Code that imposes substantially the same requirements as are contained in the International Fire Code, 2012 Edition published by the International Code Council and the California Building Standards Commission with Errata, together with those portions of the International Fire Code, 2012 Edition, including Appendices B and C as published by the International Code Council not included in the California Fire Code, as modified and amended by this ordinance, are adopted by this reference into this code, and are hereby collectively declared to be the Fire Code of the Central Fire Protection District, in the State of California regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises as herein provided; providing for the issuance of permits and collection of fees for same; and each and all of the regulations, provisions, penalties, conditions and terms of said Fire Code on file in the office of the Central Fire Protection District are hereby referred to, adopted, and made a part hereof, as if fully set out in this ordinance, with the additions, insertions, deletions and changes, if any, prescribed in Part 2 of this ordinance.

**PART 2**

**Chapter 34 of the Central Fire Protection District is hereby repealed and replaced with Title 34 to read as follows:**

**International Fire Code Adopted**

That portion of the 2013 California Fire Code that imposes substantially the same requirements as are contained in the International Fire Code, 2012 Edition published by the International Code Council and the California Building Standards Commission with errata, together with those portions of the International Fire Code, 2012 Edition, including Appendices B and C published by the International Code Council not included in the 2013 California Fire Code, as modified and amended by this ordinance, are adopted by this reference into code, and are hereby collectively declared to be the Fire Code of the Central Fire Protection District for the purpose of regulating and governing the safeguarding of life, property and public welfare to a reasonable degree from the hazards of fire, hazardous materials release and explosion arising from the storage, use and handling of dangerous and hazardous materials, substances and devices, conditions hazardous to life or property in the occupancy and use of buildings and premises, the operation, installation, construction, location, safeguarding and maintenance of attendant equipment, the installation and maintenance of adequate means of egress not provided for by the building code, and providing for the issuance of permits and collection of fees for same.

**SEP 16 2013**

**CITY OF CAPITOLA  
CITY CLERK**

**Section 101.1 is amended – Title.**

Section 101.1 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**101.1 Title.** These regulations shall be known as the Fire Code of the Central Fire Protection District, hereinafter referred to as "this code."

**Section 102.9 amended - Matters Not Provided For.**

Section 102.9 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**102.9 - Matters Not Provided For.** Requirements that are essential for the public safety of an existing or proposed activity, building or structure, or for the safety of the occupants thereof, which are not specifically provided for by this code shall be determined by the fire code official.

The fire chief is authorized to render interpretations of this code and to make and enforce rules, supplemental regulations and standards in order to carry out the application and intent of its provisions. Such interpretations, rules, regulations and standards shall be in conformance with the intent and purpose of this code and shall be available to the public during normal business hours. Those standards promulgated by the Santa Cruz County Fire Chiefs Association shall be deemed as prima facie evidence of compliance with this code.

**Section 105.1 amended – General.**

Section 105 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**105.1 - General.** Permits shall be in accordance with Sections 105.1.1. through 105.7.16 or other provisions of this code as required by the jurisdiction having authority.

**Section 108.1 amended - Board of Appeals Established.**

Section 108.1 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**108.1 – Board of Appeals Established.** In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a Board of Appeals. The Board of Appeals shall be the Board of Directors of the Central Fire Protection District or a sub-committee as appointed by the Board of Directors of the Central Fire Protection District appointed by the governing body and shall hold office at its pleasure. The fire code official shall be an ex-officio member of said board but shall have no vote on any matter before the board. The board shall adopt rules of procedure for conducting its business, and shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official.

**Section 108.3 deleted – Qualifications**

Section 108.3 of Chapter 1 of the Fire Code of the Central Fire Protection District is deleted.

~~The board of appeals shall consist of members who are qualified by experience and training to pass on matters pertaining to hazards of fire, explosions, hazardous conditions or fire protection systems and are not employees of the jurisdiction.~~

**Section 108.4 added – Appeals Process**

Section 108.4 of Chapter 1 of the Fire Code of the Central Fire Protection District is added to read as follows:

**Section 108.4.1 - Initiating Appeal.** Any beneficially interested party has the right to appeal the order served by the fire code official by filing a written "NOTICE OF APPEAL" with the office of the fire code

official within ten days after service of such order. The notice shall state the order appealed from, the identity and mailing address of the appellant, and the specific grounds upon which the appeal is made.

**108.4.2 - Stay of Order.** The filing of a properly completed notice of appeal shall have the effect of staying the implementation of the order appealed from, until the final decision of appeal.

EXCEPTION: Orders affecting acts or conditions which in the opinion of the fire code official, pose an immediate threat to life, property, or the environment as a result of panic, fire, explosion, or release.

**108.4.3 - Hearing of Appeal.** Following is the process for establishing and hearing appeals:

1. The Board of Appeals, or the secretary thereof, shall set the matter to be heard at a date within thirty days of receipt of such notice of appeal. Written notice of the time and place set for hearing shall be served on the appellant by first class mail to the mailing address given in the notice of appeal at least five days prior to the date set for the hearing. The fire code official shall transmit to the Board of Appeals all records related to the appeal.

2. At the hearing on the appeal, the appellant shall, in the first instance present evidence in support of the grounds enumerated in her/his notice of appeal. The fire code official shall next present evidence in support of her/his order. The appellant and the fire code official shall each have one opportunity to rebut the evidence presented by the other. The hearing shall be de novo in all respects.

**108.4.4 - Decision of the Board of Appeals.** Upon hearing the appeal, the Board of Appeals may issue a decision affirming, modifying or vacating the order of the fire code official. The decision shall be in writing and shall be served upon the appellant by first class mail to the mailing address given in the notice of appeal.

**108.4.5 - Time of Decision.** The Board of Appeals shall have the power to continue any hearing and may, in its discretion, take the appeal under submission. The Board of Appeals shall render a decision not later than the seventh day following the date the matter was taken under submission, and forthwith notify the interested parties as previously set forth.

**Section 109.4 is amended – Violation penalties.**

Section 109.4 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**109.4 – Violation Penalties.** Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of an [SPECIFY OFFENSE] infraction.

Acts denominated as infractions shall not be punishable by imprisonment. Every violation determined to be an infraction is punishable by:

1. A fine not exceeding one hundred dollars for a first violation;
2. A fine not exceeding two hundred dollars for a second violation of the same provision of this code within one year;
3. A fine not exceeding five hundred dollars for each additional violation of the same provision of this code within one year.

A person charged with an infraction shall not be entitled to a trial by jury. A judgment that a person convicted of an infraction be punished by fine may also provide for the payment to be made within a specified time or in specified installments, contingent upon the person giving his written promise to either

pay the fine as provided or to appear in court on the due date. Any person who willfully violates any such written promise is guilty of a misdemeanor.

~~punishable by a fine of not more than [AMOUNT] plus court assigned fees or by imprisonment not exceeding [NUMBER OF DAYS] or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.~~

**Section 109.4.1 is amended – Abatement of violation.**

Section 109.4.1 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**109.4.1 – Abatement of violation.** In addition to the imposition of the penalties herein described, the fire code official is authorized to institute appropriate action to prevent unlawful construction or to restrain, correct or abate a violation; or to prevent illegal occupancy of a structure or premises; or to stop an illegal act, conduct of business or occupancy of a structure on or about any premises. Any violation of this code shall be deemed a public nuisance pursuant to Santa Cruz County Code Section 1.12.050 and/or the Central Fire Protection District's Fire Code. In the event that a public nuisance is not abated in accordance with the fire code official's order or the order of the Board of Appeals, if any, the fire code official may, upon securing approval of the Board of Directors of the Central Fire Protection District, proceed to abate the nuisance by force account, contract, or any other method deemed most expedient by the Board. The cost of such abatement may be charged to the owner of record, or assessed to the property in a manner provided in Sections 1.14.040 through 1.14.080 of the County of Santa Cruz Code.

**Section 109.4.2 is added – Enforcement.**

Section 109.4.2 of Chapter 1 of the Fire Code of the Central Fire Protection District is added to read as follows:

**109.4.2 – Enforcement.** The fire code official and her/his delegated subordinates, pursuant to the provisions of Section 836.5 of the Penal Code of the State of California, are hereby authorized to arrest a person without a warrant whenever they have reasonable cause to believe that the person has committed a violation of any of the provisions of this Code in their presence. Upon making such an arrest, the fire code official or her/his delegated subordinate shall prepare a citation and release the person arrested pursuant to Section 853.6 of the Penal Code of the State of California, the provisions of which are hereby adopted by reference as part of this Section.

**Section 111.4 is amended – Failure to comply.**

Section 111.4 of Chapter 1 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**111.4 Failure to comply.** Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than [AMOUNT] dollars or more than [AMOUNT] dollars. It is unlawful for any person, firm or corporation to violate or fail to comply with any lawful order of the fire code official; fail to comply with an order by the Board of Appeals; or, fail to comply with an order of the court of competent jurisdiction within the time fixed therein. Every such violation shall be deemed a misdemeanor and shall be punishable by a fine of not more than \$500.00 plus court assigned fees or by imprisonment not exceeding 1 year in the county jail, or both such fine and imprisonment.

**Section 202 is amended – Definition of All Weather Surface.**

Definition of All Weather Surface in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is added after Alcohol-Blended Fuels to read as follows:

**ALL WEATHER SURFACE.** An all weather surface shall be a minimum of 6" of compacted Class II base rock for grades up to and including 5%, oil and screened for grades up to and including 15%, and asphaltic concrete for grades exceeding 15%. No grade shall be allowed to exceed 20%.



ORDINANCE 2013-01

**Section 202 is amended – Definition of Bridge.**

Definition of Bridge in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is added after Bonfire to read as follows:

**BRIDGE.** A bridge shall be defined as a structure designed to carry a roadway over a depression or obstacle.

**Section 202 is amended – Definition of De Novo.**

Definition of De Novo in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is added after Deluge System to read as follows:

**DE NOVO.** adj. Latin for "anew," which means starting over, as in a trial de novo. For example, a decision in a small claims case may be appealed to a local trial court, which may try the case again, de novo.

**Section 202 is amended – Definition of Fire Chief.**

Definition of Fire Chief in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is amended to read as follows:

~~**FIRE CHIEF.** The chief officer of the fire department serving the jurisdiction, or a duly authorized representative.~~ The Chief of The Central Fire Protection District.

**Section 202 is amended – Definition of Stage.**

Definition of Stage in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is added after Spraying Space to read as follows:

**STAGE.** A space within a building utilized for entertainment or presentations, which includes overhead hanging curtains, drops, scenery or stage effects other than lighting and sound. Stage area shall be measured to include the entire performance area and adjacent backstage and support areas not separated from the performance area by fire-resistance rated construction. Stage height shall be measured from the lowest point on the stage floor to the highest point of the roof or floor deck above the stage.

**Section 202 is amended – Definition of State Responsibility Area (SRA).**

Definition of State Responsibility Area (SRA) in Section 202 of Chapter 2 of the Fire Code of the Central Fire Protection District is added after Standpipe, Types Of to read as follows:

**STATE RESPONSIBILITY AREA (SRA)** shall mean lands that are classified by the Board of Forestry pursuant to Public Resources Code Section 4125 where the financial responsibility of preventing and suppressing forest fires is primarily the responsibility of the State of California.

**Section 304.1.2 is amended – Vegetation.**

Section 304.1.2 of Chapter 3 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**304.1.2 – Vegetation.** Weeds, grass, vines or other growth that is capable of being ignited and endangering property, shall be cut down and removed by the owner or occupant of the premises. Vegetation clearance requirements in urban-wildland interface areas shall be in accordance with the ~~International Wildland-Urban Interface Code~~, maintained around and adjacent to buildings and structures. A firebreak shall be made by removing and clearing away, for a distance of not less than 30 feet on each side of the building or structure or to the property line, whichever is nearer, all flammable vegetation or other combustible growth. This does not apply to single specimens of trees or other vegetation that is well-pruned and maintained so as to effectively manage fuels and not form a means of rapidly transmitting fire from other nearby vegetation to any building or structure.

When required by state law, or local ordinance, rule or regulation, an additional fire protection zone or firebreak may be made by removing all brush, flammable vegetation, or combustible growth that is located within 100 feet from the building or structure or to the property line. This section does not prevent an insurance company that insures a building or structure from requiring the owner of the building or structure to maintain a firebreak of more than 100 feet around the building or structure. Grass and other vegetation located more than 30 feet from the building or structure and less than 18 inches in height above the ground may be maintained where necessary to stabilize the soil and prevent erosion. This does not apply to single specimens of trees or other vegetation that is well-pruned and maintained so as to effectively manage fuels and not form a means of rapidly transmitting fire from other nearby vegetation to a dwelling or structure.

**Section 307.2 - Open Burning And Recreational Fires.**

Section 307.2 of Chapter 3 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**307.2 Permit required.**

~~A-When required by the fire chief, a permit shall be obtained from the fire code official in accordance with Appendix Chapter 1, Section 105.6 prior to kindling a fire for recognized silvicultural or range or wildlife management practices, prevention or control of disease or pests, or a bonfire. Application for such approval permit shall only be presented by and permits issued to the owner of the land upon which the fire is to be kindled.~~

The open burn season for Santa Cruz County unless otherwise declared shall be December 1<sup>st</sup> through April 30<sup>th</sup> of the calendar year. The dates may only be changed by the Monterey Bay Area Unified Air Pollution Control District.

**Exceptions:**

1. During the "declared open burn season" (as declared by the Monterey Bay Area Unified Air Pollution Control District) pile burning is allowed, at the discretion of the fire chief, when the "Guidelines for Pile Burning" (published by the California Department of Forestry and Fire Protection or Monterey Bay Area Unified Air Pollution Control District) are strictly adhered to.

**Section 308.1.4 is deleted – Open-Flame cooking devices.**

Section 308.1.4 of Chapter 3 of the Fire Code of the Central Fire Protection District is hereby deleted:

~~**308.1.4 Open flame cooking devices.** Charcoal burners and other open flame cooking devices shall not be operated on combustible balconies or within 10 feet of combustible construction.~~

**Exceptions:**

- ~~1. One and two family dwellings.~~
- ~~2. Where building, balconies and decks are protected by an automatic sprinkler system.~~
- ~~3. LP gas cooking devices having LP gas container with a water capacity not greater than 2 1/2 pounds [nominal 1 pound (0.454 kg) LP gas capacity].~~

**Section 311.5 is amended – Placards.**

Section 311.5 of Chapter 3 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**311.5 – Placards.** When required by the fire code official, Any any building or structure determined to be unsafe pursuant to Section 110 of this code shall be marked as required by Sections 311.5 through 311.5.5.

**Table 405.2 Footnote 'a' is amended - Fire and Evacuation Drill Frequency and Participation**

Footnote 'a' to Table 405.2 of Chapter 4 of the Fire Code of the Central Fire Protection District is amended to read as follows:

- a. The frequency in all school levels shall be allowed to be modified in accordance with Section 408.3.2. Secondary level schools need only conduct evacuation drills twice each school year.

**Section 501.3 is amended – Construction Documents.**

Section 501.3 of Chapter 5 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**501.3 – Construction Documents.** Construction documents for proposed fire apparatus access, location of fire lanes and construction documents and hydraulic calculations for fire hydrant systems shall be submitted to the fire department for review and approval prior to construction. When grading work is needed for the access road(s) within the jurisdiction of Santa Cruz County, application for a grading permit shall be made with the Santa Cruz County Planning Department pursuant to the Santa Cruz County Grading Ordinance. Such Permits shall be reviewed by the Santa Cruz County Environmental Coordinator as required.

**Section 503.2.1 is amended – Dimensions.**

Section 503.2.1 of Chapter 5 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**Section 503.2.1 – Dimensions.** Fire Apparatus access roads shall have an unobstructed width of not less than 20 feet (6096 mm) except for approved security gates in accordance with Section 503.7, and an unobstructed vertical clearance of not less than 13 feet 6 inches (4115 mm). In addition, areas within 10 feet (3048 mm) on each side of portions of highways, public and private streets and roads which are ordinarily used for vehicular traffic shall be cleared of flammable vegetation and other combustible growth.

**EXCEPTION:** Single specimens of trees, ornamental shrubbery or cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, are exempt provided that they do not form a means of readily transmitting fire.

**EXCEPTIONS:** 1. Outside of the Urban Services Line as established by the County of Santa Cruz, access roads shall be a minimum of 18 feet wide for all access roads or driveways serving more than two habitable structures, and 12 feet for an access road or driveway serving two or fewer habitable structures. Where it is environmentally inadvisable to meet these criteria (due to excessive grading, tree removal or other environmental impacts), a 12-foot wide all-weather surface access road with 12-foot wide by 35-foot long turnouts located approximately every 500 feet may be provided with the approval of the fire code official.

2. Inside of the Urban Services Line, private access roads extending from a public road shall be a minimum of 18 feet wide for all access roads or driveways serving more than two habitable structures, and 12 feet for an access road or driveway serving two or fewer habitable structures. Where it is environmentally inadvisable to meet these criteria (due to excessive grading, tree removal or other environmental impacts), a 12-foot wide all-weather surface access road with 12-foot wide by 35-foot long turnouts located approximately every 500 feet may be provided with the approval of the fire code official.

3. Vertical clearance may be reduced, provided such reduction does not impair access by fire apparatus and approved signs are installed and maintained indicating the established vertical clearance when approved by the fire code official.

**Section 503.2.6 is amended – Bridges and Elevated Surfaces.**

Section 503.2.6 of Chapter 5 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**Section 503.2.6 - Bridges and Elevated Surfaces.** When a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HB-17 HS-20 (25 ton). Bridges and elevated surfaces shall be designed for a live load sufficient to carry the imposed loads of fire apparatus. Vehicle load limits shall be posted at both entrances to bridges when required by the fire code official. Where elevated surfaces designed for emergency vehicle use are adjacent to surfaces which are not designed for such use, approved barriers, approved signs or both shall be installed and maintained when required by the fire code official.

**Section 503.2.6.1 is added – Width.**

Section 503.2.6.1 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.2.6.1 - Width. All bridges shall be a minimum of 20 feet of clear width. The fire code official may allow the width to be reduced for access to U-1, U-2 or R-3 occupancies in accordance with Objective 6.5 – Fire Hazards of the Santa Cruz County General Plan.

**Section 503.2.6.2 is added – Certification.**

Section 503.2.6.2 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.2.6.2 - Certification. Every private bridge hereafter constructed shall be engineered by a licensed civil or structural engineer and approved by the fire code official. Certification shall be provided by the licensed engineer in writing that the bridge complies with the design standard required by this section to the fire code official.

**Section 503.2.6.3 is added – Recertification**

Section 503.2.6.3 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.2.6.3 - Recertification. Every private bridge shall be recertified every ten years or whenever deemed necessary by the fire code official. Such recertification shall be in accordance with the requirements of 503.2.6.2.

**Section 503.2.6.4 is added – Existing Private Bridges.**

Section 503.2.6.4 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.2.6.4 - Existing Private Bridges. An existing private bridge not conforming to these regulations may be required to conform when in the opinion of the fire code official, such repairs are necessary for public safety.

**Section 503.2.6.5 is added – Fees.**

Section 503.2.6.5 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.2.6.5 - Fees. All fees charged for the purpose of certification or recertification shall be at the owners expense.

**Section 503.7 is added – Gate.**

Section 503.7 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

503.7 – Gates. All Gates providing access from a road to a driveway, or within any access road, shall be located at least 30 feet from the roadway and shall open to allow a vehicle to stop without obstructing traffic on the road. Gate entrances shall be at least 2 (two) feet wider than the access road being secured, but in no case shall the width be less than 14 (fourteen) feet. When gates are to be locked, the

ORDINANCE 2013-01

installation of a key box or other acceptable means for immediate access may be required as in Section 503.6.

**Section 505.2 is amended – Street and Road Signs.**

Section 505.2 of Chapter 5 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**505.2 - Street and Road Signs.** Streets and roads shall be identified with approved signs. Temporary signs shall be installed at each street intersection when construction of new roadways allows passage by vehicles. Signs shall be of an approved size, weather resistant and be maintained until replaced by permanent signs. Posting of any road names and numbers not authorized by the Office of Street Naming and Numbering of the County of Santa Cruz, and the fire code official is prohibited.

**Section 507.1 is amended – Required Water Supply.**

Section 507.1 of Chapter 5 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**507.1 - Required Water Supply.** An approved water supply capable of supplying the required fire flow for fire protection shall be provided to premises upon which facilities, buildings or portions of buildings are hereafter constructed or moved into or within the jurisdiction.

The minimum water supply for all new dwellings within State Responsibility Areas (SRA) shall be capable of supplying a flow of 500 gallons per minute for 20 minutes (10,000 gallons) for each parcel. Privately owned water that is not supplied by a licensed water purveyor shall: (1) serve no more than two dwellings and no more than 10,000 square feet of habitable dwelling space, and (2) be provided pursuant to a recorded covenant that runs with the land if the water supply originates from another parcel. If a water purveyor supplies the water, the applicant must submit with the building plan written verification from the licensed purveyor that the water supply meets the flow requirement.

**Exceptions:**

1. A 2% reduction will be allowed for flow supplied by approved stationary water tanks, to account for the nominal standardized capacity of such tanks.
2. The fire chief may reduce the flow requirement to 250 gallons per minute for 20 minutes by substituting approved enhanced access, defensible space, and/or ignition-resistant material requirements.

**Section 507.5.7 is added – Painting.**

Section 507.5.7 of Chapter 5 of the Fire Code of the Central Fire Protection District is added to read as follows:

**507.5.7 – Painting.** When required by the fire code official, fire hydrants shall be painted in accordance with NFPA 291.

**Section 605.12 is added – Alternate Power Sources.**

Section 605.12 of Chapter 6 of the Fire Code of the Central Fire Protection District is added to read as follows:

**Section 605.12 - Alternate Power Sources.** All permanent installations of electrical generators, wind generators, solar photovoltaic cells, or other power sources shall be approved by the building code official. In addition to all applicable provisions of Title 24 CCR for any such installation, a sign reading:

**“WARNING – This premise is provided with an Alternate Power Source.  
Disconnection of commercial power may not disable the electrical power source”**

shall be permanently affixed. Sign shall be red in color with a minimum of ½" tall contrasting lettering and shall be permanently affixed on each electrical panel subject to back-feed from alternate power sources. Any and all power disabling switches shall be clearly labeled.

**IFC Sections 903.1 through 903.2.10.1 are Deleted – Automatic Sprinkler Systems**

Sections 903.1 through 903.2.10.1 of Chapter 9 of the Fire Code of the Central Fire Protection District are deleted and replaced to read as follows:

**903.1 General.** Automatic sprinkler systems shall comply with this section.

**903.1.1 Alternative Protection.** Alternative automatic fire-extinguishing systems complying with Section 904 shall be permitted in lieu of automatic sprinkler protection where recognized by the applicable standard and approved by the fire code official.

**903.2 Where required.** Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in this section.

**903.2.1 New Structures.** An automatic fire sprinkler system shall be provided in all new occupancies as defined in Chapter 3 of the California Building Code, regardless of type of construction and/or floor area, unless otherwise pre-empted by the California Health and Safety Code. Any occupancy not specifically mentioned shall be included in the group that it most nearly resembles based on the proposed life and fire hazard:

**EXCEPTIONS:**

1. Private garages, carports, sheds not more than 1,000 square feet (93 m<sup>2</sup>) of total floor area shall not require fire sprinklers where they are detached and separate from other structures and provided with exterior wall and opening protection as per the California Building Code.

2. Sheds exceeding 1,000 square feet (93 m<sup>2</sup>) but not exceeding 3,000 square feet (278 m<sup>2</sup>) shall not require fire sprinklers at the discretion of the fire chief when the applicant demonstrates that the applicant's proposal does not increase the fire hazard or fire load.

3. Agricultural buildings as defined in Appendix Chapter C, of the California Building Code not exceeding 2,000 square feet (186 m<sup>2</sup>), not exceeding 25 feet (7620 mm) in height, having a clear unobstructed side yard exceeding 60 feet (18,280 mm) in all directions, and located within an Agricultural zoned district, as defined in the Santa Cruz County Planning Code, or as exempted by the fire chief, shall not require fire sprinklers.

Additionally, agricultural buildings exceeding 2,000 square feet (186 m<sup>2</sup>) but not exceeding 5,000 square feet, not exceeding 25 feet (7620 mm) in height, having a clear unobstructed side yard exceeding 60 feet (18,280 mm) in all directions, and located within an Agricultural zoned district, as defined in the Santa Cruz County Planning Code, shall not require fire sprinklers at the discretion of the fire chief when the applicant demonstrates the applicant's proposal does not increase the fire hazard or fire load.

4. Group B and Group M Occupancies not more than 500 square feet (46.5 m<sup>2</sup>) shall not require fire sprinklers where they are detached and separate from other structures and provided with exterior wall and opening protection as per the California Building Code, Section 508.

5. Greenhouses of non-combustible construction shall not require fire sprinklers.

**903.2.1.1 Ambulatory care facilities.** An automatic sprinkler system shall be installed throughout the entire floor containing an ambulatory care facility where either of the following conditions exists at any time:

1. Four or more care recipients are incapable of self-preservation, whether rendered incapable by staff or staff has accepted responsibility for care recipients already incapable.
2. One or more care recipients that are incapable of self-preservation are located at other than the level of exit discharge serving such a facility.

In buildings where ambulatory care is provided on levels other than the level of exit discharge an automatic sprinkler system shall be installed throughout the entire floor when such care is provided as well as all floors below, and all floors between the level of ambulatory care and the nearest level of exit discharge including the level of exit discharge.

**903.2.1.2 Group I.** An automatic sprinkler system shall be provided throughout buildings with a Group I fire area.

Exceptions:

1. An automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.
2. An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be allowed in Group I-1 facilities when in compliance with all of the following:
  - 2.1.1 A hydraulic design information sign is located on the system riser;
  - 2.1.2 Exception 1 of Section 903.4 is not applied; and
  - 2.1.3 Systems shall be maintained in accordance with the requirements of Section 903.3.1.2.
3. An automatic sprinkler system is not required where day care facilities are at the level of exit discharge and where every room where care is provided has at least one exterior exit door.
4. In buildings where Group I-4 day care is provided on levels other than the level of exit discharge, an automatic sprinkler system in accordance with Section 903.3.1.1 shall be installed on the entire floor where care is provided and all floors between the level of care and the level of exit discharge, all floors below the level of exit discharge, other than areas classified as an open parking garage.

Exception:

An automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.

**903.2.1.3 Group I-2.** In an existing, unsprinklered Group I-2, nurses' station open to fire-resistive exit access corridors shall be protected by an automatic sprinkler system located directly above the nurses' station; it shall be permitted to connect the automatic sprinkler system to the domestic water service.

**903.2.1.4 Group R.** An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

Exception:

1. Existing Group R-3 occupancies converted to Group R-3.1 occupancies not housing bedridden clients, not housing nonambulatory clients above the first floor, and not housing clients above the second floor.
2. Existing Group R-3 occupancies converted to Group R-3.1 occupancies housing only one bedridden client and complying with section 425.8.3.3 of the California Building Code.
3. Pursuant to Health and Safety Code Section 13113 occupancies housing ambulatory children only, none of whom are mentally ill or mentally retarded, and the buildings or portions thereof in which such children are housed are not more than two stories in height, and buildings or portions thereof housing such children have a automatic fire alarm system activated by approved smoke detectors.

4. Pursuant to Health and Safety Code Section 13143.6 occupancies licensed for protective social care which house ambulatory clients only, none of whom is a child (under the age of 18 years), or who is elderly (65 years of age or over).  
When not used in accordance with Section 504.2 or 506.3 of the California Building Code an automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be allowed in Group R-2.1 occupancies.

**903.2.1.5 Group R-3 congregate residences.** An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be permitted in Group R-3 congregate living facilities with 16 or fewer residents.

**903.2.1.6 Care facilities.** An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be permitted in care facilities with 5 or fewer individuals in a single-family dwelling.

**903.2.2 Existing Buildings and Structures except for One and Two Family Dwellings.** An automatic sprinkler system shall be installed in existing buildings and structures, except One and Two Family Dwellings, after the effective date of this code, when a building permit is issued to allow additions to be made, as follows:

1. For existing buildings less than 6,000 square feet in gross floor area when an addition to the building causes the structure to exceed 6,000 square feet, the entire structure shall be provided with an automatic sprinkler system.
2. For existing buildings larger than 6,000 square feet in gross floor area when an addition is equal to or greater than 10% of the existing square footage or when extensive renovation or remodeling is done to more than 50% of the gross floor area, the entire structure shall be provided with an automatic sprinkler system.

For the purposes of this section, extensive renovation or remodeling shall be defined as any change, addition or modification in construction or occupancy or structural repair or change in primary function to an existing structure made by, on behalf of or for the use of a public accommodation or commercial facility that affects or could affect the usability of the building or facility or part thereof. Alterations include, but are not limited to, remodeling, renovation, rehabilitation, reconstruction, historic restoration, changes or rearrangement of the structural parts or elements, and changes or rearrangement in the plan configuration of walls and full-height partitions.

Exceptions to Section 903.2.2 (1 and 2)

- (a) Group A-2 occupancies exceeding 5,000 square feet shall have an automatic sprinkler system installed.
- (b) Group A-5 occupancies exceeding 1,000 square feet in the following areas: concession stands, retail areas, press boxes and other accessory use areas shall have an automatic sprinkler system installed.
- (c) Group F-1 occupancies exceeding 2,500 square feet used for the manufacture of upholstered furniture or mattresses shall have an automatic sprinkler system installed.
- (d) Group H occupancies shall be provided with an automatic sprinkler system.
- (e) Group I fire areas shall be provided with an automatic sprinkler system.

Exceptions:

- (1) An automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be permitted in Group I-1 facilities.
- (2) An automatic sprinkler system installed in accordance with Section 903.3.1.3 shall be allowed in Group I-1 facilities when in compliance with all of the following:
  - 2.1 A hydraulic design information sign is located on the system riser;
  - 2.2 Exception 1 of Section 903.4 is not applied; and
  - 2.3 Systems shall be maintained in accordance with the requirements of Section 903.3.1.2.
- (3) An automatic sprinkler system is not required where day care facilities are at the level of exit discharge and where every room where care is provided has at least one exterior exit door.



- (4) In buildings where Group I-4 day care is provided on levels other than the level of exit discharge, an automatic sprinkler system in accordance with Section 903.3.11 shall be installed on the entire floor where care is provided and all floors between the level of care and the level of exit discharge, all floors below the level of exit discharge, other than areas classified as an open parking garage.
- (f) Group S-1 occupancies exceeding 2,500 square feet used for the storage of upholstered furniture or mattresses shall have an automatic sprinkler system installed.
- (g) Group S-1 fire areas exceeding 5,000 square feet used for the repair of commercial trucks or buses and commercial parking garages used for the storage of commercial trucks and buses shall have an automatic sprinkler system installed.
- (h) Group U occupancies exceeding 1,000 square feet shall have an automatic sprinkler system installed. Group U occupancies not exceeding 1,000 square feet are exempt where they are detached and separate from other structures and provided with exterior wall and opening protection as per the California Building Code.
- (i) Sheds exceeding 1,000 square feet but not exceeding 3,000 square feet shall not require fire sprinklers at the discretion of the fire chief when the applicant demonstrates that the applicant's proposal does not increase the fire hazard or fire load.
- (j) Agricultural buildings as defined in Appendix Chapter C, of the California Building Code not exceeding 2,000 square feet, not exceeding 25 feet in height, having a clear unobstructed side yard exceeding 60 feet in all directions, and located within an Agricultural zoned district, as defined in the Santa Cruz County Planning Code, or as exempted by the fire chief, shall not require fire sprinklers. Additionally, agricultural buildings exceeding 2,000 square feet but not exceeding 5,000 square feet, not exceeding 25 feet in height, having a clear unobstructed side yard exceeding 60 feet in all directions, and located within an Agricultural zoned district, as defined in the Santa Cruz County Planning Code, shall not require fire sprinklers at the discretion of the fire chief when the applicant demonstrates the applicant's proposal does not increase the fire hazard or fire load.
- (k) Greenhouses of non-combustible construction shall not require fire sprinklers.
3. Any alteration and/or repair within a building that contains an automatic fire sprinkler system requires that the automatic fire sprinkler system be extended/modified to the area of proposed work, thus, creating fire sprinkler protection throughout the entire building.
4. Any change in use or occupancy creating a more hazardous fire/life safety condition, as determined by the Fire Chief, requires that the entire structure be provided with an automatic sprinkler system.
5. Any combination of addition, alteration, repair and/or change of use shall comply with Sections 903.2.11 through 903.6.

**Excavations to Section 903.2.2:**

- (a) Seismic or Accessibility improvements.
- (b) Any exemption otherwise allowable under the Fire Code, if in the discretion of the Fire Chief, the safety of the public is not compromised.
- (c) Exterior improvements and work not requiring permits as provided in the Building Code.
- (d) Work requiring only a mechanical, electrical, plumbing and/or demolition permit.

**903.2.3 Existing One and Two Family Dwellings.** An automatic sprinkler system shall be installed in existing one and two family dwellings, after the effective date of this code, when a building permit is issued to allow additions to be made, as follows:

1. Any addition is made which increases the total existing square footage by 50% or more.
2. The proposed total floor area exceeds the available fire flow as specified in Section 507.1 or APPENDIX B.
3. Any addition to a one or two family dwelling that contains an automatic fire sprinkler system requires that the automatic fire sprinkler system be extended/modified to the area of proposed

work, thus, creating fire sprinkler protection throughout the entire dwelling.

**Exceptions to Section 903.2.3:**

- (a) Additions of 500 square feet or less when the proposed total floor area does not exceed the available fire flow are exempt from fire sprinklers unless the dwelling is already protected by a fire sprinkler system.

**Section 903.3.1.3 is amended – NFPA 13D Sprinkler Systems.**

Section 903.3.1.3 of Chapter 9 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**903.3.1.3 NFPA 13D sprinkler systems.** Automatic sprinkler systems installed in one and two-family dwellings, Group R-3 and R-4 congregate living facilities and townhouses shall be permitted to be installed throughout in accordance with NFPA 13D and installation guidelines as promulgated by the Santa Cruz County Fire Chiefs Association.

**Section 903.3.7 is amended – Fire Department Connections.**

Section 903.3.7 of Chapter 9 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**903.3.7 Fire Department Connections.** Buildings equipped with a fire sprinkler system in accordance with this chapter shall have a fire department connection located within 100 feet (183m). The location of the fire department connections shall be approved by the fire code official.

EXCEPTION: Single and two family dwellings protected by a fire sprinkler system in accordance with Section 903.3.1.3.

**Section 5303.5.3 is amended – Securing compressed gas containers, cylinders and tanks.**

Section 5303.5.3 of Chapter 53 of the Fire Code of the Central Fire Protection District is amended to read as follows:

**5303.5.3 Securing compressed gas containers, cylinders and tanks.** Compressed gas containers, cylinders and tanks shall be secured to prevent falling caused by contact, vibration or seismic activity. Securing of compressed gas containers, cylinders and tanks shall be by one of the following methods:

1. Securing containers, cylinders and tanks to a fixed object with one two or more non-combustible restraints. The object used to anchor the restraint to shall be capable of withstanding the anticipated load(s) imposed. Anchor(s) shall be attached to a structural framing member or similar.
2. Securing containers, cylinders and tanks on a cart or other mobile device designed for the movement of compressed gas containers, cylinders or tanks.
3. Nesting of compressed gas containers, cylinders and tanks at container filling or servicing facilities or in seller's warehouses not accessible to the public. Nesting shall be allowed provided the nested containers, cylinders or tanks, if dislodged, do not obstruct the required means of egress.
4. Securing of compressed gas containers, cylinders and tanks to or within a rack, framework, cabinet or similar assembly designed for such use.

**Exception:** Compressed gas containers, cylinders and tanks in the process of examination, filling, transport or servicing.

**Chapter 56 – Explosives and Fireworks**

IFC Chapter 56 is deleted in entirety. The following shall become Chapter 56 of the Fire Code of the Central Fire Protection District.

**5601.1 Scope.** For explosives requirements see California Code of Regulations, Title 19, Division 1, Chapter 10. For fireworks requirements see California Code of Regulations, Title 19, Division 1, Chapter 6.

**Exceptions:**

1. The Armed Forces of the United States, Coast Guard or National Guard.
2. Explosives in forms prescribed by the official United States Pharmacopoeia.
3. The possession, storage and use of small arms ammunition when packaged in accordance with DOTn packaging requirements.
4. The use of explosive materials by federal, state and local regulatory, law enforcement and fire agencies acting in their official capacities.
5. Items preempted by federal regulations.

**5601.1.2 – Fireworks.** Fireworks. The possession, manufacture, storage, sale, handling and use of fireworks are prohibited.

**Exceptions:**

1. The use of fireworks for display as allowed in Section 5608 etal.

**5608 – Display Fireworks**

**5608.1 General.** Outdoor fireworks displays, use of pyrotechnics before a proximate audience and pyrotechnic special effects in theatrical and group entertainment productions shall comply with California Code of Regulations, Title 19, Division 1, Chapter 6 – Fireworks.

**5608.1.1 Scope.** Fireworks and temporary storage, use, and handling of pyrotechnic special effects material used in motion pictures, television, and theatrical and group entertainment productions shall be in accordance with California Code of Regulations, Title 19, Division 1, Chapter 6 – Fireworks.

**5608.1.2 Permit Restrictions.** The fire code official is authorized to limit the quantity of fireworks permitted at a given location. No person, possessing a permit for storage of fireworks at any place, shall keep or store an amount greater than authorized in such permit.

**5608.1.3 – Financial Responsibility.** The permit holder shall furnish a bond or certificate of insurance in an amount deemed adequate by the fire code official for the payment of all potential damages to a person or persons or to property by reason of the permitted display, and arising from any acts of the permit holder, the agent, employees or subcontractors. The permit holder shall comply with all provisions of Title 19 California Code of Regulations, Chapter 6.

**Chapter 90 is added – Suppression and Control of fire in Wildfire Risk Areas.**

Chapter 90 of the Fire Code of the Central Fire Protection District is added to read as follows:

**9001— SCOPE.** The unrestricted use of grass-, grain-, brush- or forest-covered land in wildfire risk areas is a potential menace to life and property from fire and resulting erosion. Safeguards to prevent the occurrence of fires and to provide adequate fire-protection facilities to control the spread of fire which might be caused by recreational, residential, commercial, industrial or other activities shall be in accordance with Chapter 90.

**9002— DEFINITIONS.** For the purpose of this chapter, certain terms are defined as follows:

**TRACER** is any bullet or projectile incorporating a feature which marks or traces the flight of said bullet or projectile by flame, smoke or other means which results in fire or heat.

**TRACER CHARGE** is any bullet or projectile incorporating a feature designed to create a visible or audible effect by means which result in fire or heat and shall include any incendiary bullets and projectiles.

**9003— PERMITS.** The fire code official is authorized to stipulate conditions for permits. Permits shall not be issued when public safety would be at risk, as determined by the fire code official.

**9004 — RESTRICTED ENTRY.** The fire code official shall determine and publicly announce when wildfire risk areas shall be closed to entry and when such areas shall again be opened to entry. Entry on and occupation of wildfire risk areas, except public roadways, inhabited areas or established trails and camp sites which have not been closed during such time when the wildfire risk area is closed to entry, is prohibited.

- EXCEPTIONS:** 1. Residents and owners of private property within wildfire risk areas and their invitees and guests going to or being upon their lands.  
2. Entry, in the course of duty, by peace or police officers, and other duly authorized public officers, members of a fire department and members of the United States Forest Service.

**9005 — TRESPASSING ON POSTED PROPERTY.**

**9005.1 General.** When the fire code official determines that a specific area within a wildfire risk area presents an exceptional and continuing fire danger because of the density of natural growth, difficulty of terrain, proximity to structures or accessibility to the public, such areas shall be closed until changed conditions warrant termination of closure. Such areas shall be posted as hereinafter provided.

**9005.2 Signs.** Approved signs prohibiting entry by unauthorized persons and referring to §9004 shall be placed on every closed area.

**9005.3 Trespassing.** Entering and remaining within areas closed and posted is prohibited.

**EXCEPTION:** Owners and occupiers of private or public property within closed and posted areas, their guests or invitees, and local, state and federal public officers and their authorized agents acting in the course of duty.

**9006— SMOKING.** Lighting, igniting or otherwise setting fire to or smoking tobacco, cigarettes, pipes or cigars in hazardous fire areas is prohibited.

**EXCEPTION:** Places of habitation or within the boundaries of established smoking areas or campsites as designated by the fire code official.

**9007— SPARK ARRESTERS.** Chimneys used in conjunction with fireplaces, barbecues, incinerators or heating appliances in which solid or liquid fuel is used, upon buildings, structures or premises located within 200 feet (60 960 mm) of wildfire risk areas, shall be provided with a spark arrester constructed with heavy wire mesh or other noncombustible material with openings not to exceed  $\frac{1}{2}$  inch (12.7 mm).

**9008 — TRACER BULLETS, TRACER CHARGES, ROCKETS AND MODEL AIRCRAFT.** Tracer bullets and tracer charges shall not be possessed, fired or caused to be fired into or across wildfire risk areas.

Rockets, model planes, gliders and balloons powered with an engine, propellant or other feature liable to start or cause fire shall not be fired or projected into or across wildfire risk areas.

**9009 — APIARIES.** Lighted and smoldering material shall not be used in connection with smoking bees in or upon hazardous fire areas except by permit from the fire code official.

**9010 — OPEN-FLAME DEVICES.** Welding torches, tar pots, decorative torches and other devices, machines or processes liable to start or cause fire shall not be operated or used in or upon wildfire risk areas, except by permit from the fire code official.

EXCEPTION: Use within habited premises or designated campsites which are a minimum of 30 feet (9144 mm) from grass-, grain-, brush- or forest-covered areas.

Flame-employing devices, such as lanterns or kerosene road flares, shall not be operated or used as a signal or marker in or upon hazardous fire areas.

EXCEPTION: The proper use of fuses at the scenes of emergencies or as required by standard railroad operating procedures.

**9011 — OUTDOOR FIRES.** Outdoor fires shall not be built, ignited or maintained in or upon wildfire risk areas, except by permit from the fire code official.

EXCEPTION: Outdoor fires within habited premises or designated campsites where such fires are built in a permanent barbecue, portable barbecue, outdoor fireplace, incinerator or grill manufactured for such use.

Permits shall incorporate such terms and conditions which will reasonably safeguard public safety and property. Outdoor fires shall not be built, ignited or maintained in or upon wildfire risk areas under the following conditions:

1. When high winds are blowing.
2. When a person age 17 or over is not present at all times to watch and tend such fire, or
3. When public announcement is made that open burning is prohibited.

Permanent barbecues, portable barbecues, outdoor fireplaces or grills shall not be used for the disposal of rubbish, trash or combustible waste material.

**9012 — INCINERATORS AND FIREPLACES.** Incinerators, outdoor fireplaces, permanent barbecues and grills shall not be built, installed or maintained in wildfire risk areas without prior approval of the fire code official.

Incinerators, outdoor fireplaces, permanent barbecues and grills shall be maintained in good repair and in a safe condition at all times. Openings in such appliances shall be provided with an approved spark arrester, screen or door.

EXCEPTION: When approved, unprotected openings in barbecues and grills necessary for proper functioning.

**9013 — CLEARANCE OF BRUSH AND VEGETATIVE GROWTH FROM ELECTRICAL TRANSMISSION LINE**

**9013.1 General** Clearance of brush and vegetative growth from electrical transmission and distribution lines shall be in accordance with Section 9013.

EXCEPTION: Section 9013 does not authorize persons not having legal right of entry to enter on or damage the property of others without consent of the owner.

**9013.2 Support Clearance.** Persons owning, controlling, operating or maintaining electrical transmission or distribution lines shall have an approved program in place that identifies poles or towers with equipment and hardware types that have a history of becoming an ignition source, and provides a combustible free space consisting of a clearing of not less than 10 feet (3048 mm) in each direction from the outer circumference of such pole or tower during such periods of time as designated by the fire chief.

EXCEPTION: Lines used exclusively as telephone, telegraph, messenger call, alarm transmission or other lines classed as communication circuits by a public utility.

**9013.3 Electrical Distribution and Transmission Line Clearances.**

**9013.3.1 General.** Clearances between vegetation and electrical lines shall be in accordance with Section 9013.3.

**9013.3.2 Trimming clearance.** At the time of trimming, clearances not less than those established by Table 9013-A should be provided. The radial clearances shown below are minimum clearances that should be established, at time of trimming, between the vegetation and the energized conductors and associated live parts.

**EXCEPTION:** The fire code official is authorized to establish minimum clearances different than those specified in Table 9013-A when evidence substantiating such other clearances is submitted to the fire code official and approved.

**9013.3.3 Minimum clearance to be maintained.** Clearances not less than those established by Table 9013-B shall be maintained during such periods of time as designated by the fire code official. The site specific clearance achieved, at time of pruning, shall vary based on species growth rates, the utility company specific trim cycle, the potential line sway due to wind, line sway due to electrical loading and ambient temperature, and the tree's location in proximity to the high voltage lines.

**EXCEPTION:** The fire code official is authorized to establish minimum clearances different than those specified by Table 9013-B when evidence substantiating such other clearances is submitted to the fire code official and approved.

**TABLE 9013-A—MINIMUM CLEARANCES BETWEEN VEGETATION AND ELECTRICAL LINES AT TIME OF TRIMMING**

LINE VOLTAGE	MINIMUM RADIAL CLEARANCE FROM CONDUCTOR (feet)
	× 304.8 mm
2,400-72,000	4
72,001-110,000	6
110,001-300,000	10
300,001 or more	15

**TABLE 9013-B—MINIMUM CLEARANCES BETWEEN VEGETATION AND ELECTRICAL LINES TO BE MAINTAINED**

LINE VOLTAGE	MINIMUM CLEARANCE (inches)
	× 25.4 MM
750-35,000	6
35,001-60,000	12
60,001-115,000	19
115,001-230,000	30 1/2
230,001-500,000	115

ORDINANCE 2013-01

**9013.3.4 Electrical power line emergencies.** During emergencies, the utility company shall perform the required work to the extent necessary to clear the hazard. An emergency can include situations such as trees falling into power lines, or trees in violation of Table 9013-B.

**9013.4 Correction of Condition.** The fire code official is authorized to give notice to the owner of the property on which conditions regulated by Section 9013 exist to correct such conditions. If the owner fails to correct such conditions, the legislative body of the jurisdiction is authorized to cause the same to be done and make the expense of such correction a lien on the property where such condition exists.

**9014 — CLEARANCE OF BRUSH OR VEGETATIVE GROWTH FROM STRUCTURES**

**9014.1 General.** Persons owning, leasing, controlling, operating or maintaining buildings or structures in, upon or adjoining wildfire risk areas, and persons owning, leasing or controlling land adjacent to such buildings or structures, shall:

**9014.1.1 Clearance.** Maintain an effective firebreak through clearance of brush and vegetation in accordance with Section 304.1.2.

**9014.1.2 Trees and Deadwoods.** Maintain trees adjacent to or overhanging a building free of deadwood.

**9014.2 Corrective Actions.** The executive body is authorized to instruct the fire chief to give notice to the owner of the property upon which conditions regulated by Section 9014.1 exist to correct such conditions. If the owner fails to correct such conditions, the executive body is authorized to cause the same to be done and make the expense of such correction a lien upon the property where such condition exists.

**9015 — CLEARANCE OF BRUSH OR VEGETATIVE GROWTH FROM ROADWAYS.** The fire code official is authorized to cause areas within 10 feet (3048 mm) on each side of portions of highways and private streets which are improved, designed or ordinarily used for vehicular traffic to be cleared of flammable vegetation and other combustible growth. The fire code official is authorized to enter upon private property to do so.

**EXCEPTION:** Single specimens of trees, ornamental shrubbery or cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, provided that they do not form a means of readily transmitting fire.

**9016 — UNUSUAL CIRCUMSTANCES.** If the fire code official determines that difficult terrain, danger of erosion or other unusual circumstances make strict compliance with the clearance of vegetation provisions of Sections 9013, 9014 or 9015 is undesirable or impractical, enforcement thereof may be suspended and reasonable alternative measures shall be provided.

**9017 — DUMPING.** Garbage, cans, bottles, papers, ashes, refuse, trash, rubbish or combustible waste material shall not be placed, deposited or dumped in or upon hazardous fire areas or in, upon or along trails, roadways or highways in hazardous fire areas.

**EXCEPTION:** Approved public and private dumping areas.

**9018 — DISPOSAL OF ASHES.** Ashes and coals shall not be placed, deposited or dumped in or upon wildfire risk areas.

**EXCEPTIONS:** 1. In the hearth of an established fire pit, camp stove or fireplace.  
2. In a noncombustible container with a tight-fitting lid, which is kept or maintained in a safe location not less than 10 feet (3048 mm) from combustible vegetation or structures.

- 3. Where such ashes or coals are buried and covered with .1 foot (304.8 mm) of mineral earth not less than 25 feet (7620 mm) from combustible vegetation or structures.

**9019 — USE OF FIRE ROADS AND FIREBREAKS.** Motorcycles, motor scooters and motor vehicles shall not be driven or parked upon, and trespassing is prohibited upon, fire roads or firebreaks beyond the point where travel is restricted by a cable, gate or sign, without the permission of the property owners. Vehicles shall not be parked in a manner which obstructs the entrance to a fire road or firebreak.

**EXCEPTION:** Public officers acting within their scope of duty.

Radio and television aerials, guy wires thereto, and other obstructions shall not be installed or maintained on fire roads or firebreaks unless located 16 feet (4877 mm) or more above such fire road or firebreak.

**9020 — USE OF MOTORCYCLES, MOTOR SCOOTERS AND MOTOR VEHICLES.** Motorcycles, motor scooters and motor vehicles shall not be operated within wildfire risk areas, without a permit by the fire code official, except upon clearly established public or private roads. Permission from the property owner shall be presented when requesting a permit.

**9021 — TAMPERING WITH FIRE DEPARTMENT LOCKS, BARRICADES AND SIGNS.** Locks, barricades, seals, cables, signs and markers installed within wildfire risk areas, by or under the control of the fire code official, shall not be tampered with, mutilated, destroyed or removed.

Gates, doors, barriers and locks installed by or under the control of the fire code official shall not be unlocked.

**9022 — LIABILITY FOR DAMAGE.** The expenses of fighting fires which result from a violation of this chapter shall be a charge against the person whose violation caused the fire. Damages caused by such fires shall constitute a debt of such person and are collectable by the fire code official in the same manner as in the case of an obligation under a contract, expressed or implied.

**PART 3**

The geographic limits referred to in certain sections of the Fire Code of the Central Fire Protection District are hereby established as follows:

**Establishment of limits of districts in which storage of flammable or combustible liquids in outside aboveground tanks is prohibited.** The limits referred to in Sections 5704.2.9.6.1 and 5706.2.4.4 of the Fire Code of the Central Fire Protection District in which the storage of Class I flammable liquids or Class II combustible liquids in aboveground tanks outside of buildings is restricted are hereby established as the incorporated area of the political boundary of the Central Fire Protection District.

**Exceptions:** Such use is allowed in the following zoning districts:

1. The storage of Class I flammable liquids or Class II combustible liquids in aboveground tanks outside of buildings is allowed in A or A-1 Zones;
2. The storage of Class I flammable liquids or Class II combustible liquids in aboveground tanks outside of buildings is allowed in M-1, M-2 or M-3 Zones;
3. The storage of Class I flammable liquids or Class II combustible liquids in aboveground tanks outside of buildings is allowed in NR Zones.

**Establishment of limits of districts in which storage of flammable cryogenic fluids in stationary containers is to be prohibited.** The limits referred to in Section 5806.2 of the Fire Code of the Central Fire Protection District in which storage of flammable cryogenic fluids in stationary containers is prohibited are hereby established as the political boundary of the Central Fire Protection District.



- Exceptions:**
1. The storage of flammable cryogenic fluids in stationary containers is allowed in an M-2 Zone with a Conditional Use Permit issued by the Planning Department.
  2. The storage of flammable cryogenic fluids in stationary containers is allowed in an M-3 Zone.

**Establishment of limits for storage of Liquefied Petroleum Gas.** The limits referred to in Section 6104.2 of the Fire Code of the Central Fire Protection District are hereby limited to a maximum of 2,000 gallons water capacity within the political boundary of the Central Fire Protection District.

**PART 4**

Ordinance No. 2010-01 of the Central Fire Protection District entitled "2010 Fire Code" and all other ordinances or parts of ordinances in conflict herewith are hereby repealed.

**PART 5**

That if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The Board of Directors of the Central Fire Protection District hereby declares that it would have passed this ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

**PART 6**

That nothing in this ordinance or in the Fire Code hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Part 4 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

**PART 7**

That the fire chief of the Central Fire Protection District is hereby ordered and directed to cause a notice of this ordinance to be published in a newspaper in general circulation in accordance with Section 6066 of the California Government Code.

**PART 8**

That this ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect on January 1, 2014 pursuant to Health and Safety Code Section 18941.5. This Ordinance shall remain in full force and effect until a subsequent superseding ordinance becomes effective.

**PASSED AND ADOPTED** this 8th day of **October**, 2013, by the Board of Directors of the Central Fire Protection District by the following vote:

**AYES:** \_\_\_\_\_  
**NOES:** \_\_\_\_\_  
**ABSENT:** \_\_\_\_\_  
**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
 President of the Board of Directors

Attest:

\_\_\_\_\_  
Secretary of Said Board

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

DISTRIBUTION: Board of Supervisors

REF 7113

RATIFIED \_\_\_\_\_

DENIED \_\_\_\_\_

MODIFIED \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the Board of Supervisors of the County of Santa Cruz  
by the following vote:

AYES: \_\_\_\_\_ SUPERVISORS

NOES: \_\_\_\_\_ SUPERVISORS

ABSENT: \_\_\_\_\_ SUPERVISORS

ABSTAIN: \_\_\_\_\_ SUPERVISORS

\_\_\_\_\_  
Chairperson of the Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of the Board

DISTRIBUTION: County Administrative Office  
County Counsel  
Planning Department  
General Services Department/O.E.S.  
State of California Housing & Community Development  
Office of the California State Fire Marshal

CENTRAL FIRE PROTECTION DISTRICT  
OF SANTA CRUZ COUNTY

RESOLUTION 2013-14

On motion of Director Howard  
Duly seconded by Director Benson  
the following Resolution is adopted.

**NOTICE OF INTENT TO ADOPT THE 2013 CALIFORNIA FIRE CODE AND 2012 INTERNATIONAL FIRE CODE WITH AMENDMENTS AND PRESCRIBING REGULATIONS GOVERNING CONDITIONS HAZARDOUS TO LIFE AND PROPERTY FROM FIRE AND EXPLOSION AND FOR PROVIDING FOR THE ISSUANCE OF PERMITS AND ESTABLISHING CERTAIN FEES.**

The Board of Directors of the Central Fire Protection District ("District"), on October 8, 2013 at 7:30 pm will conduct a public meeting to consider adoption of a District Ordinance which would adopt the 2013 California Fire Code and the 2012 International Fire Code with amendments, and to prescribe regulations governing conditions hazardous to life and property from fire and explosion and to provide for the issuance of permits and establishing certain fees. The hearings will be held at the Administrative Offices of the Central Fire Protection District, 930 17<sup>th</sup> Avenue, Santa Cruz, CA.

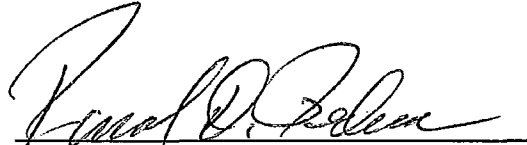
Copies of the proposed Ordinance are available for review at the District Office, located at 930 17<sup>th</sup> Avenue, Santa Cruz, CA 95062

**AYES: Benson, Bettencourt, Cupples, Howard, Mitchell, Phillips, Pederson**

NOES: none

ABSENT: none

ABSTAIN: none

  
Ronald D. Pederson / President of the Board

ATTEST:

  
Clerk of the Board

APPROVED AS TO FORM:

  
Counsel for the District

DATED:

9-12-13

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**CENTRAL FIRE PROTECTION DISTRICT  
OF SANTA CRUZ COUNTY**

**RESOLUTION NO. 2013-15**

**On motion of Director Howard  
Duly seconded by Director Bettencourt  
the following Resolution is adopted.**

**RESOLUTION FINDING MODIFICATION OF STATE  
HOUSING LAW BY ORDINANCE 2013-01, REASONABLY  
NECESSARY BECAUSE OF LOCAL CONDITIONS**

WHEREAS, Health and Safety Code Section 13869.7 provides that a fire protection district organized under the Bergeson Fire District Law may adopt building standards relating to fire and panic safety that are more stringent than those building standards adopted by the State Fire Marshal and contained in the California Building Standards Code, and;

WHEREAS, Health and Safety Code Section 13869.7 provides that any such changes or modifications that are more stringent and relate to fire and panic safety are subject to subdivision (b) of Health and Safety Code Section 18941.5, and;

WHEREAS, subdivision (b) of Health and Safety Code Section 13869.7 allows a fire district to establish more restrictive building standards reasonably necessary because of local climatic, geological or topographical conditions after making the findings required by Health and Safety Code Section 17958.7.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that insofar as Ordinance 2013-01 of the Central Fire Protection District may change or modify the State Housing Standards adopted pursuant to Health and Safety Code Section 17922, as to the requirement for installation of an automatic sprinkler system in all new buildings and in specific cases existing buildings when altered, the Board of Directors of the Central Fire Protection District, after duly noticed and held public meeting, expressly finds that such change or modification to Section 903 et al of Part 9 of the California Building Standards Code is reasonably necessary because of local conditions as more specifically set forth as follows:

1. The Central Fire Protection District is extraordinarily inaccessible for firefighting purposes due to mountainous topography; or
2. The Central Fire Protection District poses an extreme fire hazard due to the high percentage of forested land (approximately 50%),
3. The Central Fire Protection District is subject to major disasters such as earthquakes, flooding, landslides and major wildland fires which greatly limit traditional fire suppression capabilities for individual property protection. The Central Fire Protection District is situated on and near the most active seismic zones in California, the San Andreas, San Gregorio, Zayante, and Hayward Faults. The great potential for earthquakes influences our community. As witnessed in the 1989 Loma Prieta Earthquake, a major seismic event will create a demand on fire protection services, and through the use of automatic fire suppression systems, the high demand for services can be partially mitigated.
4. The Central Fire Protection District is favored with many sources of high quality water, including springs, wells, reservoirs, and surface streams, mutual and municipal water companies. However, the underground water sources are becoming depleted and extensive steps have been taken to reduce the amount of water consumed. The water supply in the Central Fire Protection District makes extensive use of automatic fire

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sprinkler systems feasible as a means to reduce our dependency on large volumes of water for fire suppression.

5. The local climatic conditions affect acceleration, intensity and size of fire in the community. Times of little or no rainfall, create extremely hazardous conditions when a fire is introduced to the environment. Fires in structures can easily spread to the wildland as well as a fire in the wildland into a structure. Such devastating fires can be witnessed by reviewing the damage to the environment and property from the Summit Fire, Trabing Fire, Loma Fire, Martin Fire and Lexington Fire to name a few.
6. Most of the roadways connecting our community are classified as rural arterial and collectors. These roadways in many cases do not allow for 2-way traffic to safely pass. Additionally during events such as wildfires, earthquake and flooding, the roadways have proven to be less than adequate for the response of emergency vehicles.
7. The experience and efficiency of automatic fire sprinkler systems within the Central Fire Protection District exceed those of the National Fire Protection Association which indicate that automatic fire sprinkler systems have established an efficiency record of approximately 96% satisfactory performance in the United States since 1925. The local statistics show that all fires have been extinguished with fewer than 2 fire sprinkler heads activating, and that no further fire suppression was necessary upon arrival of fire suppression forces.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the Secretary of the Board is directed to mail a copy of these findings together with the modification or change expressly marked and identified to the California Department of Housing and Community Development and obtain a file stamped endorsed copy from the commission for retention in the District's office.

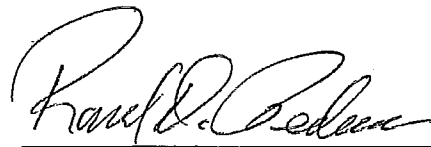
PASSED AND ADOPTED BY THE Board of Directors of the Central Fire Protection District, County Santa Cruz, State of California, at a regular meeting held prior to October 8, 2013 by the following roll call vote:

**AYES: Benson, Bettencourt, Cupples, Howard, Mitchell, Phillips, Pederson**

**NOES: none**

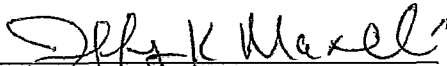
**ABSENT: none**

**ABSTAIN: none**

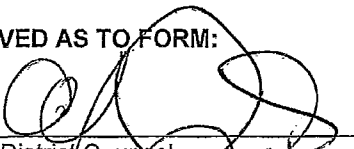


Ronald D. Pederson Chairperson of the Board

**Attest:**

  
Secretary of the Board

**APPROVED AS TO FORM:**

  
District Counsel

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CENTRAL FIRE PROTECTION DISTRICT  
OF SANTA CRUZ COUNTY

RESOLUTION 2013-16

On motion of Director Bettencourt  
Duly seconded by Director Benson  
the following Resolution is adopted.

NOTICE OF INTENT TO CONSIDER A NEGATIVE DECLARATION FOR AN ORDINANCE  
ADOPTING THE 2013 CALIFORNIA FIRE CODE AND THE 2012 INTERNATIONAL FIRE  
CODE WITH AMENDMENTS PRESCRIBING REGULATIONS GOVERNING CONDITIONS  
HAZARDOUS TO LIFE AND PROPERTY FROM FIRE AND EXPLOSION AND FOR  
PROVIDING FOR THE ISSUANCE OF PERMITS AND ESTABLISHING CERTAIN FEES.

The Board of Directors of the Central Fire Protection District ("District"), on October 8,  
2013 at 7:30 pm will conduct a public meeting to consider adoption of District Ordinance 2013-01  
which prescribes regulations governing conditions hazardous to life and property from fire and  
explosion and to provide for the issuance of permits and establishing certain fees. The hearings  
will be held at the Administrative Offices of the Central Fire Protection District, 930 17<sup>th</sup> Avenue,  
Santa Cruz, CA.

A draft negative declaration has been prepared with respect to the environmental analysis  
of the Ordinance under the provisions of the California Environmental Quality Act, (Public  
Resources Code 21000 et seq.).


Copies of the proposed Ordinance and negative declaration are available for review at the  
the Administrative Offices of the Central Fire Protection District, 930 17<sup>th</sup> Avenue, Santa Cruz, CA  
95062.


AYES: Benson, Bettencourt, Cupples, Howard, Mitchell, Phillips, Pederson

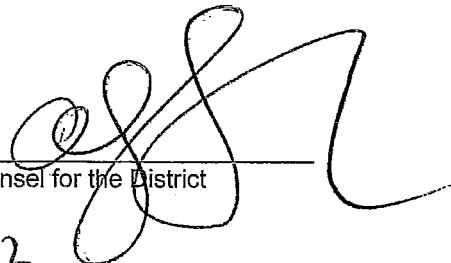
NOES: none

ABSENT: none

ABSTAIN: none

  
Ronald D. Pederson / President of the Board

ATTEST:   
Clerk of the Board

APPROVED AS TO FORM:   
Counsel for the District

DATED: 9-12-13

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## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: FINANCE AND CITY MANAGER DEPARTMENTS

SUBJECT: RECEIVE UPDATE ON THE FISCAL YEAR 2012-2013 BUDGET AND CONSIDER A BUDGET AMENDMENT TO ALLOCATE A PORTION OF THE GENERAL FUND BALANCE

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**RECOMMENDED ACTION:** Receive an update on the prior year budget; and approve:

1. A budget amendment to allocate the year ending General Fund balance to various funds;
2. Authorize the City Manager to enter into a purchase agreement for a new street sweeper with Global Environmental Products Inc., in the amount of \$174,770.

**BACKGROUND:** In Fiscal Year 2012-2013, operating revenues exceeded expenditures by approximately \$650,000. This resulted in a year-ending General Fund balance of \$746,000. This operating surplus was driven by a combination of factors, including:

- Employee staffing and efficiency improvements that resulted in over \$400,000 in salary and contract savings, and
- A \$240,000 increase in sales tax and transient occupancy tax (TOT) performance over the most recent budget estimates, which results in an increase of 13.3% in year-over-year performance.

Based on the Fiscal Year 2013-2014 Adopted Budget and the updated fund balance, the General Fund is estimated to end the current Fiscal Year with a \$717,000 fund balance.

**DISCUSSION:** The Fiscal Year 2013-2014 Budget projected revenues would exceed expenditures by \$22,800. While the City has not received the first quarter's sale tax data, preliminary reports indicate that key revenues and expenditures are trending as projected, with transitional occupancy tax (TOT) revenues trending positive. If current projections hold, and there are no additional unanticipated items<sup>1</sup>, the updated Fiscal Year 2013-2014 ending General Fund balance is anticipated to be \$717,000. While this number is subject to further refinement at the mid-year budget presentation, staff is recommending the allocation of a portion of the fund balance to specific uses. These recommendations were discussed with the Financial Advisory Committee (FAC), who unanimously concurred with staff's recommended allocation strategy.

**General Fund Balance - \$200,000.**

Staff recommends retaining a \$200,000 balance in the General Fund. This fund balance could be used to assist with minor fluctuations in annual revenue/expenditures, without requiring the City to seek funding from reserve accounts. In addition, a \$200,000 fund balance would provide an alternative funding source when considering an unanticipated expenditure while also providing a safeguard against the potential loss or reduction of the \$250,000 Successor Agency Administrative Allowance. An appropriation from this fund balance could not be made at a staff level. Use of these funds requires formal City Council approval.

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<sup>1</sup> The most significant "unanticipated item" this current Fiscal Year has been a \$53,000 Department of Finance "clawback" of former RDA funds.

## Item #: 11.B. Staff Report.pdf

### 12-12-13 CITY COUNCIL AGENDA ITEM STAFF REPORT: FUND BALANCE ALLOCATION

In Fiscal Year 2012-2013, the General Fund balance was used to pay Department of Finance "clawbacks" and unanticipated legal expenses. If these funds were not available, the City would have been required to adjust the operating budget, or transfer monies from the reserves or an alternate fund.

#### Reserves - \$150,000.

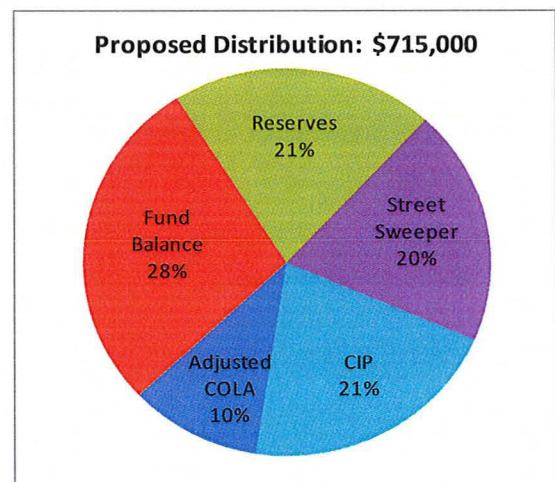
In November 2012, voters approved Measure O, an additional 0.25% local sales tax. This initiative was implemented with the goal of reestablishing reserves; repairing and repaving City streets; and supporting community policing projects. A five-year plan was developed to fully fund the City's reserves.

It is projected that by the end of this Fiscal Year, approximately \$600,000 in Measure O revenues will have been transferred to reserves. Further, last fiscal year the City approved an additional transfer of \$350,000 in General Fund dollars to the reserve funds. Today staff is recommending an allocation of \$150,000 to the reserves using the current fund balance. With this proposed allocation, the reserves will be fully funded midway through Fiscal Year 2015-2016. A table of the revised Measure O spending plan is listed below.

Fiscal Year	Measure O					General Fund to Reserves
	Total Measure O Funding	PW Crew	PD Staff	CIP/Street Maintenance	Reserves	
12/13	<b>\$245,600</b>	\$9,100	\$5,400	\$94,600	\$136,500	\$350,000
13/14	<b>1,018,750</b>	45,950	18,800	490,900	463,100	150,000 <sup>2</sup>
14/15	<b>1,054,350</b>	63,350	26,000	515,000	450,000	
15/16	<b>1,100,000</b>	100,000	35,000	665,000	300,000	
16/17	<b>1,100,000</b>	100,000	35,000	965,000	-	
<b>Totals</b>	<b>\$4,518,700</b>	<b>\$318,400</b>	<b>\$120,200</b>	<b>\$2,730,500</b>	<b>\$1,349,600</b>	<b>\$500,000</b>

#### Debt Reduction: Purchase of Street Sweeper - \$140,000.

The City's existing street sweeper was purchased in Fiscal Year 2007-2008. Typically, street sweepers are replaced on a six year schedule, with lease-purchase financing funded through Gas Tax Fund revenues. In the Fiscal Year 2012-2013 Adopted and Fiscal Year 2013-2014 Planned Budgets, staff budgeted \$35,000 for annual debt service payments on a new street sweeper. The Public Works Department has completed a selection process for a new sweeper and selected a machine made by Global Environmental Products. The cost of the new machine is \$174,770. Global provided an option for five year financing at a 5% interest rate. The five year interest costs are projected to be \$22,500, and increase the City's debt service ratio from 1.9% to 2.1%. Staff is recommending allocating \$140,000 of the General Fund balance and \$35,000 from the Equipment Fund to purchase this equipment. This self-financed purchase would allow the City to maintain its current debt ratio and achieve interest savings. The General and Equipment Funds would recover the original purchase costs through a lease agreement with the Gas Tax Fund. This no-interest lease would be constructed to recover the street sweeper costs over a similar term.



<sup>2</sup> Proposed



12-12-13 CITY COUNCIL AGENDA ITEM  
STAFF REPORT: FUND BALANCE ALLOCATION

Adjusted Cost of Living Increase - \$76,000.

A cost of living adjustment (COLA) for all bargaining units is scheduled for July 1, 2014. Due to the increased performance in core revenues; and a concerted effort to minimize overtime and contract costs, management is recommending moving the date of the COLA to the first full pay period in January. The estimated one-time cost of this adjustment is \$76,000. Management is recommending the COLA adjustment to acknowledge employee's assistance in achieving last year's revenue surplus, as well as prior employee concessions during the recent economic downturn. Those voluntary concessions included furloughs, zero-cost contract extensions, and pay that has lagged far behind the rate of inflation.

In exchange for this one-time adjustment, all bargaining units with contracts scheduled to expire in June of 2015 have agreed to extend their agreements until June 30, 2018. Additional information regarding these contracts is contained in a separate item on this same agenda.

Capital Improvement Program (CIP) - \$150,000.

One of the Council Budget Principles focuses on public improvement projects. Staff is recommending allocating \$150,000 to support Capital Improvement Projects (CIP). Recommended projects include:

- \$100,000 – Lower Pacific Cove Parking Lot Improvements.

During the initial clearing of the property it became apparent that additional retaining wall repairs were going to be necessary because several of the existing walls were failing. The additional retaining walls will cost an estimated \$84,000. In addition, several small unexpected items have occurred such as hazardous materials disposal and winterization items, which have resulted in change-orders that have depleted the contingency. Staff recommends transferring the additional funding so potential additional change-orders can be quickly resolved.

- \$35,000 - McGregor Park Improvements.

This additional contribution would bring the total available construction funding to \$150,000 which is consistent with the current construction estimate.

In addition, Council could consider allocating the remaining \$15,000 to one of the following projects:

- \$15,000 – Sidewalk Fund.

These funds would be available to for new sidewalks and streetscape projects. Potential sites include: Capitola Avenue, the Esplanade, or other locations.

- \$15,000 – Kennedy Drive Streetscape.

Funds could be used to enhance the visual appearance of the industrial portion of Kennedy Drive through tree planting on public property and making trees available to private property owners to plant on their lot at no cost.

As mentioned previously the FAC unanimously supported staff's recommended distribution of fund balance, however the FAC did not review the specific proposed CIP projects.

**FISCAL IMPACT:** This action is not anticipated to result in an impact to the Fiscal Year 2013-2014 operating budget. This action only proposes to allocate the General Fund fund balance, which would result in a projected fiscal year ending General Fund balance of \$201,000.

**ATTACHMENTS:**

1. Budget Adjustment
2. Street Sweeper Quotation from Global Environmental Products

Report Prepared By: Tori Hannah  
Finance Director

Reviewed and Forwarded  
by City Manager: 

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Date 12/3/2013

Requesting Department City Manager / Finance

Administrative Council

Item # 11.B.

Council Date

12/12/2013

Council Approval

Revenues		
Account #	Account Description	Increase/Decrease
1010-00-00-000-3910.100	Interfund Transfer-In GF	90,000
1020-00-00-000-3910.100	Interfund Transfer-In GF	60,000
1200-00-00-000-3910.100	Interfund Transfer-In GF	150,000
2212-00-00-000-3910.100	Interfund Transfer-In GF	157,500
1000-00-00-000-3640.200	Lease - Equipment	17,500
<b>Total</b>		<b>475,000</b>

Expenditures		
Account #	Account Description	Increase/Decrease
1000-xx-xx-xxx-xxxx.xxx	Wages - Various Accounts	76,000
1000-99-99-000-4910.101	Interfund Transfer-Out (Cont.)	90,000
1000-99-99-000-4910.102	Interfund Transfer-Out (Emerg.)	60,000
1000-99-99-000-4910.200	Interfund Transfer-Out (CIP)	150,000
1000-99-99-000-4910.212	Interfund Transfer-Out (Equip)	157,500
1200-00-00-000-4xxx.xxx	CIP Projects (see staff report)	150,000
2212-00-00-000-4650.400	Capital Outlay - Equipment	175,000
1310-00-00-000-4381.100	Lease - Equipment	17,500
1310-00-00-000-4710.200	Debt Service	(35,000)
<b>Total</b>		<b>841,000</b>

**Net Impact** (366,000)

Purpose: Allocation of a portion of the projected FY 13-14 ending fund balance  
(The net impact represents the total outflow of cash from the City: Projects \$150,000; Equipment Purchase \$175,000; and Wages \$76,000, less the reduction in external debt service of \$35,000)

Department Head Approval \_\_\_\_\_

Finance Department Approval \_\_\_\_\_

City Manager Approval \_\_\_\_\_

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**QUOTATION**

DATE: 9/20/2013

CUSTOMER: Capitola, CA

Terms: 30 Days Net

DEALER: Global Environmental Products, INC

FREIGHT: INCLUDED

QUOTE NO.: 9202013 - Revision B M3

UAO#

**GLOBAL M3 - STANDARD EQUIPMENT**

Sound Suppressed Cab	5.6 cu yd (4.3 cu meter) Hopper (Volumetric)
82 dBA In-Cab Noise Level	Hopper Dump Alarm
Dust & Weather Sealed Cab	47" (1194 mm) dia Gutter Brooms
Multi-Adjustable Suspension Seat	In-Cab Gutter Broom Pressure Adjustment
Tilt & Telescoping Steering Wheel	Tuf-Grip Disposable Gutter Broom Segments
Tinted Safety Windows & Windshield	32" x 56.5" (813 mm x 1435 mm) Tube Type Pickup Broom
Left & Right Dual West Coast Mirrors	58" (1473 mm) Wide Squeegee Type Elevator
Windshield Wiper/Washer	Cab Controlled Elevator Leafgate System
Ergonomic Go Pedal	Gutter Broom Spotlights
Coolant Temp, Oil Pressure & Voltmeter Gauges	Sealed Beam Headlights
Coolant, Eng Oil Pressure & Low Hyd Oil Warning Lights	Stop/Tail Lights, Clearance Lights
Speedometer, Tachometer & Hourmeter	Two 18 gal (68 L) Hydraulic Oil Tanks
Fuel Level Gauge	Hydraulic Manifolds in LH Fender
220 gal (833L) Polyethylene Water Tank	12.5' (4.3 m) Turning Radius with Front Suspension
15' (4.6 m) Hydrant Hose with Coupling & Wrench	All 120 amp Heavy-Duty Alternator
Gutter Broom Water Spray Jets	All Sheet Metal Surfaces Primer Powder Coated
Pickup Broom Water Spray Jets	Sheet Metal Surfaces Powder Coated
Low Water Level Light in Cab	Fender Mounted Tool Box
Front Spray Bar	Integral Cab Limb Guard Protection
Buddy Seat	Front & Rear Tie Downs with Tow Hooks
Dual Front Tires with Front Suspension	1 Sweeper Service Manuals in English
Electric Controls systems Locker	1 Sweeper Parts Manuals in English
Engine Grid Heater	1 Sweeper Operator Manual in English
ERGO SWITCH STANDARD	REAR VIEW CAMERA SYSTEM

**DESCRIPTION**

1 GLOBAL M3 SWEEPER, 2013 Cummins ISB 6.7L, High Dump, Hydrostatic Drive, Dual Gutter Broom, A/C, Standard ERGO Sweeping Controls, In - Cab Leaf Gate...

\*\*\* Powder Coated Paint - White \*\*\*

**GLOBAL M3 BROOM - INCLUDED OPTIONAL EQUIPMENT**

QTY	PT NO.	DESCRIPTION		
1		MIDWEST AUTOLUBE SYSTEM		
1		PM10 Certified		
1		Cummins Engine Diagnostics	INC	INC
1		Gutter Broom Speed Control	870	870
1		Dual Gutter Broom Tilt	3,340	3,340
1		AM/FM CD Player	360	360
1		LED Stop, Turn, Tail lights, Clearance marker lights	600	600
1		ECCO Halogen Arrowstick Light	990	990
1		Amber Cab Strobe	310	310
1		4 - Segment Bolt On Brooms ILO Tuff Grip	N/C	N/C

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**BASE TOTAL: 174,770**

All prices are FOB-Capitola, CA.

**PLUS APPLICABLE TAXES**

Form GS-47.doc Rev: C 02/25/2013

5405 Industrial Parkway  
 San Bernardino, CA 92407  
 Tel: 1 (909) 713-1600  
 Fax: 1 (909) 713-1613

www.globalsweeper.com



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## CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: ASSOCIATION OF CAPITOLA EMPLOYEES, CAPITOLA POLICE OFFICERS ASSOCIATION, MID-MANAGEMENT, CONFIDENTIAL AND CAPTAIN MEMORANDUM OF UNDERSTANDING (MOU) AGREEMENTS; POLICE CHIEF, PUBLIC WORKS, FINANCE, COMMUNITY DEVELOPMENT AND ADMINISTRATIVE SERVICES DIRECTORS EMPLOYEE CONTRACTS

---

### **RECOMMENDED ACTION:**

1. Approve the amendments to the following Memorandum of Understanding:
  - a) Association of Capitola Employees Bargaining Unit (ACE);
  - b) Mid-Management Employees' Bargaining Unit;
  - c) Confidential Employees' Bargaining Unit.
2. Approve the amendments to the following employee contracts:
  - a) Seventh Amendment to the Employment Agreement for the Public Works;
  - b) Second Amendment to the Employment Agreement for the Finance Director;
  - c) Second Amendment to the Employment Agreement for the Administrative Services Director;
  - d) Second Amendment to the Employment Agreement for the Police Chief;
  - e) First Amendment to the Employment Agreement for the Community Development Director.
3. Approve the side letters with:
  - a) Capitola Police Officers Association (POA);
  - b) Captains' Employees' Bargaining Unit (Captain).

**BACKGROUND:** All of the above listed employee groups, with the exception of the POA and the Captain, have agreements with the City which expire on June 30, 2015. The POA and the Captain recently concluded their negotiations with the City for a five-year contract which will expire June 30, 2018. Due to the contributions the employees have made to assist the City through the recent economic downturn, and the assistance employees have provided to help generating savings of nearly \$400,000 last fiscal year, staff is recommending contract amendments for each the employee groups.

**DISCUSSION:** Over the past several years the employees have worked closely with the City to help the City maintain a balanced budget through a very difficult economic period by: forgoing raises numerous times over the past five years, deferring previously negotiated salary increases, and accepting mandatory furloughs. In addition, health care costs continue to escalate at an average of 4% per year while the PERS rates have also increased 1% to 2% per year. These cost increases are paid directly by City employees, reducing their take home pay. The City recently closed out the Fiscal Year 2012-2013 with a General Fund balance of \$746,000. This operating surplus was driven by a combination of factors, including:

## Item #: 11.C. Staff Report.pdf

DECEMBER 12, 2013: CITY MEMORANDUM OF UNDERSTANDING AGREEMENT

- Employee staffing and efficiency improvements that resulted in over \$400,000 in salary and contract savings, and
- A \$240,000 increase in sales tax and TOT performance over the most recent budget estimates, which results in an increase of 13.3% net of Measure O revenues in year-over-year performance.

A cost of living increase (COLA) for all bargaining units is scheduled to become effective on July 1, 2014. Management is recommending moving the date of the COLA to the first full pay period in January 2014. This estimated one-time adjustment of \$76,000 acknowledges employee efforts in contributing towards cost-containment measures during periods of fiscal challenge. In exchange for this one-time adjustment, all bargaining units and department directors with contracts scheduled to expire in June 30, 2015, have agreed to extend their agreements through June 30, 2018 and match the terms and conditions of the POA MOU with regards to salary and health care increases.

In addition, the proposed MOUs include a "reopener" clause in all of the agreements except for the POA and the Captain, which states: The Agreements may be reopened to discuss only health care and CalPERS rates after July 1, 2014 under either of the following conditions: (1) Total combined Miscellaneous PERS rates exceed 30%; or (2) the average of the available City sponsored health plans for an Employee Plus 2 increases by 25% over the current 2014 rates. All other terms and conditions of the agreement are not subject to the reopener clause.

**FISCAL IMPACT:** The estimated cost will be \$76,000 for Fiscal Year 2013/2014.

### **ATTACHMENTS:**

1. Association of Capitola Employees Bargaining Unit (ACE);
2. Mid-Management Employees' Bargaining Unit;
3. Confidential Employees' Bargaining Unit;
4. Seventh Amendment to the Employment Agreement for the Public Works;
5. Second Amendment to the Employment Agreement for the Finance Director;
6. Second Amendment to the Employment Agreement for the Administrative Services Director;
7. Second Amendment to the Employment Agreement for the Police Chief;
8. First Amendment to the Employment Agreement for the Community Development Director;
9. Side Letter Capitola Police Officers Association (POA);
10. Side Letter Captains' Employees' Bargaining Unit.

**Report Prepared By:** Lisa G. Murphy  
Administrative Services Director

**Reviewed and Forwarded  
by City Manager:** 

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
ASSOCIATION OF CAPITOLA EMPLOYEES  
AND CITY OF CAPITOLA  
PERIOD 7/01/2012 to 6/30/1518  
TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION I: UNION RECOGNITION.....</b>	1
<b>SECTION II: WAGE .....</b>	4
A. Wage Schedule and Wage Increases.....	4
B. Specialty Pay for Police Department Administrative Assistant.....	4
C. Conversion to Hourly Rate.....	4
D. Service.....	4
E. Types of Appointments.....	5
F. Public Works Employees, Shift Changes, Shift Differential.....	5
G. Emergency Call Back Compensation.....	6
H. Parking Enforcement Officers.....	6
I. License and Certification Reimbursement.....	6
<b>SECTION III: OVERTIME.....</b>	6
<b>SECTION IV: MERIT PAY AND EFFECTIVE DATE OF INCREASES .....</b>	7
<b>SECTION V: VACATION.....</b>	7
A. Accrual.....	7
B. Accumulation.....	8
C. Scheduling.....	8
D. Vacation Cash Out On Termination.....	8
E. Mandatory Cash Out Before Termination.....	8
F. Optional Vacation Cash Out.....	8
<b>SECTION VI: SICK LEAVE.....</b>	8
A. Sick Leave Accrual.....	8
B. Sick Leave – Family Care.....	9
C. Sick While on Vacation.....	9
D. Sick Leave Cash Out.....	9
<b>SECTION VII: HOLIDAYS.....</b>	9
A. Schedule.....	9
B. Personal Holidays.....	9
C. Holiday Hours Bank.....	9
<b>SECTION VIII: BEREAVEMENT LEAVE .....</b>	10
<b>SECTION IX: JURY DUTY .....</b>	10

**Item #: 11.C. Attach 1.pdf**

<b>SECTION X: LEAVE OF ABSENCE WITHOUT PAY.....</b>	<b>10</b>
<b>SECTION XI: ACCRUALS AFTER DATE OF SEPARATION.....</b>	<b>10</b>
<b>SECTION XII: BENEFITS FOR PART-TIME EMPLOYEES.....</b>	<b>10</b>
<b>SECTION XIII: FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTION.....</b>	<b>10</b>
<b>SECTION XIV: RETIREMENT BENEFITS.....</b>	<b>11</b>
A. PERS.....	11
B. LIUNA National Industry Pensions.....	12
<b>SECTION XV: PHYSICAL EXAMINATIONS.....</b>	<b>12</b>
<b>SECTION XVI: LIFE INSURANCE.....</b>	<b>12</b>
<b>SECTION XVII: MILEAGE REIMBURSEMENT.....</b>	<b>13</b>
<b>SECTION XVIII: UNIFORMS.....</b>	<b>13</b>
<b>SECTION XIX: SHOES, APPAREL AND EQUIPMENT REIMBURSEMENT.....</b>	<b>13</b>
<b>SECTION XX: INCENTIVE PROGRAMS.....</b>	<b>13</b>
A. Longevity Pay Incentive.....	13
B. Education Reimbursement Program.....	13
C. Bilingual Pay.....	14
<b>SECTION XXI: PERSONNEL EVALUATIONS.....</b>	<b>14</b>
<b>SECTION XXII: LUNCH AND REST PERIODS.....</b>	<b>14</b>
<b>SECTION XXIII: EMERGENCY MEALS.....</b>	<b>15</b>
<b>SECTION XXIV: LIGHT DUTY ASSIGNMENT.....</b>	<b>15</b>
<b>SECTION XXV: PROBATIONARY PERIOD.....</b>	<b>15</b>
A. Regular Appointment Following Probationary Period.....	15
B. Objective of Probationary Period.....	15
C. Rejection of Probationer.....	15
D. Rejection following Promotion.....	15
<b>SECTION XXVI: GRIEVANCE PROCEDURE.....</b>	<b>16</b>
A. Definition of a Grievance.....	16
B. Right to Representation.....	16
C. Limitations on Money Damages.....	17
D. Procedure.....	17
<b>SECTION XXVII: LAYOFFS.....</b>	<b>17</b>

SECTION XXVIII: SAFETY.....18

SECTION XXIX: MISCELLANEOUS . . . . . 18

- A. Legal Defense.....18
- B. Use of Employer Facilities.....18
- C. Bargaining Time.....18
- D. Re-opener.....18
- E. Required Meetings.....19
- F. Disciplinary Appeal.....19
- G. Personnel Rules.....19
- H. Fair Labor Standards Act.....19
- I. POA “Me Too” Clause.....19

**ASSOCIATION OF CAPITOLA EMPLOYEES  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as "City") and Laborers International of North American (LIUNA) Local 792 (herein referred to as "the union") for the Association of Capitola Employees (ACE) for and on behalf of its members identified. This agreement shall cover the period from July 1, 2012 through June 30 2015, amended on 12/12/2013 extending the term through June 30, 2018, and shall be effective upon ratification by the bargaining unit and approval by the Capitola City Council.

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the Union has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association's Memorandum of Understanding which expires on June 30, 2018.

The City's "Standard MOU Provisions" and "Additional MOU Provisions" are hereby incorporated into this MOU by this reference. To the extent there is a conflict between either the Standard MOU Provisions or Additional MOU Provisions with this MOU, this MOU shall govern. The City and Union agree that, prior to March 31, 2007, they shall incorporate provisions from the Standard MOU Provisions and Additional MOU Provisions not specifically set forth in this MOU into this MOU, so long as incorporation does not result in a substantive change in the terms and conditions of employeccs covered by this MOU.

**I. UNION RECOGNITION**

1. Pursuant to the Meyers-Miliias-Brown Act and the City's Employer-Employee Relations Resolution, the Union, affiliated with Laborer's International Union of North America, Local792, is hereby recognized as the exclusively recognized employee organization of the General Government Employees and Association of Capitola Employees bargaining unit. Classifications in the bargaining unit are listed in Section I.16 below. Pursuant to language in the Employee-Employer Relations Ordinance, this list can be amended from time to time.
2. The parties hereto recognize that membership in the Union is not compulsory, that employees have the right to join, not join, maintain, or drop their membership in the Union and that neither party shall exert any pressure on or discriminate against an employee regarding such matters. In light of the agency fee provisions contained in this section, the Union agrees that it is obligated to represent all of the employees in the bargaining unit fairly and equally, without regard to whether or not an employee is a member of the Union. (Government Code Section 3502)
3. Effective 30 days after the effective date of this MOU, in accordance with Government Code Section 3502.5, employees who are members of the bargaining unit represented by the Union, as a condition of continued employment, shall be required to either belong to the Union or to pay to the Union an amount equal to a service fee in an amount not to exceed the standard initiation fee, periodic dues,

and general assessments for the Union. (Government Code Section 3502.5(a))  
The Union shall notify the City in writing as to the amount of the service fee.

4. Any employee of the City subject to this MOU who is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting a public employee organization will, upon presentation of verification of active membership in such religion, body or sect be permitted to make a charitable contribution equal to the service fee in lieu of Union membership or service fee payment.

Declarations of or applications for religious exemption and any supporting documentation will be forwarded to the Union within fifteen days of receipt by the City. The Union will have fifteen days after receipt of a request for religious exemption to challenge any exemption that the City grants. If challenged, the deduction to the charity of the employee's choice will commence but will be held in escrow pending resolution of the challenge. Charitable contributions will be by regular payroll deduction only. For purposes of this paragraph, charitable deduction means a contribution to a non-religious and non-labor charitable organization exempt from taxation under Section 501(c)(3) of the IRS Code chosen by the employee. (Government Code Section 3502.5(c))

5. The City shall notify new employees that the Union is the exclusive recognized bargaining representative for employees in the bargaining unit and provide new employees with a copy of the current Memorandum of Understanding. Within 30 days after employment, new employees shall, as a condition of continued employment, be required to either belong to the Union or to pay to the Union an amount equal to a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments for the Union. (Government Code Section 3502.5(a))
6. This section of the MOU shall not apply to supervisory employees. (Government Code Section 3502.5(e))
7. The City shall make available payroll deductions for unit members for both regular Union dues and for payment of the service fee to the Union pursuant to an appropriate authorization form signed by the employee or the provisions of this Section. Those funds shall be remitted to the Union on a monthly basis. An employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues or service fee. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full dues or service fee, no deduction shall be made. In addition, all other legal and required deductions have priority over Union dues and the service fee.
8. The Union shall keep an adequate itemized record of its financial transactions and shall make available annually, to the City and to the employees who are members of the Union, within 60 days after the end of its fiscal year, a detailed written financial report in the form of a balance sheet and an operating statement, certified

## Item #: 11.C. Attach 1.pdf

as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant. The Union, if it is required to file financial reports under the Labor-Management Disclosure Act of 1959 or required to file financial reports under Government Code Section 3546.5, may satisfy this financial reporting requirement by providing the City with a copy of those financial reports. (Government Code §3502.5(f))

9. The Union shall indemnify, defend and hold the City, its employees, officials, representatives and agents harmless against any claims made, and against any suit instituted against the City on account of payroll deductions made pursuant to this Section for dues or service fees. In addition, the Union shall refund to the City any amount paid to it in error upon presentation of supporting evidence.
10. Any dispute between the Union and any employee on the interpretation or application of this Section shall, at the request of the Union or the affected employee, be decided by final and binding arbitration under the rules of the American Arbitration Association. The Union and the employee shall each bear one half the cost of the arbitration, including the fee of the American Arbitration Association, the arbitrator and any court reporter fees and costs. The City will not protest or interfere with any final and binding decision under this Section.
11. Union Notification. The City shall give reasonable written notice to Union when it is affected by any ordinance, rule, resolution, or regulation proposed to be adopted and directly relating to matters within the scope of representation.
12. Bulletin Boards. The Union shall be provided a bulletin board in the employee break room. The Union agrees that notices posted on the bulletin boards shall not contain anything that may be construed as maligning or derogatory to the City or its representatives. The Union shall be responsible for maintaining the bulletin board in a business-like manner. The Union shall be responsible for placement of and removal of outdated material. However, the City shall retain the right to remove maligning, derogatory, or inappropriate or outdated material.
13. Time Off for Union Officials. During the term of this agreement, two employees from the unit shall be allowed a reasonable amount of paid release time off for "meet and confer" or "meet and consult" sessions scheduled with the City's designated representatives, providing there is no disruption of work. The Union shall notify the City Manager in advance of the meeting of the specific members who will be in attendance. Union members shall obtain permission through supervisory channels before leaving their work or work locations.
14. Time Off Without Loss of Pay. The Union may request, and the City may grant, time off without loss of pay to Union representatives to assist the City in the formulation of policies and procedures mutually beneficial to the City and the Union. However, such time off shall be at the discretion of the City Manager.
15. Union Stewards. The unit shall be authorized to designate two employees within the unit as stewards and must furnish a list of these stewards to the City Manager within five working days after appointment or election. One steward at a time shall be allowed a reasonable amount of paid release time for the purpose to



representing a unit employee within the steward's area of representation in the filing or processing of grievances or disciplinary appeals, as long as there is no interruption of work in the employee's division. Stewards must first obtain permission.

16. Represented Employees. This unit represents the following classifications: Accounts Receivable/Payable Clerk, Account Technician, Accountant I, Accountant II, Administrative Assistant, Administrative Clerk I, Administrative Clerk II, Administrative Records Analyst, Building Inspector I, Building Inspector II, Class Coordinator, Development Services Technician, Data Entry Clerk, Equipment Operator, Maintenance Worker I, II III, Mechanic, Museum ~~Coordinator~~Curator, Parking Enforcement Officer, Assistant Planner, Receptionist, Records Clerk, Records Coordinator, Records Management Clerk, Recreation Assistant, Recreation Facility Custodian, Recreation Receptionist, and Sports Coordinator.
17. When a new position is created by the City that is not managerial, supervisory or confidential, the City will provide the Union with a position description and will advise the Union as to whether or not, in its judgment, the position is appropriate for inclusion in the bargaining unit. If the Union disagrees with the City's decision, it will notify the City, and the City and the Union will meet to resolve the disagreement.

## II. WAGES

A. Wage Schedule and Wage Increases: The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters "A" to "E" have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits. The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through ~~December~~October 2013\* See (a). If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective the first full pay period in ~~July~~January, 2014 through the pay period ending July 5<sup>th</sup> 2014. A 5% salary increase shall be made for the Administrative Assistant and the Mechanic effective first full pay period in July, 2012.

a. Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.

c. Effective the first full pay period in July 2016, the salary range for each

classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

d. Effective the first full pay period in July 2017; the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

A.

- B. Police Department Administrative Assistant: The Police Department Administrative Assistant will be granted a specialty pay increase of 5% when certified by POST to conduct back ground investigations. This pay will be retroactive to the time of certification. In addition, in 2012 a compensation analysis was conducted for the Police Department Administrative Assistant. The result is the Police Department Administrative Assistant will be granted an increase of 5% for recognition of an equity adjustment effective the first full pay period in July, 2012.
- C. Conversion To Hourly Rate: Whenever it is necessary to compute an hourly pay rate in order to apply any provision of this MOU, that will be done by multiplying any monthly rate by 12 in order to derive an annual rate, and dividing the annual rate by 2080 (or proportionate number of hours for part time positions, e.g., 1040 for a half-time position).
- D. Service: The word "service" as used in this MOU means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.
- E. Types of Appointment  
For all types of appointments, refer to the personnel rules, except for Acting Appointments.
1. Acting Appointments  
Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily appointed to a higher class position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager. Such pay will be no less than 5% above the employee's regular compensation. It may be up to, but ordinarily will

not be in excess of the first step of the position occupied. Such pay shall begin on the first work day of the appointment.

2. **Work Out of Class**  
Work out of class occurs when an employee is designated to work in a higher classification and actually performs or is responsible for performing the majority of duties of the higher classification. If an employee works out of class for four or more consecutive hours, the employee will receive work out of class pay for all hours worked out of class. The employee shall receive either 5.0% above the employee's usual rate of pay, or pay at the next highest pay step in the out of class job classification, whichever is greater.
3. **Acting Supervisors Pay for Public Works**  
If an employee is designated by the Department Head or the Department Head's designee to perform the duties of Park's Maintenance Supervisor or Facilities and Street Maintenance Supervisor for a period of three consecutive days, with Fridays and Mondays being consecutive days, then that employee shall receive a 10% increase to his or her salary for all such hours worked.
4. **Equipment Operators Pay**  
If an employee is designated by the Department Head or the Department Head's designee to perform the duties of an Equipment Operator for a period of at least four consecutive hours or longer, then that employee shall receive a 5% increase to salary for all such hours worked.

F. Public Works Employees, Shift Changes Shift Differential

1. **Shift Changes:** In order to provide necessary services, the hours of Public Works employees may be adjusted from time to time. However, when a change in a schedule occurs within the given two-week pay period, all non-overtime hours worked outside of the pre-adjustment work schedule shall be additionally compensated at a rate equal to 5% of base wage rate.
2. **Shift Differential:** Employee's who are required to report to work two or more hours before the employee's regular time to begin work, shall receive a 5% increase to salary for all such hours worked prior to regular work hours.

G. Emergency Call Back Compensation

1. "Call back" refers to a situation where an employee has completed his/her regular work day without knowing that he/she would be called back (by his/her superior or as a result of emergency circumstances) to work during hours of the day not occurring during the employee's regular workday. An employee who is required to come to work not more than one hour early, but is not thereafter released from work before the start of the regular workday is not on "call back".

## Item #: 11.C. Attach 1.pdf

2. Employees called back to work shall be treated as having worked at least two hours, even if actual time is less.
  3. Public Works: The rate of pay for Public Works department employees (except the department head and the Maintenance Superintendent) call back hours is as follows
    - i. Two and a half times the employee's hourly base rate for hours served between the hours of 10pm and 6 am; or
    - ii. Two times hourly base rate for hours served during other times of the day.
  4. For all employees not covered by subsection (c) (except those in the management bargaining unit) call back hours will be paid the same as overtime.
  5. Time spent traveling to and from the place of call back work is not counted in applying the provisions of this section, or XXIX. E.
  6. Units of time that are both call back and overtime will receive the most favorable of the two treatments, but no single unit of time will be treated as both call back and overtime.
- H. Parking Enforcement Officers: Parking enforcement officers shall receive a minimum of 4 hours pay for court appearances that are not scheduled as part of their regular workday.
- I. License and Certificate Reimbursement: The City will reimburse employees for the cost of specialized licenses and certificates required to perform their job.

### III. OVERTIME

All employees within the Union are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government. The normal regular work week commences on Sunday and consists of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee's election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3. The Department Head must approve overtime.

"Hours worked" shall not include sick leave. Nor shall such a definition include vacation or compensated leave time off not scheduled in advance by at least ten working days. "Hours Worked" shall also not include workers compensation time off unless immediate treatment is required on the date of injury for the injury incurred, in which case overtime is allowed providing the overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

#### IV. MERIT PAY AND EFFECTIVE DATE OF INCREASES

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

Any other mid-pay period payroll adjustments will occur at the beginning of the pay period in which the adjustments falls for all odd numbered calendar years; and, at the beginning of the following pay period for the even number calendar years.

When an employee has not been approved for advancement to the next higher wage step, the employee shall be reconsidered for such advancement after the completion of either three months of additional service, or after a period of three to six months of additional service if the supervisor concludes that three months will be insufficient time to evaluate whether the performance deficiencies that led to the denial of the step increase have been adequately addressed. At the time a step increase is denied, the supervisor shall identify in writing the timing of reconsideration of the step increase. An employee whose step increase is denied shall also be advised in writing (typically in a performance evaluation) of the reason(s) why the step increase was denied. Grants and denials of step increases shall be on a merit basis only.

Regardless of whether subsequent reconsideration of a denial of a step increase does or does not result in a step increase, the employee's annual review date shall be as originally designated.

#### V. VACATION

##### A. Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

<u>Years of Employment</u>	<u>Vacation Days</u>
1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

##### B. Accumulation

1. An employee may not accumulate more than, but instead each year must cash out pursuant to Section V.E. below, all accumulated vacation in excess of 360 hours; except that
2. An employee who had accumulated more than 360 hours as of January 1, 2011 may maintain that level: provided, however, that if accumulated vacation falls below 360 hours, the provisions of Section V.B.1, above, shall thereafter apply.

##### C. Scheduling

Vacations shall be scheduled upon the request of the employee and the approval of the Department. The Department shall consider both the desire of the employee and the needs of the Department in deciding whether to approve or deny a vacation request.

Vacation sign-ups shall be on a first come first serve basis. If more employees request vacation for a given time than can be accommodated by the Department, the more senior employee shall be given the time off. Nothing herein shall require the cancellation of an already approved vacation for a less senior employee upon the request of a more senior employee. "Seniority" as used in this section shall mean length of continuous employment in a paid status in a regular position.

D. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

E. Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours or who is subject to a higher accumulation level under Section V(B)(2), as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 or that applicable higher accumulation level except that such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

F. Optional Vacation Cash Out

In any calendar year, an employee may cash out up to 40 hours of accumulated vacation.

**VI. SICK LEAVE**

A. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year. Parking Enforcement Officers working a 4/10 shift shall accrue 120 hours per calendar year.

B. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

C. An employee who becomes ill or is hospitalized while on vacation and provides a written statement from a licensed physician or medical doctor that the illness would have resulted in the employee not being able to come to work, shall have the period of illness charged against sick leave and not vacation leave.

D. Sick Leave Cash Out

Sick Leave may not be cashed out.

**VII. HOLIDAYS**

A. Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

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New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	<del>2/12/</del> *
Washington's Birthday	*
Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	10/11/
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

\* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

B. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

C. Holiday Hours Bank

Police Clerks, Parking Enforcement Officers, Administrative Records Analyst and the Police Department Administrative Assistant shall receive a bank of holiday hours, based upon eight (8) hours for each holiday, to be taken in the same manner as Police Officers.

**VIII. BEREAVEMENT LEAVE**

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents, and any individual to whom an employee is serving in Loco Parentis.

**IX. JURY DUTY**

**Item #: 11.C. Attach 1.pdf**

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

**X. LEAVE OF ABSENCE WITHOUT PAY**

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

**XI. ACCRUALS AFTER DATE OF SEPARATION**

An employee’s separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. “Yearly allotment” means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section XIII.A. below.

**XII. BENEFITS FOR PART-TIME EMPLOYEES**

Sick leave benefits are described in Section VI above.

**XIII. FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS**

A. The City makes a flexible spending arrangement (“Flex Plan”) contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, ~~\$108~~115 per month effective January 1, 2013~~4~~ will be paid to PERS for what is sometimes referred to as “employer contribution”. This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee. Effective the first full pay period in July, 2012 the contribution, for full-time regular employees, shall be:

- \$675 per month for employee only
- \$849 for employee plus one
- \$1,049 for employee plus two or more

Effective the first full pay period in July, 2013, the rates shall be as follows:

- \$700 per month for employee only
- \$899 for employee plus one
- \$1,099 for employee plus two or more

Effective July 1, 2014 the City will increase its contribution by 2.5% to:

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126



Effective July 1, 2015 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$735</u>
<u>Employee +1</u>	<u>\$945</u>
<u>Employee+2 or more</u>	<u>\$1,155</u>

Effective July 1, 2016 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$754</u>
<u>Employee +1</u>	<u>\$968</u>
<u>Employee+2 or more</u>	<u>\$1,184</u>

Effective July 1, 2017 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$773</u>
<u>Employee +1</u>	<u>\$992</u>
<u>Employee+2 or more</u>	<u>\$1,213</u>

- B. Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the "employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan.)
- C. The City reserves the option of adding additional programs to the cafeteria plan, as they may become available.
- D. The City will allow, and to a minor degree facilitate, the LIUNA Health Care Health Care plan availability to the represented membership. This benefit shall be at no cost to the City, with the exception of a minor amount of staff time, as may be determined by the City Manager, to administer the disbursements of premium payments.
- E. The City reserves the option of adding additional programs to the cafeteria plan, as they may become available.

#### **XIV. RETIREMENT BENEFITS**

##### **A. PERS**

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City's contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

## Item #: 11.C. Attach 1.pdf

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal member's contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City's PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City's contribution cap shall remain as stated above at 16.488%.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by CalPERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by CalPERS, CalPERS has by statute implement a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CALPERS.

- B. LIUNA National Industry Pension  
General Government Employees: The City will contribute \$0.25 per hour (not including overtime or compensatory time) each pay period to the LIUNA pension fund on behalf of each of the following classifications (which were formerly a separate unit with a separate MOU represented by LIUNA): Mechanic, Parking Enforcement Officer, Equipment Operator, Maintenance Worker I, II & III and Recreation Facility Custodian. The compensation schedules attached hereto will be reduced \$.25 per hour. The City's sole obligation shall be to forward designated amounts to the fund. The Union shall indemnify and hold harmless the City against any and all claims made as a result of the City's actions pursuant to this section.

Association of Capitola Employees: The City will allow the pretax contributions to LIUNA National Industry Pension for the following classifications formerly comprising the separate ACE Unit in the same manner as the General Government Employees when, and if past service credit benefit again becomes available: Account Technician, Accounts Receivable/Payable Clerk, Accountant I, & II, Administrative Assistant, Administrative Clerk I, Administrative Clerk II, Administrative Records Analyst, Building Inspector I, Building Inspector II, Class Coordinator, Development Services Technician, Data Entry Clerk, Information Systems Specialist, Museum Coordinator/Curator, Assistant Planner, Receptionist, Records Clerk, Records Coordinator, Records Management Clerk, Recreation Assistant and Recreation Receptionist, Sports Coordinator.

**XV. PHYSICAL EXAMINATIONS**

The City, for any employee receiving flex credit contributions, will provide a bi-annual physical examination for employee. Public Works employees may have the physical on an annual basis. The City will pay the amount not covered by the health care program.

**XVI. LIFE INSURANCE**

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

**XVII. MILEAGE REIMBURSEMENT**

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

**XVIII. UNIFORMS**

City will purchase uniforms for newly hired police department employees and will repair or replace uniforms on an as needed basis. In addition City will cover the cost of reasonable cleaning of police department authorized uniforms. Employees will be responsible for delivering uniforms to, and retrieving uniforms from, the employer designated cleaning establishment.

**XIX. SHOES, APPAREL AND EQUIPMENT REIMBURSEMENTS**

- A. Parking Code Enforcement Officers: The City will also cover the cost of needed uniform item replacements, including shoes and will provide needed wheelchair repair and maintenance. Necessity will be reasonably determined by employer. Wheelchairs provided by the City shall remain property of the City.
- B. Safety shoes and Apparel: Equipment Operator, Mechanic, Maintenance Worker and Recreation Facility Custodian will each calendar year receive: one pair of approved safety shoes, up to five city-logoed shirts, and up to five pairs of denims. The Public Works Director shall determine replacement frequency and kind.

**XX. INCENTIVE PROGRAMS**

- A. Longevity Pay Incentive  
Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:
  1. 15 years' continuous service – 5.0%
  2. 20 years' continuous service - an additional 5.0%, which shall be compounded with the 15 year recognition.
- B. Education Reimbursement Program

## Item #: 11.C. Attach 1.pdf

For employees who received advance approval from the City Manager prior to October 12, 2006, the City will reimburse employees for tuition and textbooks upon the completion of courses approved in advance by the City Manager in accordance with the following schedule:

State supported California colleges and universities - 100% tuition and textbook reimbursement.

Private colleges and universities - 100% of tuition or the tuition of the University of California whichever is less. Textbook reimbursement will be at 100%.

The grandfathered employees are listed in Attachment 2 to this MOU.

For all other employees, the City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manager shall be at 100%.

### C. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

1. Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and
2. The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

## **XXI. PERSONNEL EVALUATIONS**

For probationary employees, a performance evaluation is required, at a minimum, every three months.

For permanent employees, a performance evaluation is required annually. The completed evaluation should be submitted ten working days before the annual due date. Nothing in this provision shall prevent departments from issuing performance evaluations more frequently than the required time period.

Merit pay increases will go into effect on a timely basis, unless the performance evaluation of less than "meets standards" has been completed at least two weeks prior to the anniversary date.

If an employee does not agree with an evaluation, the employee may prepare a written response to the evaluation which shall be kept in the employee's personnel file with the

contested evaluation. The employee also may request a meeting with the City Manager to discuss the evaluation.

## **XXII. LUNCH AND REST PERIODS**

Full-time employees shall be entitled to an unpaid lunch period of thirty (30) minutes at or about the mid-point of their workday. If an emergency occurs such that there is a need for the employee to work during the employee's lunch period, the employee will be compensated for the lunch period.

Employees shall be allowed a 15 minute rest period during each four hours of work. An exception to this general rule is that the rest periods may be combined and scheduled as mutually agreed to by an employee and supervisor. In addition, the City reserves the right in emergency situations to require employees to work through rest periods.

Rest periods shall be considered compensable work time.

## **XXIII. EMERGENCY MEALS**

The City shall arrange for meals for employees assigned to work four (4) or more hours contiguous to the employee's shift when the employee is not provided notice of the need to work the overtime at least 12 hours prior to either commencing the overtime work or shift.

## **XXIV. LIGHT DUTY ASSIGNMENT**

An employee who has been cleared by a physician to return to work with specified medical restrictions, may return to work within those restrictions, at the City's discretion. The release must be in writing. Nothing in this section is intended to imply that an employee has a right to a light duty assignment. All such assignments are temporary assignments and are subject to the Department Head's periodic review of the employee's continued need for limited duty and the City's ability to continue the employee in the assignment. No change in base pay will result from this assignment.

## **XXV. PROBATIONARY PERIOD**

Regular Appointment Following Probationary Period. All original and promotional appointments shall be tentative and subject to an initial probationary period of six (6) months actual service, as may be adjusted for approved leave, to be determined for each class by the Personnel Officer. The Department Head may recommend and the Personnel Officer may approve an extension of the initial probationary period up to six (6) additional months. The Probationary employee shall be informed three (3) weeks prior to the expiration of any probationary period, that the probationary period will be extended, and reasons shall be given for the extension.

The Department Head shall file with the Personnel Officer a Personnel Action Form that either (1) the service of the probationary employees has been satisfactory and that retention in the competitive service of such employee is denied; (2) the probationary period should be extended; or (3) the service of the employee has been unsatisfactory and his/her employment should be terminated. If at anytime during the probationary period

## Item #: 11.C. Attach 1.pdf

the department head notifies the Personnel Officer that performance is less than satisfactory, the Personnel Officer will communicate that less than satisfactory performance to the appointing authority who may give or cause to be given to the employee a notice of immediate termination.

Objective of Probationary Period. The probationary period shall be regarded as part of the examination process and shall be utilized for closely observing the employee's actual performance and for securing the most effective adjustment of a new employee to his/her position.

Rejection of Probationer. During the probationary period, an employee may be rejected at any time by the appointing authority and without the right of appeal. Written notification of rejection by the appointing authority shall be served on the probationer.

Rejection Following Promotion. The rules and rights afforded employees rejected during or at the conclusion of the probationary period following a promotional assignment shall be as set forth in the City's Personnel Rules.

### XXVI. GRIEVANCE PROCEDURE

- A. Definition of a Grievance: A grievance is defined as an allegation presented in writing by an employee or group of employees that the City has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of both such right is not made subject to the discretion of the Department Head or the City by the terms of law, Memorandum of Understanding, or by written City or departmental rules and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504. Notwithstanding the above, excluded from this grievance procedure are employee evaluations, and any other matter that is assigned its own appeal procedure such as discipline and an alleged violation of the harassment policy.
- B. Right to Representation: An employee having a grievance shall have the right to consult with and be assisted by a representative of his/her own choice throughout the grievance process. In those cases in which an employee elects to represent him/herself or arranges for other representation, the Union shall have the right to participate in the grievance procedure to the extent necessary to protect the interest of its members in negotiated conditions of employment.
- C. Limitations on Money Damages: In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.
- D. Procedure: Failure of the employee to timely file a grievance and/or comply with the time limits at any step of this grievance procedure shall constitute an abandonment of the grievance. Failure of the employer to respond within the time limits at any step of this grievance procedure shall result in an automatic advancement of the grievance to the next step. The parties may mutually agree to extend the time permitted under any of the steps

**Step 1**

A grievance must be presented to the grievant's supervisor within twenty-one (21) calendar days from the day upon which the City allegedly failed to provide a condition of employment, or within twenty-one (21) calendar days from the time in which an employee might reasonably have been expected to have learned of such alleged failure to provide. The written grievance shall include the following:

- a) Date of submission;
- b) Signature of employee or employees;
- c) The MOU provision, Personnel Rule, Administrative Policy or other rule or policy allegedly violated;
- d) A description of the relevant facts, including specifically how, when and by whom the grieved condition of employment was violated;
- e) The requested resolution or remedy; and
- f) The name of any representative chosen by the grievant.

The supervisor shall provide the grievant with a written response within seven (7) actual working days.

**Step 2**

If the grievance is not resolved at Step 1, the employee shall have seven (7) actual working days after receipt of the supervisor's Step 1 response to file an appeal with the Department Head. The Department Head may, but is not required to, meet with the grievant to discuss the grievance. The Department Head shall have seven (7) actual working days from either receipt of the appeal, or the meeting with the grievant, whichever is later, to provide the grievant with a written response.

**Step 3**

If the grievance is not resolved at Step 2, the employee shall have seven (7) actual working days after receipt of the Department Head's Step 2 response to file an appeal with the City Manager. The City Manager shall meet with the grievant and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within seven (7) actual working days after receipt of the grievant's appeal. The City Manager shall have seven (7) actual working days from the date of the meeting with the grievant to provide the grievant with a written decision.

The Union may, in its own name, file a grievance with the City Manager alleging that the City has failed to provide it some organizational right which is established by law, provided that such right is not made subject to the discretion of the City. Such Union grievance shall be filed with the City Manager and heard and determined pursuant to the provisions of this step of the grievance procedure. The City Manager shall meet with the Union and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within (7) actual working days after receipt of the Union's grievance. The City Manager shall have seven (7) actual working days from the date of the meeting with the Union to provide the Union with a written decision.

**Step 4**

## Item #: 11.C. Attach 1.pdf

An employee dissatisfied with the City Manager's decision on the employee's Step 3 grievance may appeal the grievance to the City Council within (7) seven actual working days of receipt of the City Manager's decision. The City Council will schedule a hearing within a reasonable time period after receipt of the appeal. The decision of the City Council following the hearing shall be final.

### XXVII. LAYOFFS

Layoffs shall be governed by Personnel Rule 12. The City will make its best efforts to provide an additional 30 days of EAP benefits to employees who are laid off to assist them in their transition. If continued EAP benefits are not available, the City will meet with the Union to discuss the possibility of the City providing laid off workers with guidance on resume writing, conducting a job search, job interviewing, coping with stress and/or unemployment insurance benefits.

### XXVIII. SAFETY

The City and employees shall comply with all Federal, State and local health and safety laws and regulations and the City's "Loss Control, Injury and Illness Prevention Safety Program." At least two employees within this bargaining unit shall be permitted to serve on the City-wide safety committee called for in the City's "Loss Control, Injury and Illness Prevention Safety Program."

### XXIX. MISCELLANEOUS

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

#### A. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

#### B. Use of Employer Facilities

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours,



other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

C. Bargaining Time

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

D. Re-opener

This Agreement may be reopened to discuss only health care and/or CalPERS rates after July 1, 2014 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. All other terms and conditions of the agreement are not subject to the reopener clause.

~~Upon the request of this bargaining unit, the parties will negotiate whether specific provisions will be added to the MOU about awards of days off for five years of accident-free work.~~

E. Required Meetings

Administrative staff members covered under this MOU who are required to attend meetings outside their regular work schedules will be paid at the overtime rate (1.5) for two hours, or for the hours actually worked, whichever is greater.

F. Disciplinary Appeal

Employees of this unit shall have available to them the predisciplinary Skelly meeting for any discipline that results in a suspension of one day without pay or more. In addition, all disciplinary matters of three days suspension without pay or greater shall be subject to Personnel Rule 11, section 7.a. for post discipline appeals.

G. Personnel Rules

The City retains the right to amend and create personnel rules, provided they are not in conflict with specific provisions of this MOU. Where appropriate, City will meet and confer with applicable employee group or groups (Government Code Section 3300 and following), before amending or creating new personnel rules

H. Fair Labor Standards Act

All positions included in this Memorandum of Understanding are covered by appropriate sections of the Fair Labor Standards Act of 1935, as amended.

I. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of ACE shall receive the same COLA and/or Flex Plan increase at the same time.

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Jamie Goldstein  
City Manager

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Ellis Miller, UPEC, Local 792  
Labor Representative

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Lisa Murphy  
Administrative Services Director

---

Mark Sessions

---

Denice Pearson

---

Tracie Hernandez

---

Lance Elliot

Attachments:

1. Salary Schedule
2. Educational Reimbursement "Grandfathered Employees"

Reference Documents

\*Amended June 28, 2007 to include Accountant II (Reso. No. 3642)

\*\*Amended May 24, 2007 to change Counter/Records Technician to Development Services Technician (Reso. No. 3633)

\*\*\*ISS Position moved to the Confidential Unit Effective July 1, 2007 (letter agreement)

\*\*\*\*Amended July 6, 2007 as per the original agreement to incorporate those provisions from the Standard and Additional MOU not specifically set forth in this agreement.

\*\*\*\*\*Amended to extend agreement from 6/30/15 to 6/30/18 (December 12, 2013)

## Attachment 1: Salary Schedule

**ACE SALARY SCHEDULE**  
**JANUARY 1, 2012 - ~~JUNE 30, 2014~~ DECEMBER 31, 2013**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
ACCOUNT TECHNICIAN	3908	4103	4308	4523	4749
ACCOUNTANT I	4722	4958	5206	5466	5739
ACCOUNTANT II	5208	5468	5741	6028	6329
ACCOUNTS CLERK	3546	3723	3909	4104	4309
ADMINISTRATIVE ASSISTANT	3579	3758	3946	4143	4350
ADMINISTRATIVE CLERK I	2782	2921	3067	3220	3381
ADMINISTRATIVE CLERK II	3220	3381	3550	3728	3914
ADMINISTRATIVE RECORDS ANALYST	4223	4434	4656	4889	5133
BUILDING INSPECTOR I	3994	4194	4404	4624	4855
BUILDING INSPECTOR II	4660	4893	5138	5395	5665
CLASS COORDINATOR	3388	3557	3735	3922	4118
DATA ENTRY CLERK	2792	2932	3079	3233	3395
DEVELOPMENT SERVICES TECHNICIAN	3758	3946	4143	4350	4568
EQUIPMENT OPERATOR	3742	3929	4125	4331	4548
MAINTENANCE WORKER <u>III</u>	3,743	3,930	4,127	4333	4,550
MAINTENANCE WORKER <u>II</u>	<u>3,565</u>	<u>3,743</u>	<u>3,930</u>	<u>4,127</u>	<u>4,333</u>
MAINTENANCE WORKER <u>I</u>	<u>2,663</u>				<u>3,237</u>
*MECHANIC	3911	4107	4312	4528	4754
MUSEUM COORDINATOR/CURATOR	3547	3724	3910	4106	4311
PARKING ENFORCEMENT OFFICER	3228	3389	3558	3736	3923
ASSISTANT PLANNER	4559	4787	5026	5277	5541
RECEPTIONIST	3063	3216	3377	3546	3723

**Item #: 11.C. Attach 1.pdf**

RECORDS CLERK	3449	3621	3802	3992	4192
RECORDS COORDINATOR	3579	3758	3946	4143	4350
RECORDS MGT CLERK	3499	3674	3858	4051	4254
RECREATION ASSISTANT	2619	2750	2888	3032	3184
RECREATION FACILITY CUSTODIAN	2531	2658	2791	2931	3078
RECREATION RECEPTIONIST	2919	3065	3218	3379	3548
SPORTS COORDINATOR	3388	3557	3735	3922	4118

**ACE SALARY SCHEDULE**

**JULY JANUARY 1, 2014 - JUNE 30, 2018~~5~~**

To be determined as per MOU

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
MID-MANAGEMENT EMPLOYEES AND CITY OF CAPITOLA  
PERIOD  
7/01/2012 to 6/30/185  
AMENDED 12/12/13  
TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION I WAGE SCHEDULES/EMPLOYMENT STATUS.....</b>	<b>1</b>
Service.....	2
Acting Appointment Compensation.....	2
Overtime.....	3
Effective Date of Pay Increase.....	3
 <b>SECTION II: LEAVE PROVISIONS . . . . .</b>	 <b>3</b>
Vacation .....	3
Sick.....	4
Personal Holidays.....	4
Bereavement.....	5
Holiday Schedule.....	5
Jury Duty.....	5
Leave of Absence without pay.....	5
Accruals after date of separation.....	6
 <b>SECTION III: BENEFITS .....</b>	 <b>6</b>
Flexible Spending.....	6
Retirement.....	7
Shoes & Apparel.....	7
Physical Exams.....	8
Insurance.....	8
Mileage Reimbursement.....	8
 <b>SECTION IV: INCENTIVE PROGRAMS .....</b>	 <b>8</b>
Longevity.....	8
Education.....	8
Bilingual Pay.....	8
<b>SECTION V: EMERGENCY MEALS . . . . .</b>	<b>.8</b>
<b>SECTION VI: GRIEVANCE PROCEDURES . . . . .</b>	<b>.9</b>
<b>SECTION VII: LAYOFFS.....</b>	<b>10</b>
<b>SECTION VIII: MISCELLANEOUS . . . . .</b>	<b>10</b>
Legal Defense.....	10
Use of Employer Facilities.....	10
Bargaining Time.....	10
Re-opener.....	10
Required Meeting.....	11
Emergency Call Back.....	11
POA "Me Too" Clause.....	11
	0

**MID-MANAGEMENT EMPLOYEES  
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as "City") and the Mid-Management employees. Classifications covered by this MOU are: Associate Planner, Housing and Redevelopment Project Manager, Senior Planner, Maintenance Superintendent, Parks Maintenance Supervisor, Recreation Supervisor, Streets and Facilities Maintenance Supervisor, Building Official, Environmental Programs Manager and Supervising Senior Accountant. This MOU shall be in effect for the period beginning on July 1, 2012 and ending on June 30, 2018~~5~~ and shall be effective upon ratification by the bargaining unit and approval by the Capitola City Council.

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the Union has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association's Memorandum of Understanding which expires on June 30, 2018.

**SECTION I. WAGE SCHEDULES/HOURLY RATES/EMPLOYEE STATUS**

The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters "A" to "E" have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits.

The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through ~~December~~ October 2013\* See a below. If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective first full pay period in July, 2014 through the pay period ending July 5<sup>th</sup> 2014.

a. Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.

c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 =

100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

d. Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

#### A. Merit Pay

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

When an employee has not been approved for advancement to the next higher wage step, the employee shall be reconsidered for such advancement after the completion of either three months of additional service, or after a period of three to six months of additional service if the supervisor concludes that three months will be insufficient time to evaluate whether the performance deficiencies that led to the denial of the step increase have been adequately addressed. At the time a step increase is denied, the supervisor shall identify in writing the timing of reconsideration of the step increase. An employee whose step increase is denied shall also be advised in writing (typically in a performance evaluation) of the reason(s) why the step increase was denied. Grants and denials of step increases shall be on a merit basis only.

Regardless of whether subsequent reconsideration of a denial of a step increase does or does not result in a step increase, the employee's annual review date shall be as originally designated.

#### 1. Service

The word "service" as used in this Memorandum of Understanding means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.

#### 2. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments.

Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily assigned to, and performs all duties of a position other than the position he/she normally occupies or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager.

**Item #: 11.C. Attach 2.pdf**

Such pay will be no less than 5% above the employee’s regular compensation. It may be up to, but ordinarily will not be in excess of the first step of the position occupied.

**3. Overtime**

All employees within the Mid-Management unit except for the position of Senior Planner and Senior Accountant which is-are exempt from FLSA, are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government.

The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee’s election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

With regard to this section “hours worked” shall not include sick leave. Nor shall such a definition include vacation or compensated leave time off not scheduled in advance by at least ten working days. “Hours Worked” shall also not include workers compensation time off unless immediate treatment is required on the date of injury for the injury incurred, in which case overtime is allowed providing the overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

The position of Senior Planner and Senior Accountant is-aare professional positions exempt under FLSA, and therefore not entitled to overtime compensation. An Employee filling exempt positions are entitled to ten days per year of administrative time off. Administrative leave is non-cumulative. It may not be converted to cash. One year’s worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid year, in which case administrative leave is prorated for the applicable period. (Reso. #3486)

**4. Effective Date of Pay Increase**

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

Any other mid-pay period payroll adjustments will occur at the beginning of the pay period in which the adjustments falls for all odd numbered calendar years; and, at the beginning of the following pay period for the even number calendar years

**SECTION II: LEAVE PROVISIONS**

**1. Vacation**

**a. Vacation Accrual**

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

<u>Years of Employment</u>	<u>Vacation Days</u>
----------------------------	----------------------



1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

b. Accumulation

An employee may not accumulate more than, but instead each year must cash out pursuant to Section 12.d, below, all accumulated vacation in excess of 360 hours.

c. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

d. Vacation- Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

e. Optional Vacation Cash Out

In any calendar year an employee may cash out up to 80 hours of accumulated vacation.

2. Sick Leave

a. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year.

b. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

c. An employee who becomes ill or is hospitalized while on vacation and provides a written statement from a licensed physician or medical doctor that the illness would have resulted in the employee not being able to come to work, shall have the period of illness charged against sick leave and not vacation leave.

d. Sick Leave Cash Out

Employees may not cash out sick leave.

3. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

4. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents, and any individual to whom an employee is serving in Loco Parentis.

5. Holiday Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

---

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	<del>2/12/</del> *
Washington's Birthday	*
Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	10/11/
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

\* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

6. Jury Duty

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

7. Leave of Absence Without Pay

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

8. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section III.1 below.

**SECTION III: BENEFITS**

(Regarding benefits available to part-time employees, see Section I.2, above.)

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, \$112 effective January 1, 2012 and \$115 effective January 1, 2013 will be paid to PERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee. Effective the first full pay period in July 2012 the contribution, for full-time regular employees shall be:

Employee Only:	\$675 per month
Employee + 1	\$849 per month
Employee + 2 or more	\$1049 per month

Effective the first full pay period in July 2013 the contribution for full-time regular employees shall be as follows:

Employee Only:	\$700 per month
Employee + 1	\$899 per month
Employee + 2 or more	\$1099 per month

Effective July 1, 2014 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$718</u>
<u>Employee +1</u>	<u>\$921</u>
<u>Employee+2 or more</u>	<u>\$1,126</u>

Effective July 1, 2015 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$735</u>
<u>Employee +1</u>	<u>\$945</u>
<u>Employee+2 or more</u>	<u>\$1,155</u>

Effective July 1, 2016 the City will increase its contribution by 2.5% to:

<u>Employee Only</u>	<u>\$754</u>
<u>Employee +1</u>	<u>\$968</u>
<u>Employee+2 or more</u>	<u>\$1,184</u>

Effective July 1, 2017 the City will increase its contribution by 2.5% to:

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213

Employees who can verify to the City’s satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the “Employee only” contribution amount. (If a cash payment is taken, it is not included in the employee’s compensation for the CalPERS retirement plan.)

The City reserves the option of adding additional programs to the cafeteria plan, as they may become available. The City will enable interested employees to participate in union sponsored medical plans.

2. Retirement Benefits PERS

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City’s contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal members contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City’s PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City’s contribution cap shall remain as stated above at 16.488%.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by CalPERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by CalPERS, CalPERS has by statute implement a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CALPERS.

3. Shoes, and Apparel Reimbursements:

Each calendar year the Park Maintenance Supervisor and Street Maintenance Supervisor shall receive: one pair of approved safety shoes, up to 5 city-logoed shirts, and up to 5 pairs of denims. Each calendar year the Maintenance Superintendent shall receive one pair of steel-toed boots, and a maximum of two pairs of pants. The Public Works Director shall determine replacement frequency and kind.

4. Physical Examinations

The City, for any employee receiving flex credit contributions, will provide an annual physical examination for employee. The City will pay the amount not covered by the health care program.

5. Insurance.

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

6. Mileage Reimbursement

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

## SECTION IV: INCENTIVE PROGRAMS

1. Longevity Pay Incentive

Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:

- a. 15 years' continuous service - 5%
- b. 20 years' continuous service - an additional 5%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

The City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manger shall be at 100%.

3. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

- a) Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and
- b) The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

## SECTION V: EMERGENCY MEALS

The City shall arrange for meals for employees assigned to work four (4) or more hours contiguous to the employee's shift when the employee is not provided notice of the need to work the overtime at least 12 hours prior to either commencing the overtime work or shift.

## SECTION VI: GRIEVANCE PROCEDURE

A. Definition of a Grievance: A grievance is defined as an allegation presented in writing by an employee or group of employees that the City has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of both such right is not made subject to the discretion of the Department Head or the City by the terms of law, Memorandum of Understanding, or by written City or departmental rules and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504. Notwithstanding the above, excluded from this grievance procedure are employee evaluations, and any other matter that is assigned its own appeal procedure such as discipline and an alleged violation of the harassment policy.

B. Right to Representation: An employee having a grievance shall have the right to consult with and be assisted by a representative of his/her own choice throughout the grievance process. In those cases in which an employee elects to represent him/herself or arranges for other representation, the Union shall have the right to participate in the grievance procedure to the extent necessary to protect the interest of its members in negotiated conditions of employment.

C. Limitations on Money Damages: In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.

D. Procedure: Failure of the employee to timely file a grievance and/or comply with the time limits at any step of this grievance procedure shall constitute an abandonment of the grievance. Failure of the employer to respond within the time limits at any step of this grievance procedure shall result in an automatic advancement of the grievance to the next step. The parties may mutually agree to extend the time permitted under any of the steps

### Step 1

A grievance must be presented to the grievant's supervisor within twenty-one (21) calendar days from the day upon which the City allegedly failed to provide a condition of employment, or within twenty-one (21) calendar days from the time in which an employee might reasonably have been expected to have learned of such alleged failure to provide.

The written grievance shall include the following:

- a) Date of submission;
- b) Signature of employee or employees;
- c) The MOU provision, Personnel Rule, Administrative Policy or other rule or policy allegedly violated;
- d) A description of the relevant facts, including specifically how, when and by whom the grieved condition of employment was violated;

- e) The requested resolution or remedy; and
- f) The name of any representative chosen by the grievant.

The supervisor shall provide the grievant with a written response within seven (7) actual working days.

### **Step 2**

If the grievance is not resolved at Step 1, the employee shall have seven (7) actual working days after receipt of the supervisor's Step 1 response to file an appeal with the Department Head. The Department Head may, but is not required to, meet with the grievant to discuss the grievance. The Department Head shall have seven (7) actual working days from either receipt of the appeal, or the meeting with the grievant, whichever is later, to provide the grievant with a written response.

### **Step 3**

If the grievance is not resolved at Step 2, the employee shall have seven (7) actual working days after receipt of the Department Head's Step 2 response to file an appeal with the City Manager. The City Manager shall meet with the grievant and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within seven (7) actual working days after receipt of the grievant's appeal. The City Manager shall have seven (7) actual working days from the date of the meeting with the grievant to provide the grievant with a written decision.

The Mid-Management Group may, in its own name, file a grievance with the City Manager alleging that the City has failed to provide it some organizational right which is established by law, provided that such right is not made subject to the discretion of the City. Such Union grievance shall be filed with the City Manager and heard and determined pursuant to the provisions of this step of the grievance procedure. The City Manager shall meet with the Mid-Management Group representative and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within (7) actual working days after receipt of the Union's grievance. The City Manager shall have seven (7) actual working days from the date of the meeting with the Mid-Management Group representative to provide the Mid-Management Group with a written decision.

### **Step 4**

An employee dissatisfied with the City Manager's decision on the employee's Step 3 grievance may appeal the grievance to the City Council within (7) seven actual working days of receipt of the City Manager's decision. The City Council will schedule a hearing within a reasonable time period after receipt of the appeal. The decision of the City Council following the hearing shall be final.

## **SECTION VII: LAYOFFS**

Layoffs shall be governed by Personnel Rule 12. The City will make its best efforts to provide an additional 30 days of EAP benefits to employees who are laid off to assist them in their transition. If continued EAP benefits are not available, the City will meet with the Union to discuss the possibility of the City providing laid off workers with guidance on resume writing, conducting a job search, job interviewing, coping with stress and/or unemployment insurance benefits.

## SECTION VIII: MISCELLANEOUS

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

### 1. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

### 2. Use of Employer Facilities.

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

### 3. Bargaining Time.

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

### 4. Reopener

This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that All other terms and conditions of the agreement are not subject to the reopener clause.

~~Upon the request of this bargaining unit, the parties will negotiate whether specific provisions will be added to the MOU about awards of days off for five years of accident-free work.~~

### 5. Required Meetings

Administrative staff members covered under this MOU who are required to attend meetings outside their regular work schedules will be paid at the overtime rate (1.5) for two hours, or for the hours actually worked, whichever is greater.



6. Emergency Call-Back Compensation

- a. "Call-back" refers to a situation where an employee has completed his/her regular work day without knowing that he/she would be called back to work, by his/her supervisor or as a result of emergency circumstances, during hours of the day not occurring during the employee's regular workday. An employee who is required to come to work not more than one hour early, but is not thereafter released from work before the start of the regular work day is not on "call-back."
- b. Employees called back to work shall be treated as having worked at least two hours, even if actual time is less.
- c. Public Works: The rate of pay for Public Works Dept. employees in the Mid-Management Group during call-back hours is as follows:
  - (1) Two and one half times the employee's hourly base rate for hours served between the hours of 10 p.m. and 6 a.m.; or
  - (2) Two times the hourly base rate for hours served during other times of the day.
- d. For all employees not covered by subsection c, call-back hours will be paid the same as overtime.
- e. Time spent traveling to and from the place of call-back work is not counted in applying the provisions of this section, or Section 8 above.
- f. Units of time that are both call-back and overtime will receive the most favorable of the two treatments, but no single unit of time will be treated as both call-back and overtime.

7. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of Mid-Manager shall receive the same COLA and/or Flex Plan increase at the same time.

**CITY OF CAPITOLA**

**MID-MANAGEMENT EMPLOYEES**

\_\_\_\_\_  
Jamie Goldstein  
City Manager

\_\_\_\_\_  
Elise Legare

\_\_\_\_\_  
Lisa Murphy  
Administrative Services Director

\_\_\_\_\_  
Eddie Ray Garcia

\_\_\_\_\_  
Mark Wheeler

\_\_\_\_\_  
Katie Cattan

\_\_\_\_\_  
Danielle Uharriet

Attachment: Salary Schedule

\_\_\_\_\_  
Kyle Solberg

Item #: 11.C. Attach 2.pdf

Attachment 1

MID-MANAGEMENT SALARY SCHEDULE  
JULY 1, 2012 - JUNE 30, 2014 December 31, 2013

	A	B	C	D	E
ASSOC PLANNER	\$ 5,317	\$ 5,583	\$ 5,862	\$ 6,155	\$ 6,463
BUILDING OFFICIAL	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
HOUSING RDA PLANNER	\$ 5,823	\$ 6,114	\$ 6,420	\$ 6,741	\$ 7,078
MAINTENANCE SUPERINTENDENT	\$ 5,231	\$ 5,493	\$ 5,768	\$ 6,056	\$ 6,359
PARKS MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
RECREATION SUPERVISOR	\$ 4,714	\$ 4,950	\$ 5,198	\$ 5,458	\$ 5,731
SENIOR PLANNER	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
STREETS & FACILITIES MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
SUPERVISING ACCOUNTANT	\$ 5,839	\$ 6,131	\$ 6,438	\$ 6,760	\$ 7,098

MID-MANAGEMENT SALARY SCHEDULE  
~~JULY 1~~ January 1, 2014 - JUNE 30, 2015

To be determined as per MOU

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CONFIDENTIAL EMPLOYEES' AND CITY OF CAPITOLA  
AMENDED 12/12/13  
PERIOD 7/01/2012 – 6/30/201518  
TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION I WAGE SCHEDULES/EMPLOYMENT STATUS.....</b>	<b>1</b>
Service.....	2
Acting Appointment Compensation.....	2
Overtime.....	2
Effective Date of Pay Increase.....	2
 <b>SECTION II: LEAVE PROVISIONS . . . . .</b>	 <b>2</b>
Vacation .....	2
Sick.....	3
Administrative Leave.....	3
Personal Holidays.....	4
Bereavement.....	4
FMLA & CFRA.....	4
Holiday Schedule.....	4
Jury Duty.....	4
Leave of Absence without pay.....	5
Accruals after date of separation.....	5
 <b>SECTION III: BENEFITS .....</b>	 <b>5</b>
Flexible Spending.....	5
Retirement.....	6
Physical Exams.....	7
Insurance.....	7
Mileage Reimbursement.....	7
 <b>SECTION IV: INCENTIVE PROGRAMS .....</b>	 <b>7</b>
Longevity.....	7
Education.....	7
Bilingual Pay.....	7
 <b>SECTION V: MISCELLANEOUS . . . . .</b>	 <b>8</b>
FLSA.....	8
Legal Defense.....	8
Use of Employer Facilities.....	8
Bargaining Time.....	8
Me Too Clause.....	9
Reopener Clause.....	9

**CONFIDENTIAL EMPLOYEES' MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as "City") and the Confidential employees, who are: City Clerk, Assistant to the City Manager, Information Systems Specialist and Executive Assistant to the City Manager. This MOU covers the period beginning 07/01/2012 – 06/30/20152018.

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the Union has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association's Memorandum of Understanding which expires on June 30, 2018.

**SECTION I. Wage Schedules/Hourly Rates/Employment Status**

The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters "A" to "E" have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits.

The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through ~~December~~ October\* 2013 See a below. If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective the first full pay period in July ~~January~~ 2014 through the pay period ending July 5<sup>th</sup> 2014.

a. Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.

c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

d. Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 =

100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

Whenever it is necessary to compute an hourly pay rate to apply a provision of this MOU, that will be done by multiplying the monthly rate by 12 to derive an annual rate, and dividing the annual rate by 2080 (or proportionate number of hours for part time positions, e.g., 1040 for a half-time position).

1. Service

The word "service" as used in this MOU means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.

2. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments.

Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily assigned to, and performs all duties of a position other than the position he/she normally occupies or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager. Such pay will be no less than 5% above the employee's regular compensation. It may be up to, but ordinarily will not be in excess of the first step of the position occupied.

3. Overtime

Confidential employees are exempt under FLSA, and therefore not entitled to overtime compensation.

4. Effective Date of Pay Increase

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

All other pay rate changes, except those given a specific calendar date herein, shall become effective at the beginning of a two week pay period as approved by the City Manager.

**SECTION II: LEAVE PROVISIONS**

1. Vacation

a. Vacation Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

Years of Employment

Vacation Days

1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

b. Accumulation

An employee may not accumulate more than, but instead each year must cash out pursuant to Section d, below, all accumulated vacation in excess of 360 hours;

c. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

d. Vacation- Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

e. Optional Vacation Cash Out

In any calendar year an employee may cash out up to 80 hours of accumulated vacation.

2. Sick Leave

a. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year.

b. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

c. Sick Leave Cash Out;

Sick Leave may not be cashed out.

3. Administrative Leave Accrual

As exempt employees, the Confidential Employees are entitled to ten days per year of administrative time off. Administrative Leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid-year, in which case administrative leave is prorated for the applicable period.

4. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

5. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law, grandparents and any individual to whom an employee is serving in Loco Parentis.

6. FMLA and CFRA

The City shall follow the provisions provided for family leave as specified in the federal Family & Medical Leave Act of 1993 (FMLA), and the California Family Rights Act (CFRA) as they apply to public employers.

7. Holiday Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

---

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	<del>2/12/</del> —*
Washington's Birthday	*
Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	*
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

\* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

8. Jury Duty

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time

spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

9. Leave of Absence Without Pay

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

10. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section III.5 below.

**SECTION III: BENEFITS**

(Regarding benefits available to part-time employees', see Section 2, above.)

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, ~~\$108-115~~ per month effective January 1, 2013+, will be paid to PERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. *For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee.* The contribution, for full-time regular employees, shall be:

Employee Only:	\$675 per month
Employee Plus One:	\$849 per month
Employee Plus Two or More:	\$1,049 per month

Effective the first full pay period in July 2013 the contribution for full-time regular employees shall be as follows:

Employee Only:	\$700 per month
Employee + 1	\$899 per month
Employee + 2 or more	\$1,099 per month

Effective July 1, 2014 the City will increase its contribution by 2.5% to:

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

Effective July 1, 2015 the City will increase its contribution by 2.5% to:

Employee Only	\$735
Employee +1	\$945



<u>Employee+2 or more</u>	<u>\$1,155</u>
<u>Effective July 1, 2016 the City will increase its contribution by 2.5% to:</u>	
<u>Employee Only</u>	<u>\$754</u>
<u>Employee +1</u>	<u>\$968</u>
<u>Employee+2 or more</u>	<u>\$1,184</u>
<u>Effective July 1, 2017 the City will increase its contribution by 2.5% to:</u>	
<u>Employee Only</u>	<u>\$773</u>
<u>Employee +1</u>	<u>\$992</u>
<u>Employee+2 or more</u>	<u>\$1,213</u>

Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the "employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan.)

The City reserves the option of adding additional programs to the cafeteria plan, as they may become available. The City will enable interested employees to participate in union sponsored medical plans.

## 2. Retirement Benefits PERS

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City's contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal members contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City's PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City's contribution cap shall remain as stated above at 16.488%.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by CalPERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by CalPERS, CalPERS has by statute implement a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CALPERS.

3. Physical Examinations

The City, for any employee receiving flex credit contributions, will provide a biannual physical examination for employee. The City will pay the amount not covered by the health care program.

4. Insurance.

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

5. Mileage Reimbursement

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

**SECTION IV: INCENTIVE PROGRAMS**

1. Longevity Pay Incentive

Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:

- a. 15 years' continuous service - 5%
- b. 20 years' continuous service - an additional 5%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

The City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manager shall be at 100%.

3. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

- a. Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and

- b. The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

## **SECTION V: MISCELLANEOUS**

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

### 1. Fair Labor Standards Act

All positions included in this Compensation Plan are covered by appropriate sections of the Fair Labor Standards Act of 1935, and are specifically subject to Rule No. 54.118 (salaried executive employees are not paid at a higher rate for what might otherwise be labeled "overtime", correspondingly, their salary is not reduced "for any week in which (s)he performs any work without regard to the number of days or hours worked." Accordingly, bi-weekly time sheets will not result in adjustments to the compensation for the period, but merely for yearly evaluation of whether the position is, after factoring in administrative leave, over or under staffed. However, time off for sick leave purposes shall be reported and reflected in the accumulated sick leave calculations.

### 2. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

### 3. Use of Employer Facilities.

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

### 4. Bargaining Time.

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

**Item #: 11.C. Attach 3.pdf**

5. Me Too Clause:

If during the effective time period of this agreement, if any other bargaining units receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of Confidential shall receive the same COLA and/or Flex Plan increase at the same time.

6. Re-Opener:

This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that All other terms and conditions of the agreement are not subject to the reopener clause.

**CITY OF CAPITOLA**

**CONFIDENTIAL EMPLOYEES**

\_\_\_\_\_  
Jamie Goldstein  
City Manager

\_\_\_\_\_  
Liz Nichols

\_\_\_\_\_  
Lisa Murphy  
Administrative Services Director

\_\_\_\_\_  
Susan Sneddon

\_\_\_\_\_  
Larry Laurent

Attachment: Salary Schedule

ATTACHMENT 1

**SALARY SCHEDULE**

**CONFIDENTIAL SALARY SCHEDULE**

**July 1, 2012 – ~~June 30~~December 31, 2013<sup>4</sup>**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
ASSIST TO CITY MGR	\$ 6,287	\$ 6,601	\$ 6,931	\$ 7,278	\$ 7,642
CITY CLERK	\$ 5,806	\$ 6,096	\$ 6,401	\$ 6,721	\$ 7,057
EXEC ASSIST TO CITY MGR	\$ 4,544	\$ 4,771	\$ 5,010	\$ 5,261	\$ 5,524
INFORMATION SYSTEMS SPECIALIST	\$ 4,485	\$ 4,709	\$ 4,944	\$ 5,191	\$ 5,451

**CONFIDENTIAL SALARY SCHEDULE**

**July ~~January 1, 2014~~ – June 30, 2018<sup>5</sup>**

**To be determined as per MOU**

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SEVENTH AMENDMENT TO  
PUBLIC WORKS DIRECTOR EMPLOYMENT AGREEMENT

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the employee has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association.

As approved by the City of Capitola City Council at their meeting of December 12, 2013, the following amendments shall be made to the employment agreement between the City of Capitola and Steve Jesberg;

1. Term of the agreement July 1, 2012 to June 30, 2015, extended to June 30, 2018.
2. Flexible Spending Arrangement Contributions:  
Effective July 1, 2014 the City will increase its contribution by 2.5% to:
 

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

  
 Effective July 1, 2015 the City will increase its contribution by 2.5% to:
 

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

  
 Effective July 1, 2016 the City will increase its contribution by 2.5% to:
 

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

  
 Effective July 1, 2017 the City will increase its contribution by 2.5% to:
 

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213
3. COLA: Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.
  - a. Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.
  - b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
  - c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

**Item #: 11.C. Attach 4.pdf**

Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

4. This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that all other terms and conditions of the agreement are not subject to the reopener clause.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date \_\_\_\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
Benjamin "Jamie" Goldstein  
City Manager

Date \_\_\_\_\_

Steve Jesberg

\_\_\_\_\_  
Public Works Director

Approved as to Form

\_\_\_\_\_  
City Attorney



SECOND AMENDMENT TO  
FINANCE DIRECTOR EMPLOYMENT AGREEMENT

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the employee has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association.

As approved by the City of Capitola City Council at their meeting of December 12, 2013, the following amendments shall be made to the employment agreement between the City of Capitola and Tori Hannah;

1. Term of the agreement July 1, 2012 to June 30, 2015, extended to June 30, 2018.
2. Flexible Spending Arrangement Contributions:  
Effective July 1, 2014 the City will increase its contribution by 2.5% to:
 

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

  
 Effective July 1, 2015 the City will increase its contribution by 2.5% to:
 

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

  
 Effective July 1, 2016 the City will increase its contribution by 2.5% to:
 

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

  
 Effective July 1, 2017 the City will increase its contribution by 2.5% to:
 

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213
3. COLA: Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.
  - a. Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.
  - b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
  - c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

**Item #: 11.C. Attach 5.pdf**

Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

4. Vacation Cash Out: In any calendar year, employee may cash out up to 80 hours of accumulated vacation.
5. This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that all other terms and conditions of the agreement are not subject to the reopener clause.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date \_\_\_\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
Benjamin "Jamie" Goldstein  
City Manager

Date \_\_\_\_\_

Tori Hannah

\_\_\_\_\_  
Finance Director

Approved as to Form

\_\_\_\_\_  
City Attorney

SECOND AMENDMENT TO  
ADMINISTRATIVE SERVICES DIRECTOR EMPLOYMENT AGREEMENT

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the employee has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association.

As approved by the City of Capitola City Council at their meeting of December 12, 2013, the following amendments shall be made to the employment agreement between the City of Capitola and Lisa Murphy;

1. Term of the agreement July 1, 2012 to June 30, 2015, extended to June 30, 2018.
2. Flexible Spending Arrangement Contributions:  
Effective July 1, 2014 the City will increase its contribution by 2.5% to:
 

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

  
 Effective July 1, 2015 the City will increase its contribution by 2.5% to:
 

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

  
 Effective July 1, 2016 the City will increase its contribution by 2.5% to:
 

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

  
 Effective July 1, 2017 the City will increase its contribution by 2.5% to:
 

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213
3. COLA: Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.
  - a. Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.
  - b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
  - c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

**Item #: 11.C. Attach 6.pdf**

Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

4. This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions:  
1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that all other terms and conditions of the agreement are not subject to the reopener clause.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date \_\_\_\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
Benjamin "Jamie" Goldstein  
City Manager

Date \_\_\_\_\_

Lisa G. Murphy

\_\_\_\_\_  
Administrative Services Director

Approved as to Form

\_\_\_\_\_  
City Attorney

SECOND AMENDMENT TO  
CHIEF OF POLICE EMPLOYMENT AGREEMENT

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the employee has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association.

As approved by the City of Capitola City Council at their meeting of December 12, 2013, the following amendments shall be made to the employment agreement between the City of Capitola and Rudy Escalante;

1. Term of the agreement July 1, 2012 to June 30, 2015, extended to June 30, 2018.

2. Flexible Spending Arrangement Contributions:

Effective July 1, 2014 the City will increase its contribution by 2.5% to:

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

Effective July 1, 2015 the City will increase its contribution by 2.5% to:

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

Effective July 1, 2016 the City will increase its contribution by 2.5% to:

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

Effective July 1, 2017 the City will increase its contribution by 2.5% to:

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213

3. COLA: Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.

a. Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.

c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

**Item #: 11.C. Attach 7.pdf**

Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

4. Vacation Cash Out: In any calendar year, employee may cash out up to 80 hours of accumulated vacation.
5. This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that all other terms and conditions of the agreement are not subject to the reopener clause.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date \_\_\_\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
Benjamin "Jamie" Goldstein  
City Manager

Date \_\_\_\_\_

Rudy Escalante

\_\_\_\_\_  
Chief of Police

Approved as to Form

\_\_\_\_\_  
City Attorney

FIRST AMENDMENT TO  
COMMUNITY DEVELOPMENT DIRECTOR EMPLOYMENT AGREEMENT

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the employee has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association.

As approved by the City of Capitola City Council at their meeting of December 12, 2013, the following amendments shall be made to the employment agreement between the City of Capitola and Richard Grunow;

1. Term of the agreement July 1, 2012 to June 30, 2015, extended to June 30, 2018.
2. Flexible Spending Arrangement Contributions:  
Effective July 1, 2014 the City will increase its contribution by 2.5% to:
 

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

  
 Effective July 1, 2015 the City will increase its contribution by 2.5% to:
 

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

  
 Effective July 1, 2016 the City will increase its contribution by 2.5% to:
 

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

  
 Effective July 1, 2017 the City will increase its contribution by 2.5% to:
 

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213
3. COLA: Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.
  - a. Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.
  - b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
  - c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

**Item #: 11.C. Attach 8.pdf**

Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

4. This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that all other terms and conditions of the agreement are not subject to the reopener clause.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date \_\_\_\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
Benjamin "Jamie" Goldstein  
City Manager

Date \_\_\_\_\_

Richard Grunow

\_\_\_\_\_  
Community Development Director

Approved as to Form

\_\_\_\_\_  
City Attorney



**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
CAPITOLA POLICE OFFICERS ASSOCIATION**

WHEREAS, the City of Capitola (City) and Capitola Police Officers Association (CPOA), have met and conferred in good faith regarding salary & benefit increases and working conditions; and

WHEREAS, the City and the Union have previously agreed on an MOU with a term beginning on July 1, 2013 and expiring on June 30, 2018; and

WHEREAS, the City recognizes the sacrifices the CPOA has given of the past several years with regards to accepting no salary increases, absorbing CalPERS and health care increases, furloughs and deferring previously negotiated salary increases all in an effort to contribute towards cost-containment measures during periods of fiscal challenge; and

WHEREAS, the City recently closed out the Fiscal Year 2012-2013 with a General Fund balance of \$746,000. This operating surplus primarily resulted from a \$240,000 increase in sales and TOT tax performance; and over \$400,000 in salary and contract savings.

IT IS HEREBY AGREED AS FOLLOWS: Article 24.08 shall be amended to read:

a) Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - November changes for calendar year 2013 up to a maximum of 3%.

b) Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

Capitola Police Officers Association

City of Capitola

\_\_\_\_\_

\_\_\_\_\_  
Jamie Goldstein, City Manager

\_\_\_\_\_

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

\_\_\_\_\_

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

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
POLICE CAPTAINS**

WHEREAS, the City of Capitola (City) and Police Captain, have met and conferred in good faith regarding salary & benefit increases and working conditions; and

WHEREAS, the City and the Police Captain have previously agreed on an MOU with a term beginning on July 1, 2013 and expiring on June 30, 2018; and

WHEREAS, the City recognizes the sacrifices the Police Captains have given of the past several years with regards to accepting no salary increases, absorbing CalPERS and health care increases, furloughs and deferring previously negotiated salary increases all in an effort to contribute towards cost-containment measures during periods of fiscal challenge; and

WHEREAS, the City recently closed out the Fiscal Year 2012-2013 with a General Fund balance of \$746,000. This operating surplus primarily resulted from a \$240,000 increase in sales and TOT tax performance; and over \$400,000 in salary and contract savings.

IT IS HEREBY AGREED AS FOLLOWS: Section 2.C shall be amended to read:

a) Effective the first full pay period in January 2014 through the pay period ending July 5<sup>th</sup> 2014, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - November changes for calendar year 2013 up to a maximum of 3%.

b) Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

Police Captains

City of Capitola

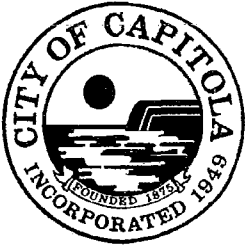
\_\_\_\_\_

\_\_\_\_\_  
Jamie Goldstein, City Manager

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

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

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# CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: FINANCE DEPARTMENT

SUBJECT: CONSIDERATION OF THREE-YEAR AGREEMENT WITH WELLS FARGO BANK TO PROVIDE BANKING SERVICES

**RECOMMENDED ACTION:** Authorizing the City Manager and Finance Director to execute a three-year agreement with Wells Fargo Bank to provide banking services, with an option for a three-year contract extension.

**BACKGROUND:** On August 8, 2013, the City Council directed the Finance Director to accept and review proposals for banking services. The Request for Proposal (RFP) was issued on September 9, 2013, with an extended bid closing date of October 24, 2013. The City received and reviewed proposals from the following eight banks:

- Bank of America
- Bank of the West
- Chase
- Comerica
- Santa Cruz County Bank
- Union Bank
- US Bank
- Wells Fargo

**DISCUSSION:** The City has obtained banking services from Bank of America for approximately 19 years. The Government Finance Officers Association (GFOA) recommends that local governments establish a procurement process, and conduct period reviews of banking services to retain appropriate and cost-effective banking services; protect public funds, and reduce reputational risk. To be consistent with this recommendation, the City issued a RFP for banking services. The RFP referenced GFOA's Best Practices and Banking RFP Checklist; and emphasized the current and prospective needs of Capitola. All banks were required to demonstrate their ability to collateralize City deposits and invest City funds in compliance with Sections 53601, et seq. of the California Government Code.

All RFP's were reviewed by a panel comprised of three Finance Department employees, the City Treasurer, and the City's Information Technology Specialist. All qualifying banks were invited to participate in a panel presentation, which included an overview of key proposal points, a demonstration of online banking systems; and the opportunity to respond to panel questions. All panel members were asked to rank the banks based on the following criteria:

- Protection of funds, collateralization, bank ratings, profitability;
- Ability to provide required services, technologies, and controls;
- Relevant experience managing similar account relationships with public institutions and similar clients. This includes the experience, resources, and qualifications of the team;
- Proposed fees and compensation;
- Ability and value of providing any new product or service; suggestions or other new ideas and enhancements;
- Community and local reinvestment;
- Quality of the proposal.

The preliminary scores, initial analyses, and the top three recommended banks were presented to the Finance Advisory Committee on November 19, 2013. The top three banks included Union Bank, US Bank, and Wells Fargo. Staff recommended further analysis on the top three banking proposals, along with selecting a bank from this final candidate pool. The Finance Advisory Committee supported this recommendation.

## Item #: 11.D. Staff Report.pdf

12-12-13 CITY COUNCIL AGENDA ITEM

STAFF REPORT: CITY BANKING SERVICES AGREEMENT

The final proposals were subject to additional evaluation, which included a review of references, confirmation of product and service pricing; and a discussion of the relative merits of each proposal. Based on this analysis, staff is recommending a three-year contract with Wells Fargo Bank, with an optional three-year renewal clause. Wells Fargo Bank offers the best value for the City in terms of its capabilities, its operational effectiveness, ability to safely collateralize City funds; technological innovation, and their "Outstanding" Community Reinvestment Act rating. Wells Fargo has a Government Banking Group that is dedicated exclusively to managing government banking in California, with specific relationship teams segregated to handle the needs of both small and large size governments. The California Government Banking Group currently manages over 350 public entities with over \$420 million in public fund deposits. The team that would be assigned to Capitola specializes in small governments; while also providing support to the Scotts Valley Water District. Wells Fargo also manages banking services for the City of Santa Cruz. In 2012, Wells Fargo Bank employed over 200 team members within Santa Cruz County; donated more than \$260,000 to local nonprofit programs; and reported over 820 community volunteer hours.

A brief overview of Wells Fargo Bank and copy of their pricing schedule is attached for reference.

**FISCAL IMPACT:** In Fiscal Year 2012-2013, the City spent approximately \$6,000 in account maintenance fees, and \$29,500 in parking-related merchant credit card fees. Due to the City's transition to internal payroll processing, account maintenance fees were anticipated to rise to accommodate for payroll direct deposit transactions. Based on the proposed selection of services, which includes the addition of direct deposit processing, the account maintenance fees are anticipated to remain relatively constant.

The City does anticipate savings on merchant credit card transaction fees. In Fiscal Year 2012-2013, approximately \$9,300 of the merchant credit card fees were directly related to banking charges, while approximately \$20,200 related to interchange fees. In Fiscal Year 2013-2014, the banking portion of these fees were projected to rise to \$15,900 due to a rate increase. While credit card interchange fees are outside of the bank's control, this new proposal reduces credit card fees from a \$0.13 authorization fee + 0.25% discount fee to a flat rate of \$0.048 per a transaction. Based on the City's Fiscal Year 2012-2013 credit card activity, this will result in an annual savings of \$10,200. This reduced rate could prove beneficial as the number of pay stations increase; along with parking-related credit card transactions.

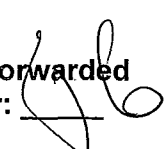
Wells Fargo has also incorporated into their proposal a full Business Process Review prior to the banking conversion. This process review will document the City's financial operations and create customized recommendations that could result in cost savings or greater operational efficiencies. This review would also include an evaluation of revenue receipting patterns and associated transaction costs which could lead to credit card acceptance at the front counter. The estimated annual base value of this contract, assuming activities and services remain constant is \$31,900, which represents an estimated annual savings of \$10,200. This contract is anticipated to be adjusted in accordance with the attached pricing schedule based on the addition of new pay stations. Based on similar credit card usage patterns, it is initially projected that combined credit card fees associated with the Upper Pacific Cove Lot and the lower Pacific Cove Park would increase contract costs by \$6,400.

There are no fees associated with this transition; however it is anticipated that the transition will require additional Finance Department staff time. Wells Fargo has also offered to waive the first three months of fees, while providing a \$1,000 transitional allowance to assist with the bank conversion. This allowance could be applied towards new check stock, deposit slips, endorsement stamps, or scanners.

### **ATTACHMENTS:**

1. Wells Fargo Overview
2. Wells Fargo Pricing Schedule

Report Prepared By: Tori Hannah  
Finance Director

Reviewed and Forwarded  
by City Manager: 





# Wells Fargo Today



Wells Fargo team members in Los Angeles who participated in a 5k walk for Shane's Inspiration, a national nonprofit organization that promotes social inclusion for children with disabilities through playgrounds and programs.

Together we'll go far





**We're strong for our customers and communities**

Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage, and consumer and commercial finance through more than 9,000 stores and more than 12,000 ATMs and the Internet (wellsfargo.com) across North America and internationally.

We're headquartered in San Francisco, but we're decentralized so every local Wells Fargo store is a headquarters for satisfying all our customers' financial needs and helping them succeed financially. One in three households in the U.S. does business with Wells Fargo. Wells Fargo has \$1.5 trillion in assets and more than 270,000 team members in more than 35 countries across our 80+ businesses.

We ranked fourth in assets and first in market value of our stock among our U.S. peers. Among all financial services companies, we ranked first in market value in the U.S. and third in the world, as of September 30, 2013. *Euromoney* named Wells Fargo Bank of the Year and Best Bank in the U.S. We were the first U.S. bank to be recognized as Bank of the Year. In 2012, *The Chronicle of Philanthropy* ranked us #1 as the Most Generous Cash Donor in the U.S. In 2013, *The Wall Street Journal* named us the largest bank in the world by market capitalization at \$237 billion.

Our vision: "We want to satisfy all our customers' financial needs and help them succeed financially."

**Customer Satisfaction and Reputation**

<p><b>Top 20</b> Biggest Public Companies in World (2013) <i>Forbes</i></p> <p>Most Powerful Women in Banking – Top Banking Team (2013) <i>American Banker</i></p> <p>100 Best Corporate Citizens (2012) <i>Corporate Responsibility Magazine</i></p>	<p><b>38th</b> Most Admired (World) (2013) <i>Fortune</i></p> <p><b>25th</b> Revenue (U.S.) (2013) <i>Fortune</i></p> <p><b>27th</b> Most Respected (World) (2013) <i>Barron's</i></p> <p>Most Admired Bank Outside of Asia Pacific and Gulf Regions (2013) <i>Asian Banker</i></p>	<p>Best Corp/Institutional Internet Bank (North America) (2013) <i>Global Finance Magazine</i></p> <p>Best Bank for Payments and Collections (N. America) (2013) <i>Global Finance Magazine</i></p> <p>FImetrix Distinguished provider for transaction services (2013) <i>FImetrix</i></p>	<p>Best Global Bank (2013) <i>Euromoney</i></p> <p>Best U.S. Bank (2013) <i>Euromoney</i></p> <p>Note: Wells Fargo is the first U.S. bank to be recognized as Bank of the Year.</p> <p>World's largest bank by market capitalization at \$237 billion (2013) <i>The Wall Street Journal</i></p>
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**Innovation and Quality**

<p>500 Most Innovative Companies (2012) <i>Information Week</i></p> <p>CIO 100 Winner (2013) Wells Fargo SurePay<sup>SM</sup> honored for excellence in IT <i>CIO Magazine</i></p> <p>Leader in person-to-person payments support (2013) Keynote's Mobile Banking Scoreboard <i>Keynote Competitive Research</i></p>	<p>Best Corp/Institutional Mobile Solution Provider in North America (2012) <i>Global Finance Magazine</i></p> <p>Best Corp/Institutional Website Design in the World (2013) <i>Global Finance Magazine</i></p> <p>Best Consumer Internet Bank in U.S. (2013, fourth consecutive year) <i>Global Finance Magazine</i></p>	<p><b>#1 in North America</b> Social Media for Consumers (2013, third consecutive year) <i>Global Finance Magazine</i></p> <p>Best Privacy &amp; Security (2013, second consecutive year, Keynote's Mobile Banking Scoreboard) <i>Keynote Competitive Research</i></p>	<p>Most A grades for product quality of top six national banks (2013 Middle Market Quality Index) <i>Phoenix-Hecht</i></p> <p>Highest grades for product quality of top six national banks (2013) <i>Phoenix-Hecht Large Corporate Quality Index</i></p>
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**Diversity**

<p><b>Top Company</b> For Lesbian, Gay, Bisexual, and Transgender Employees (LGBT) (2013, second year) <i>DiversityInc</i></p> <p><b>Best Places to Work for LGBT Equality</b> (2013, Tenth Consecutive Year) <i>Human Rights Campaign</i></p>	<p><b>6th Best Company for Executive Women (2013)</b> <i>DiversityInc</i></p> <p><b>25th Best Company For Diversity (2013)</b> <i>DiversityInc</i></p> <p><b>25th Best Company For Latinas (2013)</b> <i>LATINA Style</i></p>
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**Social Responsibility**

<p><b>Perfect Score – 100</b> Corporate Equality Index (2013) <i>Human Rights Campaign</i></p> <p><b>#1</b> Most Generous Cash Donor (U.S.) (2013) <i>The Chronicle of Philanthropy</i></p>
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## We're an industry leader

### In supporting homeowners and consumers

#1 Retail mortgage lender	#1 Home loan originator to minority and low- to moderate-income borrowers, and in low- to moderate-income neighborhoods (2012 HMDA data)
#1 Mortgage servicer (Q113, <i>Inside Mortgage Finance</i> )	
#1 Used auto lender	#2 Provider of private student loans
#1 Overall auto lender (AutoCount March 2012-February 2013 excluding leases)	

#### Key facts

as of 9/30/13

Assets	\$1.5 trillion
Team members	More than 270,000
Customers	70 million
Stores	More than 9,000
ATMs	More than 12,000
Market Value of Stock	\$219 billion

### In helping small businesses

#1 Small business lender (U.S. in dollars per 2012 Community Reinvestment Act government data)	#1 SBA 7(a) lender in dollars (2013 Small Business Administration federal fiscal year-end data)
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### In wealth, brokerage and retirement

#2 in U.S. Annuity sales (2013 <i>Transamerica Roundtable Survey</i> )	#4 in U.S. Wealth management provider, assets under mgmt. of accounts greater than \$5 million (June 2012 assets) <i>Barron's</i>	#6 in U.S. IRA provider Q213 assets <i>Cerulli Associates</i>	#8 internationally Family wealth provider, 2012 assets <i>Bloomberg</i>
#3 in U.S. Full-service retail brokerage provider, Q213 number of Financial Advisors (Company and competitor reports)		#8 in U.S. Institutional retirement plan record keeper, 2012 assets <i>PLANSPONSOR Magazine</i>	

### In commercial and residential real estate

#1 Bond administrator for Commercial MBS ( <i>Asset Backed Alert</i> )	#1 In total commercial real estate originations in the U.S. ( <i>MBA Commercial/Multifamily Mortgage Origination Rankings</i> )	#1 Largest servicing portfolio of commercial real estate loans in the U.S. ( <i>MBA Commercial/Multifamily Mortgage Servicer Rankings</i> )
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### In insurance

#5 Largest insurance broker in the world (2013) ( <i>Business Insurance</i> )	#1 RCIS is the nation's largest crop-insurance provider (Risk Management Agency, a division of the USDA, 2012)
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### Brand

Most valuable brand in banking (2013)  
*Brand Z*

*Business Insurance*, 2013 rankings include Wells Fargo Insurance Services USA, Inc., Wells Fargo Insurance, Inc., and Rural Community Insurance Company.



We have a broad range of expertise

#1

<ul style="list-style-type: none"> <li>• Transfer agent in client satisfaction (Group 5, Stockholder Consulting Services)</li> <li>• Trustee for GNMA Multiclass REMIC Program (Government National Mortgage Association)</li> <li>• Fannie Mae DUS multifamily producer (Fannie Mae)</li> <li>• FHA Multifamily lender by dollar volume (2012) (U.S. Department of Housing and Urban Development)</li> <li>• Best Corporate/Institutional Online Treasury Services - North America (2013) (<i>Global Finance Magazine</i>)</li> <li>• Best Mobile Solution Provider – North America (<i>Global Finance</i>, 2013)</li> <li>• MarketAxess high grade trading (3Q2013 YTD)</li> <li>• Best Bank Trade Services Provider “Gold Award” (2013) Trade &amp; Forfeiting Review</li> </ul>	<ul style="list-style-type: none"> <li>• Best International Trade Finance Bank in Asia Pacific (2012) (<i>Asian Banker</i>)</li> <li>• Securities Administrator for Residential MBS (<i>Thomson Reuters</i>)</li> <li>• Wells Fargo Capital Finance is the largest factor in U.S. according to factoring volume (Commercial Finance Association (CFA) Annual Factoring Survey, 2013)</li> <li>• Trustee for Single Family Housing (Unpublished ranking)</li> </ul>	<ul style="list-style-type: none"> <li>• Agribusiness lender (4Q2012, FDIC)</li> <li>• Best Trade &amp; Supply Chain Finance Bank in North America (2013) Trade Finance Magazine</li> <li>• Certificate bond administrator for Commercial MBS (Commercial Mortgage Alert)</li> <li>• Preferred stock underwriter (3Q 2013 YTD, Bloomberg)</li> <li>• Largest Financial Institution Originator of Automated Clearing House Payments (NACHA–The Electronic Payments Association, 2013)</li> <li>• Oil &amp; gas loan syndications (3Q 2013 YTD, <i>Thomson Reuters, LPC</i>)</li> <li>• Share of lead banking relationships with middle-market companies (TNS 2012 Commercial Banking Momentum Monitor)</li> </ul>	<ul style="list-style-type: none"> <li>• REIT preferred stock underwriter (3Q 2013 YTD, <i>Bloomberg</i>)</li> <li>• Trustee for Convertible Debt (Securities Data Corporation)</li> <li>• Business debit card issuer (Nilson Report 2012)</li> <li>• Overall market share in Latin America (FImetrix 1Q2013)</li> <li>• Global financial institution in Latin America (FImetrix 1Q 2013)</li> <li>• Asset-Based Left Lead Arranger (3Q 2013, <i>Thomson Reuters</i>)</li> <li>• Trustee for Investment Grade debt (Thompson Reuters)</li> </ul>
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\*Defined as percentage of companies with revenues of \$25-500 MM citing Wells Fargo as their lead banking provider

#2

<ul style="list-style-type: none"> <li>• Real estate loan syndications (3Q 2013 YTD, Thomson Reuters LPC)</li> <li>• Bookrunner for BDCs (Business Development Companies) (3Q 2013 YTD) Dealogic</li> <li>• Bookrunner for yield-oriented securities (3Q 2013 YTD, Dealogic)</li> <li>• REIT common stock underwriter (3Q 2013 YTD) Dealogic</li> </ul>	<ul style="list-style-type: none"> <li>• MarketAxess non-investment grade trading (3Q 2013 YTD)</li> <li>• Bookrunner for closed-end funds (3Q 2013 YTD CEFA)</li> <li>• Trustee for High Yield Debt (Securities Data Corporation)</li> <li>• Largest bank-affiliated equipment finance company in U.S. by both net assets and new business volume (2013 Monitor 100 industry ranking)</li> </ul>	<ul style="list-style-type: none"> <li>• Asset-based loan bookrunner (3Q 2013 YTD, <i>Thomson Reuters, LPC</i>)</li> <li>• Bank for Domestic Cash Management Services – <i>Treasury &amp; Risk</i> 2013 Cash Management Survey</li> <li>• Bookrunner of yield-oriented securities (3Q 2013 YTD, Dealogic)</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer debit card issuer (Nilson Report 2012)</li> <li>• Financial Institution Receiver of Automated Clearing House Payments (2103) NACHA–The Electronic Payments Association</li> <li>• Bookrunner for MLPs (Master Limited Partnerships) (3Q 2013 YTD, Dealogic)</li> </ul>
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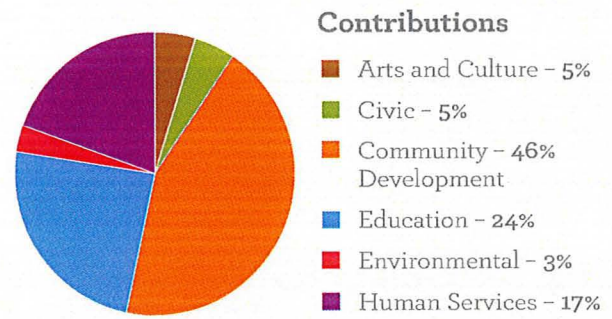
Additional rankings

<p>#3</p> <ul style="list-style-type: none"> <li>• Trustee for Single Family Housing (<i>Thomson Reuters</i>)</li> <li>• REIT loan syndications (3Q 2013 YTD, Thomson Reuters LPC)</li> <li>• Non-investment grade bond bookrunner (3Q 2013 YTD, Dealogic)</li> </ul>	<p>#3</p> <ul style="list-style-type: none"> <li>• Middle market loan syndications (3Q 2013 YTD, <i>Thomson Reuters LPC</i>)</li> <li>• Utilities loan syndications (3Q 2013 YTD, Thomson Reuters LPC)</li> </ul>	<ul style="list-style-type: none"> <li>• Financial services loan syndications (3Q 2013 YTD, Thomson Reuters LPC)</li> <li>• High grade loan syndications (3Q 2013 YTD, <i>Thomson Reuters, LPC</i>)</li> <li>• Utilities loan syndications (3Q 2013 YTD, Thomson Reuters)</li> </ul>	<p>#5</p> <ul style="list-style-type: none"> <li>• Total competitive municipal notes (3Q 2013 YTD, Thomson Reuters)</li> <li>• M&amp;A loan syndications (3Q 2013 YTD, Thomson Reuters LPC)</li> </ul>
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## We provide community solutions

We're committed to providing community solutions – local responses to local needs. We promote economic development and self-sufficiency through community development, financial education, cash contributions, affordable housing, environmental stewardship, and through the efforts of our enthusiastic team member volunteers. In 2012, Wells Fargo invested \$315.8 million in 19,500 nonprofits nationwide. In 2012, for the fourth year in a row, United Way Worldwide named Wells Fargo's annual Community Support and United Way Campaign the No. 1 Giving Campaign. We support:



### Home ownership, community development, diverse businesses and education

\$107.8 million in grants to nonprofits supporting homeownership (2012)	\$7 billion in community development loans and investments in projects that support affordable housing, community services, economic development, and revitalization and stabilization (2012)	\$75.6 million invested in 8,000 educational programs and schools around the U.S., and \$19.2 million in educational donations from team members (2012)
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### Team member volunteerism and donations

1.5 million team member volunteer hours (2012)	\$79 million through team members' year-round donations to nonprofits and to the annual Community Support and United Way Campaign (2012)
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### Additional rankings cont.

<b>#3</b> <ul style="list-style-type: none"> <li>• Loan syndications (3Q 2013 YTD, <i>Thomson Reuters LPC</i>)</li> <li>• Non-investment grade loan syndications (3Q 2013 YTD, <i>Dealogic</i>)</li> <li>• Bookrunner for yield-oriented securities (3Q 2013 YTD, <i>Dealogic</i>)</li> </ul>	<b>#4</b> <ul style="list-style-type: none"> <li>• Hotel &amp; gaming loan syndications (3Q 2013 YTD, <i>Thomson Reuters, LPC</i>)</li> <li>• Commercial Services Division of Wells Fargo Capital Finance is the third largest international import factor in the world based on import factoring volume (Factors Chain International (FCI) Import Factor of the Year 2013 data)</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive municipal bond bookrunner (3Q 2013 YTD, <i>Thomson Reuters</i>)</li> <li>• M&amp;A loan syndications (3Q 2013 YTD, <i>Thomson Reuters LPC</i>)</li> <li>• Total competitive municipal notes (3Q 2013 YTD, <i>Thomson Reuters</i>)</li> </ul>
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\*Defined as percentage of companies with revenues of \$25-500 MM citing Wells Fargo as their lead banking provider

Additional information about our achievements in social responsibility is available at: <https://www.wellsfargo.com/about/csr/>.

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

**Investment and Insurance Products:** ▶ Not FDIC Insured ▶ NO Bank Guarantee ▶ MAY Lose Value

Wells Fargo Advisors is the trade name used by two separate registered broker-dealers: Wells Fargo Advisors, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, non-bank affiliates of Wells Fargo & Company.

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Wells Fargo Bank, N.A.  
74 River Street  
Santa Cruz, CA 95060  
wellsfargo.com

October 24, 2013

Tori Hannah  
Finance Director  
City of Capitola  
420 Capitola Avenue  
Capitola, CA 95010

Dear Tori:

Wells Fargo's Government Banking Group is pleased to present this proposal for the City of Capitola. Wells Fargo prides itself on adding value by working closely with our customers to meet their financial needs. By "working closely with our customers" we mean that we are available and on-site whenever needed, particularly during the transitional period of changing banks.

At Wells Fargo, we are committed to delivering state of the art technology to our customers in the most cost efficient manner. We are excited to provide creative solutions to enhance your current structure and improve overall efficiencies. As the bank continues to innovate on product enhancements, we commit to review those with the City and recommend solutions that make sense.

Within this proposal we are offering the following:

- A full Business Process Review prior to conversion that will document the City's financial operations and create customized recommendations that solve your needs.
- Treasury Management/Banking Service fees based on balances and activity and adjusted to be the most cost effective for the City.
- Transitional cost allowance of \$1,000 to ease the cost of changing relationships. The City can use this allowance for new check stock, deposit slips and books, endorsement stamps, or scanner.
- The first 3 months of fees from the initial start of conversion will be waived.
- Exception Tier Earnings Credit Rate for Account Analysis of 0.35%.

#### Local Relationship Management

Your Wells Fargo Government Banking Team brings an exceptional combination of local relationship management and national product leadership to the City of Capitola. Our goal is to be the number one provider of Government Banking needs in California, with in-depth knowledge of statutes, regulations, and industry trends impacting local government. Whether implementing a new program or automating an existing system, our hands-on consultation makes the difference. The team that will work on behalf of the City of Capitola is comprised of experienced bankers that are talented, motivated and energized. The group is comprised of the following individuals:

Dale Barton, Govt. Banking Relationship Manager	Peggy Langston, Govt. Banking Associate
Michele Bassi, Business Acquisition Consultant	Nicole Hernandez, Capitola Branch Manager
Andrew Leal, Govt. Treasury Mgmt. Consultant	

#### Community Investment

At Wells Fargo, Community Investment is an integral part of our culture. Wells Fargo has long understood that we can be no stronger, or more successful, than the neighborhoods and communities where we do business, and where we live and raise our families. As a team, we care about our community and are involved in many local organizations and nonprofits. Some highlights include:

- In 2012, Wells Fargo was the top corporate donor in America.

Together we'll go far



- Wells Fargo donated over \$20 million to Bay Area schools and nonprofits including more than \$700,000 in Santa Cruz County in 2012.
- Wells Fargo team members reported over 85,000 volunteer hours in the Bay Area including more than 800 hours in Santa Cruz County.

**City of Capitola and Wells Fargo – Creating a Partnership**

Our goal is to create a solid, long-lasting relationship with the City of Capitola by providing financial solutions and consulting that focus on solving your needs and making your staff more efficient. Wells Fargo is uniquely suited to provide local government entities with first-class, community banking services along with the most advanced technology and services available. The City has access to these products, services, and expertise from one of the country's top financial corporations along with local relationship management and local bankers.

With Wells Fargo methodologies, expertise, and solutions, we will work with the City to overcome the obstacles that prevent you from better managing your daily banking processes. You'll see your costs more clearly, supplement your resources with ours, and be able to prove your case to drive change across departments.

**What's next?**

We've attached highlights of our core banking products and services that you requested in your RFP. After your RFP period has closed, it would be my pleasure to speak with you about how Wells Fargo can serve the City of Capitola.

Sincerely,

Dale Barton  
Government Relationship Manager  
Wells Fargo Bank

SERVICE DESCRIPTION	PER UNIT COST	AVERAGE MONTHLY VOLUME	TOTAL MONTHLY VALUE	TOTAL ANNUAL COST
<b>BALANCE &amp; COMPENSATION INFORMATION</b>				
Dep. Insurance-Bank Asscsmnt	\$0.1275	1,720	\$219.30	\$2,631.60
<b>TOTAL BALANCE &amp; COMPENSATION INFORMATION</b>				<b>\$2,631.60</b>
<b>GENERAL ACCOUNT SERVICES</b>				
Account Maintenance	\$20.00	6	\$120.00	\$1,440.00
Set-Up Fees / Other	\$0.00		\$0.00	\$0.00
Remote Deposit - Account Maintenance	\$0.00	0	\$0.00	\$0.00
ZBA-Depository + Master Maint	\$0.00	1	\$0.00	\$0.00
ZBA Subsidiary Account Maint	\$20.00	1	\$20.00	\$240.00
Debits Posted - Other	\$0.20	6	\$1.20	\$14.40
Credits Posted - Other	\$0.20	35	\$7.00	\$84.00
Paper Deposit Statement Mailed w/images	\$4.00	6	\$24.00	\$288.00
Facsimile Transmission	\$1.00	0	\$0.00	\$0.00
IDS Statement Item Sorting	\$0.00	79	\$0.00	\$0.00
Photocopies			\$0.00	\$0.00
<b>TOTAL GENERAL ACCOUNT SERVICES</b>				<b>\$2,066.40</b>
<b>DEPOSITORY SERVICES</b>				
Banking Center Deposits	\$1.00	4	\$4.00	\$48.00
Curr/Coin Dep/\$100-Bkg Ctr	\$0.20	24	\$4.80	\$57.60
Vault Deposit	\$1.00	9	\$9.00	\$108.00
Dep Conditioning-Surchg-Vault	\$0.00	1	\$0.00	\$0.00
Curr/Coin Dep/\$100-Vlt	\$0.12	509	\$61.08	\$732.96
Coin Deposit-Non Std Bag-Vlt	\$0.00	0	\$0.00	\$0.00
Coin Deposit-Std Bag-Vlt	\$1.00	40	\$40.00	\$480.00
Change Order-Auto-Vlt	\$4.00	2	\$8.00	\$96.00
Change Order - Mnl-Vlt	\$3.00	0	\$0.00	\$0.00
Coin Supplied-Std Bag-Vlt (box)	\$2.00	9	\$18.00	\$216.00
Vault Deposit-Extended Hours	n/a	11		\$0.00
Cash Letter/Item Proc Deposits	\$0.15	22	\$3.30	\$39.60
Cks Dep Un-Encoded Items (2)	\$0.12	743	\$87.30	\$1,047.63
Remote Checks Deposit	\$1.00	1	\$1.00	\$12.00
Image Deposited Items - RDSO (2)	\$0.10	743	\$74.30	\$891.60
Checks Deposited - Foreign Item	\$5.00	0	\$0.00	\$0.00
Returns-Chargebacks	\$12.00	2	\$24.00	\$288.00
Returns - Single Item Advance	\$3.00	1	\$3.00	\$36.00
Returns-Reclear	\$8.00	2	\$16.00	\$192.00
Deposit Correction-Cash	\$5.00	1	\$5.00	\$60.00
Deposit Correction-Non-Cash	\$0.00	0	\$0.00	\$0.00
Supplies-Deposit Tickets	Superior Press	-		\$0.00
VRU-Account Transfer	\$1.00	1	\$1.00	\$12.00
<b>TOTAL DEPOSITORY SERVICES</b>				<b>\$4,317.39</b>
<b>PAPER DISBURSEMENT SERVICES</b>				
General Checks Paid Truncated	\$0.15	269	\$40.35	\$484.20
Gen Disb Checks Pd - IS Front/Back Image	\$0.06	0	\$0.00	\$0.00
Image Retrieval BA Direct	\$0.10	26	\$2.60	\$31.20
Image Maintenance-Direct	\$0.95	6	\$5.70	\$68.40
<b>TOTAL PAPER DISBURSEMENT SERVICES</b>				<b>\$583.80</b>

GENERAL ACH SERVICES				
ACH Blocks Auth Instructions	\$0.00	10	\$0.00	\$0.00
ACH Debit Received Item	\$0.20	19	\$3.80	\$45.60
EFTPS Federal Tax Payment - Estimated (1)	\$0.25	3	\$0.75	\$9.00
Direct Deposit of Payroll - Estimated (1)	\$0.25	2	\$0.50	\$6.00
Direct Deposit of Payroll - Per Item (1)	\$0.25	85	\$21.25	\$255.00
Direct Deposit of Payroll - Items Returned (1)	\$5.50		\$0.00	\$0.00
ACH Credit Received Item	\$0.20	31	\$6.20	\$74.40
ACH Blocks Auth Maintenance	\$25.00	1	\$25.00	\$300.00
<b>TOTAL ACH SERVICES</b>				<b>\$690.00</b>

SERVICE DESCRIPTION	PER UNIT COST	AVERAGE MONTHLY VOLUME	TOTAL MONTHLY FEE	TOTAL ANNUAL COST
<b>EDI SERVICES</b>				
Remote Deposit Maintenance	\$0.00	0		\$0.00
Remote Deposit High Volume Scanner Maintenance	Scanner Pricing Included	3		\$0.00
Image Deposit	Included Above	-		\$0.00
Remote Deposit Check Imaging (2)	Included Above	743		\$0.00
Image Deposited Item - RDSO	Included Above	-		\$0.00
IRD Deposited Item - RDSO	Included Above	-		\$0.00
<b>TOTAL EDI SERVICES</b>				<b>\$0.00</b>
<b>WIRES</b>				
Manual Wire Out - Domestic	\$30.00	0	\$0.00	\$0.00
Elec Wire Out - Domestic	\$11.00	0	\$0.00	\$0.00
Elec Wire Out - Book DB	\$1.00	0	\$0.00	\$0.00
Direct Account Transfer	\$1.00	0	\$0.00	\$0.00
Incoming Domestic Wire	\$15.00	1	\$15.00	\$180.00
Intracompany Book Credit	\$1.00	0	\$0.00	\$0.00
Online Wire Payee Advising	\$3.50	1	\$3.50	\$42.00
<b>TOTAL WIRE SERVICES</b>				<b>\$222.00</b>
<b>INFORMATION SERVICES</b>				
Online Exp. PDR Account	\$25.00	1	\$25.00	\$300.00
Online Exp PDR Per Account	\$10.00	5	\$50.00	\$600.00
Online Exp Research Item	\$0.10	401	\$40.10	\$481.20
Online Exp PDR Item Stored 12 Mth *120day storage	\$0.01	1,527	\$15.27	\$183.24
Online Express Package	\$0.00	1	\$0.00	\$0.00
Online Express Per Image Access	\$0.00	1	\$0.00	\$0.00
<b>TOTAL INFORMATION SERVICES</b>				<b>\$1,564.44</b>
<b>CORPORATE CARD SERVICES</b>				
The City currently has two active cards		2		\$0.00
Annual Fee - Per Card				\$0.00
Current Monthly Percentage Rate				\$0.00
Late Fee				\$0.00
Rewards or Incentive Programs				\$0.00
<b>MERCHANT BANK CARD SERVICES</b>				
Provide calculation and fee schedules				\$0.00
<b>OTHER - NOT ADDRESSED IN THIS TAB</b>				
<b>SERVICE ENHANCEMENTS</b>				
Positive Pay	\$20.00			\$0.00
Armored Car Services (Schedule in Section K)	not proposed			\$0.00
ePayables or Electronic Payment Services	variable			\$0.00
(Complete information should be provided in Section S)				\$0.00
Line of Credit				\$0.00
			\$1,006.30	\$12,075.63



Wells Fargo Merchant Services, L.L.C. ( " WFMS " ) - Pricing Terms for CITY OF CAPITOLA

Proposal Date : 10/16/2013

Form# 046

Sales Consultant: SANDRA BRICIO

Credit Card Volume	\$300,000	Communications Method	IPN
Average Transaction Size	\$3	Internet Gateway	
Number of Locations	1	Pricing Option	Interchange + Fees
Anticipated Interchange Levels	Public Sector	032 020/038/307	
MCC Code	9399	MCC Code Description	GOVERNMENT SERVICES, NOT ELSEWHERE

**Credit Card Processing Fees (1)**

Interchange Plus the following fees :  
\$0.0480 On Each Authorization/EDC attempt (as defined below) (3)

**PIN Debit Processing Fees**

NOT APPLICABLE

American Express® - See table below for American Express Pass-Through Fees and footnote 1 for any applicable Credit Card Processing Fees

**Applicable Fee Schedules(15):**

Payment Networks Qualification Matrix <https://www.wellsfargo.com/biz/interchangeplus>

Payment Networks Pass-Through Fees <https://wellsfargo.com/biz/merchantpassthroughfees>

Wells Fargo Fixed Acquirer Network Fee for Visa® Accepting Merchants <https://wellsfargo.com/visanetworkfee>

Fee schedules are updated periodically. To obtain the current applicable fee schedules, please refer to the URLs above for more information. Additional schedules apply if your Pricing Option is Fixed (Non-Qual Fees). If you do not have internet access, please contact your Merchant Card Representative and request that a copy of the applicable fee schedules be mailed or faxed to you.

As noted in your Merchant Agreement, Payment Networks change their rates/fees from time to time. They are likely to revise rates/fees on 04/11/2014. To learn more about impacts to fee schedules resulting from Payment Network changes, please visit the URLs above or request an updated schedule.

**Other Processing Fees**

Set-Up Fee	\$0.00
Monthly Minimum Processing Fee(14)	\$0.00 per month
Chargeback Fee (2)	\$10.00 per chargeback
Monthly Service Fee (per location)	\$5.00 per month
Voice Authorization Fee	\$0.75 per attempt
Annual Fee	\$0.00 per location
Authorization/EDC Fee - Visa (Credit and Non-PIN Debit) (3)	\$0.0480 per attempt
Authorization/EDC Fee - MasterCard® (Credit and Non-PIN Debit)(3)	\$0.0480 per attempt
Authorization/EDC Fee - Discover® (Credit and Non-PIN Debit)(3,6)	\$0.0480 per attempt
Authorization/EDC Fee – American Express OnePoint® (Credit) (3,10)	N/A
Interchange Clearing Fee (18) Applies to Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit)	N/A

**Item #: 11.D. Attach 2.pdf**

Annual Compliance Support Fee (5)		\$50.00 per location
PCI Compliance Service Program Fee (13)		\$0.00 per month, per location
Non-validation PCI Compliance Fee (13)		\$25.00 per month, per location
Equipment Installation Fee		\$0.00 One time fee
Electronic Address Verification Service Fee		\$0.050 per attempt
Voice (Manual) Address Verification Fee		\$2.000 per attempt
Card Imprinter Option	# of imprinters	N/A
Rush Shipping		\$ 0.00
Foreign Handling Fee (on Visa/MasterCard foreign card transactions)		0.20% on foreign card sales
Non Bank Card Authorization (7) Applies only to American Express (ESA/EDC), Discover EDC		\$0.045 per attempt
Non Bank Card Capture Fee (7) Applies only to American Express (ESA/EDC), American Express - split dial, Discover EDC (Discover EDC not applicable on Discover Network Card Sales)		\$0.030 per attempt
Statement Billing Fee (Paper Statement) (8)		\$7.50 per month
Terminal Reprogramming Fee (Terminal)	# of Terminals: 0	\$0.00 One time fee
Terminal Reprogramming Fee (Integrated Terminal)	# of Terminals: 0	\$0.00 One time fee
Security Swap Fee for PIN Debit	# of PIN Pads: 0	\$0.00 One time fee

**American Express Pass-Through Fees (9)**

Industry Type	N/A
American Express Discount Rate (11),(17)	N/A
American Express Transaction Fee	N/A
American Express Prepaid Discount Rate (11),(17)	N/A
American Express Prepaid Transaction Fee	N/A
American Express Monthly ESA Processing Fee (per location)(12)	N/A
American Express Non-Compliance Fee (if applicable)(16)	N/A

**Processing Solutions**

Type	Quantity	Financing Method	Total w/o TAX
Tender Retail 4.2.8 CARDNET -- v4.2.8	1	CUSTOMER OWNED	\$0.00

(1) The Credit Card Processing Fees will apply to American Express OnePoint Clients that are priced using the Interchange + Assessments + Authorizations and Interchange + Assessments + Rate + Authorizations pricing methods. "Discover Network Cards" as used herein refers to the authorization, processing and settlement of Discover Network Cards. "Discover EDC" as used herein refers to the use of our services for authorization and/or capture of Discover Network Cards only.

(2) Client acknowledges and understands that an authorization only indicates the availability of the Cardholder's credit at the time the authorization is requested. It does not warrant that the person presenting the card is the rightful Cardholder, nor is it an unconditional promise or guarantee that you will not be subject to a chargeback or debit.

(3) Authorization/EDC Fee applies to all Visa, MasterCard, Discover Network Card and American Express OnePoint approval (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries, batch entry transactions and includes any transaction fees and capture fees.

(5) The Annual Compliance Fee will be assessed and deducted from Client's Settlement Account at each anniversary date after the effective date.

(6) Discover Authorization/EDC Fee applies to Clients that process transactions using Discover Network Cards.

(7) Non Bank Card Authorization Fee applies to all approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries and batch entry transactions.

(8) The monthly Statement Billing Fee can be waived if Client elects to access the monthly statement online instead of receiving a paper copy by mail. After Business Track access has been activated, please contact Customer Service at 1-800-451-5817 to request that paper statements no longer be mailed. If Business Track access is terminated by Client or as a result of inactivity, paper statements will be reinstated with the applicable monthly Statement Billing Fee. Enroll anytime at [businesstrack.com](http://businesstrack.com)

(9) American Express Processing Fees are listed separately in the American Express Pass-Through Fees table and will be billed as separate line items. These fees are defined according to American Express criteria as set by industry type. Changes to the American Express Discount Rate are at the discretion of American Express, including changes to industry type criteria based on MCC. "American Express OnePoint" refers to the authorization, processing and settlement of American Express Cards. "American Express(ESA/EDC)" refers to the use of our services for authorization and/or capture of American Express Cards only.

(10) American Express OnePoint Authorization/EDC Fee applies to those Clients that process transactions using American Express OnePoint.

(11) Retail, Restaurant, and Travel Agency/Tour Operator Clients processing under the American Express OnePoint Program or the American Express ESA Program, using a Credit or Prepaid Card, will be charged a 0.30% downgrade fee whenever a Card Not Present transaction occurs.

(12) Client processing under the American Express ESA program, will be charged the Monthly ESA Processing Fee if Client is Internet-Physical Delivery, Mail Order/Telephone Order (MOTO) or Home-based business (regardless of estimated charge volume). Should Client no longer meet the Monthly ESA Processing Fee criteria, American Express shall automatically adjust Client's pricing to the applicable industry discount rate and transaction fee (if applicable). Client will only be charged by American Express: (1) the Monthly ESA Processing Fee; or (2) the applicable industry discount rate; or (3) the applicable industry discount rate and transaction fee.

(13) The monthly PCI Compliance Service Program Fee and Non-validation PCI Compliance Fee are part of the mandatory PCI Compliance Service Program. These fees apply to Level 4 Clients who utilize a gateway or value added reseller (VAR). The program includes access to TrustKeeper, a Trustwave PCI Compliance solution to help Client comply with the Payment Card Industry Data Security Standards (PCI DSS) requirements. Clients are required to register and complete a PCI DSS certification process by visiting <https://pci.trustwave.com/wellsfargo>. If Client does not comply or fails the PCI DSS certification process, Client will be charged a monthly Non-validation PCI Compliance Fee until the account becomes compliant.

(14) If the total discount fee for Visa, MasterCard and Discover Network Card transactions in a given month is less than the Monthly Minimum Processing Fee, then in addition to the total discount fee Client will be charged an amount equal to the Monthly Minimum Processing Fee minus the total discount fee.

(15) Dues, assessments and any applicable pass-through fees are disclosed in the schedules referenced under the "Applicable Fee Schedules" section and the related footnote.

(16) The American Express Non-Compliance Fee is determined solely by American Express and is applicable, but not limited to, an electronic authorization that is not obtained at the time of sale or a Client using a non-compliant POS device.

(17) For Clients processing under the American Express OnePoint Program or the American Express ESA Program, using a Credit or Prepaid Card, an Inbound Fee of 0.40% will be applied to any transaction using an American Express Card issued by an issuer located outside of the United States. This fee will not apply to Clients in the Education industry within the following categories: Sporting & Recreation Camps (MCC 7032), Elementary & Secondary Schools (MCC 8211), Colleges, Universities, Professional Schools (MCC 8220), and Child Care Services (MCC 8351).

(18) The Interchange Clearing Fee (ICF) will be charged on transactions that may be considered higher risk and/or are processed at a higher expense level. These types of transactions can be identified on Client's Payment Networks Qualification Matrix by looking at the "ICF applies" column. If the interchange program level has been identified by a "YES" in this column, then the ICF will apply to that type of transaction.

If Client does not follow proper authorization procedures, a \$50 chargeback handling fee will be assessed on MasterCard transactions.

American Express may charge Client an excessive disputes fee in the amount of \$5 for each Disputed Charge if Client is in American Express' Immediate Chargeback Program or \$15 for each Disputed Charge if Client is not in the Immediate Chargeback Program.

Client is responsible for any charges assessed by outside third parties that are not disclosed on the proposal. To the extent that this pricing proposal includes pricing for third party products and services, WFMS disclaims legal liability and responsibility for said products and services. Client's agreement with the third party provider shall govern Client's relationship with the third party provider. In the event that WFMS is billed for the third party's services, Client will reimburse WFMS for such services.

Client acknowledges and understands that WFMS shall have no responsibility or liability for any third party hardware or software procured and used by Client. To the extent Client has any issues, concerns or liability related to such hardware or software, Client must deal directly with the third party provider from whom Client procured the hardware or software. In no event will WFMS be responsible for any indirect, incidental or consequential damages that Client may incur as a result of using any third party hardware or software.

WFMS' proposal and associated pricing is based on the information provided. Any difference to our stated understanding may affect the proposed pricing. Without a signed agreement, this proposal expires 60 days from the proposal date stated above.

See Section 40.3 of the Program Guide for early termination fees.

**Rounding.** In the event the amount being billed to Client for any line item on this pricing proposal includes a total ending in less than a full cent, WFMS will either round such amount up or down to the nearest cent.

Fees for supplies, shipping, handling and applicable sales tax may apply and are subject to change without notice. Additional information is available upon request.

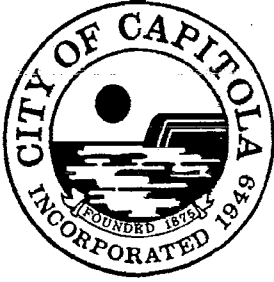
**Additional Services for CITY OF CAPITOLA**

**Form#050**

Business Track

Wells Fargo Merchant Services provides reports through the Business Track secure portal, an internet-based service that provides merchants with fast access to transaction information. Business Track access allows you to check the activity on your account. You are able to view deposits, credits and checking account transfers, all with a simple mouse click. By having detailed transaction activity available on a daily basis, you can easily reconcile your account as your business grows. Business Track access is available at no additional cost to you. Enroll anytime at [businesstrack.com](http://businesstrack.com).

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# CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 12, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING THE MUNICIPAL CODE CHAPTER 2.44  
REGARDING THE PERSONNEL SYSTEM

**RECOMMENDED ACTION:** Approve the first reading of an Ordinance amending the Capitola Municipal Code (CMC) Chapter 2.44 regarding the Personnel System.

**BACKGROUND:** While conducting research regarding the City's Personnel Rules, staff discovered conflicts between the Personnel Rules (Attachment 1) and the Capitola Municipal Code regarding the Personnel Board's duties, the authority of the City Manager, the appointment process, and layoff procedures. In general, an overall updating to of the CMC is necessary to conform with state and federal laws as well.

**DISCUSSION:** Chapter 2.44 Personnel System of the CMC was adopted in 1974 and defines the basic procedures for dealing with personnel matters. The CMC required the City Manager to prepare Personnel Rules for adoption by the City Council which further defines Chapter 2.44. The City has adopted, and changed the Personnel Rules several times since 1974, with the most current Personnel Rules adopted in 2002, by Resolution No. 3211. Prior to the adoption of Resolution 3211 the City met and conferred with the employee bargaining units, therefore staff believes it was all parties' intent the CMC would be updated to reflect the changes necessitated by the 2002 Personnel Rules. To date that update has not taken place.

Below is a summary of the conflicting CMC sections (adopted in 1974) with the corresponding Personnel Rule (adopted in 2002):

CODE SECTION	CURRENT CONFLICTING CODE LANGUAGE	PERSONNEL RULE
2.44.020 Definitions	"Appointing power" means officers of the City as an individual or as a board, commission or City Council has the authority to make appointments.	Rule 1. Definitions. Section 6. "Appointing Authority" is the City Manager.
2.44.030 Personnel Officer	Same as above.	Same as above.
2.44.040 Personnel Board	The City Council sits as the Personnel Board.	Rule 1. Section 6. "Appointing Authority" is the City Manager.
2.44.050 Personnel Board -Duties	The Personnel Board will hear appeals related to disciplinary actions.	Rule 11. Section 7(a) Appeals of suspensions of 15 days or longer, demotion or discharge will be heard by a Hearing Officer from the State. The City Council is the final decision maker.  Appeals of all other disciplinary actions then listed above will be heard by a hearing officer

**Item #: 11.E. Staff Report.pdf**

AGENDA STAFF REPORT DECEMBER 12, 2013

ORDINANCE REGARDING THE PERSONNEL SYSTEM (CHAPTER 2.44)

		appointed by the City Manager. The decision of the hearing officer is final.
<b>2.44.080 Appointments</b>	Appointments made by the City Council or by an appointee.	Appointments made by the City Manager.
<b>2.44.110 Attendance full time employees</b>	Exempt employees leave is governed by the personnel rules.	Exempt employees are "at-will," and are not subject to the Personnel Rules.
<b>2.44.120 Disciplinary action</b>	Any appointing power has the right, for due cause, to demote, dismiss, reduce in pay or suspend without pay for thirty days any regular employee.	Rule 10. Section 5. Only the City Manager or designee may suspend an employee for disciplinary action for more than two days. Department heads may suspend for up to two days. (Due Process – Skelly Hearing requirements came in 1975 which was after the Ordinance was adopted. No mention of pre-disciplinary hearing).  Police Officers Bill of Rights.
<b>2.44.130 Appeal</b>	Any employee can appeal to the Personnel Board any disciplinary action with exceptions.	Rule 11. Section 7(a)&(b).  Right to appeal exists, but not to the Personnel Board because the Personnel Rules established a different procedure as outlined in Rule 11.
<b>2.44.140 Layoff and reemployment</b>	City Council may decide if a layoff is necessary. The order of the layoff and process defined.	Rule 12 Layoff Policy & Procedure. Includes City Manager as a decision maker.

Staff met and conferred with each of the bargaining units. There was no opposition to adopting the proposed ordinance amendment.

**FISCAL IMPACT:** No fiscal impact.

**ATTACHMENT:**

1. Personnel Rules
2. Draft Ordinance Amendment

**Report Prepared By:** Lisa G. Murphy  
Administrative Services Director

**Reviewed and Forwarded  
by City Manager:** 

## RESOLUTION NO. 3211

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
REPEALING RESOLUTION NO.'S 1487 AND 2218, AND  
PROMULGATING PERSONNEL RULES

WHEREAS, Section 2.44.070 of the Capitola Municipal Code requires that: "Personnel rules shall be adopted by resolution of the city council after notice of such action has been publicly posted in at least three public places designated by the city council...The personnel officer shall give reasonable written notice to each recognized employee organization affected by the proposed rules and regulations."; and

WHEREAS, the Capitola City Council has designated at least three such places for posting, and the postings were made within the time limits established by Capitola Municipal Code Section 2.44.070; and

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the personnel officer, and authorizes him to prepare and recommend to the City Council personnel rules, including revisions and amendments to those rules; and

WHEREAS, Resolutions No. 1487 Adopting Rules for Conduct of Personnel Appeal Hearings, and No. 2218 Establishing Personnel Decision and Appeal Procedures will be superceded by the proposed Personnel Rules.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola as follows:

1. Resolution No.'s 1487 and 2218 are hereby repealed;
2. The Personnel Rules set forth in Exhibit A, attached hereto, are hereby adopted;
3. The Personnel Rules shall apply to all offices, positions and employments in the service of the city, except the following:

5749


RESOLUTION NO. 3211

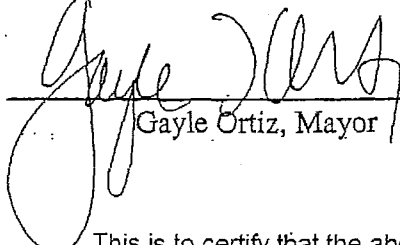
- The City Manager
- The Police Chief
- The Community Development Director
- The Building Official
- The Finance Director
- The Public Works Director
- The Assistant to the City Manager
- City Attorney
- Elective officers
- Members of appointive boards, commissions, and committees
- Persons engaged under contract to supply expert, professional, technical or any other services
- Volunteer personnel
- Emergency employees who are hired to meet the immediate requirements of an emergency condition

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 28<sup>th</sup> day of March, 2002, by the following vote:

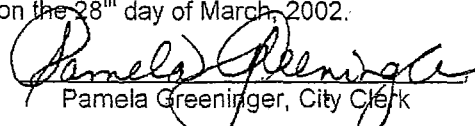
AYES: Council Members Norton, Gualtieri, Harlan, Arthur and Mayor Ortiz  
 NOES: None  
 ABSENT: None  
 ABSTAIN: None

ATTEST:

  
 Pamela Greeninger, City Clerk

  
 Gayle Ortiz, Mayor

This is to certify that the above and foregoing is a true and correct copy of Resolution No. 3211 passed and adopted by the Capitola City Council on the 28<sup>th</sup> day of March, 2002.

  
 Pamela Greeninger, City Clerk



## City of Capitola Personnel Rules

### RULE 1. DEFINITION OF TERMS

The terms used in these rules shall have the meaning as defined below:

SECTION 1. "Acting Employee": An employee who, with the concurrence of the Appointing Authority, performs the duties of a regular position on a temporary basis.

SECTION 2. "Administrative Leave": See "Relief of Duty".

SECTION 3. "Advancement": A salary increase within the limits of a pay range established for a class.

SECTION 4. "Allocation": The assignment of a single position to its proper class in accordance with the duties performed, and the authority and responsibilities exercised.

SECTION 5. "Anniversary Date": The date upon which the probationary period is completed.

SECTION 6. "Appointing Authority": The City Manager is the appointing authority of employees in the competitive service, provided, however, the City Manager may delegate in writing the appointing authority to any Department Head.

SECTION 7. "At-Will Employee": An employee who occupies a position for which that employee has no vested property rights and from which that employee can be discharged or disciplined with or without cause.

SECTION 8. "City": Shall mean the City of Capitola.

SECTION 9. "Class": All positions sufficiently similar in duties, authority, and responsibility, to permit grouping under a common set of duties with a common title. A class performing duties requiring higher levels of skill, knowledge or responsibilities is distinguished as a higher class and is on a higher pay range than the class with lesser responsibilities and/or duties of a lower levels of skill or knowledge.

SECTION 10. "Class Series": A sequence of classes that perform similar duties, but duties that are distinguished by increasing levels skill, knowledge or responsibilities. The class performing duties requiring higher levels of skill, knowledge or responsibilities is distinguished as a higher class and is on a higher pay range than the class with lesser responsibilities and/or duties of a lower level of skill or knowledge.

SECTION 11. "Classification Plan": A compilation of classes of positions in the competitive service defined by class specifications, including the titles.

SECTION 12. "Compensatory or Compensated Time Off": Leave time earned by working beyond the normal hours within a pay period or workweek or work day, depending upon negotiated MOU.

SECTION 13. "Competitive Service": All positions of employment as approved by the City Council except those specifically excluded by ordinance or resolution.

SECTION 14. "Confidential Position": A position designated by the City Council that has access to privileged and confidential information relating to City administration, legal matters, employer/employee relations and other personnel matters. The employee's access to such confidential matters shall be strictly limited to the areas of work in which the individual position is normally engaged.

SECTION 15. "Days": Means calendar days unless otherwise stated.

SECTION 16. "Demotion": The movement of an employee from one position to another position having a lower maximum base rate of pay.

SECTION 17. "Discharge": Involuntary termination of employment with the City for cause.

SECTION 18. "Disciplinary Action": The discharge, demotion, reduction in pay, or suspension for three days or more of a regular employee for punitive reasons.

SECTION 19. "Eligible": A person whose name is on an eligible list.

SECTION 20. "Eligible List":

- a. Open eligible list: A list of names of persons who have taken an open competitive examination for a position in the competitive service and have qualified.
- b. Promotional eligible list: A list of names of persons who have taken a promotional examination for a position in the competitive service and have qualified.
- c. Reinstatement eligible list: A list of names of persons who have separated from the competitive service and who, in accordance with these rules, are entitled to consideration for appointment to vacancies in a class without further examination. Names shall be placed on the list in order of seniority within classifications.
- d. Restoration eligible list: A list of names of persons who have been laid off from the competitive service and who, in accordance with these rules, are entitled to consideration for appointment to vacancies in a class without further examination.

SECTION 21. "Examination":

- a. Open-competitive examination: An examination for a position within a particular class that is open to all persons meeting the qualifications for the class.
- b. Promotional examination: An examination for a position within a particular class that is open only to regular employees of the City meeting the qualifications for the class.
- c. Continuous examination: An open competitive examination which is administered periodically and as a result of which names are placed on an eligible list, in order of final scores, for a period of not more than one year. There need be no vacancy to conduct a continuous examination.

RESOLUTION NO. 3211

EXHIBIT A

5752

SECTION 22. "Exempt Position": For the purpose of these rules, any position not in the competitive service, which includes positions appointed by the city council, elected officials, city attorney, and department heads.

SECTION 23. "Hire Date": The date upon which an employee is hired.

SECTION 24. "Immediate Family": For the purpose of these rules and unless otherwise stated, an employee's husband or wife, son or daughter (including legally adopted children), grandchild, stepson, stepdaughter, son-in-law, or daughter-in-law; father, mother, grandparent, stepfather, stepmother, father-in-law, or mother-in-law, brother, sister, stepbrother, stepsister, half-brother, half-sister, brother-in-law, or sister-in-law.

SECTION 25. "Layoff": The termination of employment without prejudice due to a material change in duties, lack of work or funds, or to the abolition of positions by the City Council.

SECTION 26. "Leave of Absence or Leave": An absence from work, with or without pay, for a specified period and purpose.

SECTION 27. "Merit Increase": A periodic increase in salary within an established range that is based on performance and duration of employment in any given position. The amount of such increases is determined by the salary steps and range for each position, unless otherwise specified.

SECTION 28. "Minimum Qualifications": The minimum acceptable degree of skill, knowledge, education, ability, and experience that are prescribed for the selection of an appropriate candidate to fill a vacant position.

SECTION 29. "Overtime Exempt Position": A position within the competitive service that is exempt for the Fair Labor Standards Act overtime provisions.

SECTION 30. "Negative Personnel Action": Personnel actions of a minor, punitive nature, such as: a verbal or written reprimand, counseling memorandum, an overall performance evaluation of less than standard, suspension of less than three days.

SECTION 31. "Part-Time Position": A position in the competitive service that works either: a) a regular workweek of less than forty hours; or, b) a work year less than fifty-two weeks.

SECTION 32. "Personnel Officer": The City Manager shall administer the City personnel system, and may keep or delegate any of the powers and duties to a Personnel Officer. Such delegation must be in writing.

SECTION 33. "Personnel Ordinance": Ordinance No. 381 which creates the personnel system for the City.

SECTION 34. "Position": A specific group of duties and responsibilities in the competitive service identified or defined for the contemplated full-time or part-time employment of a person.

SECTION 35. "Probationary Appointment": A probationary appointment is for a specified period of time, during which job performance is evaluated as a basis for subsequent regular appointment

SECTION 36. "Probationary Period": A specific period of time to be considered an integral part of the examination, recruiting, testing and selection process during which an employee is required to demonstrate fitness for the position to which he/she has been appointed by actual performance of the duties of the position.

SECTION 37. "Promotion": The movement of an employee from one class to a higher class. General salary adjustments are not considered promotions.

SECTION 38. "Provisional Appointment": Any appointment of a person who possesses most of the minimum qualifications established for a particular in a class, in the absence of available eligibles; and who is expected to meet all the qualifications of that position within nine months. In no instance shall a provisional appointment exceed nine months.

SECTION 39. "Reclassification": As approved by the City Council, a change in the allocation of a position to its appropriate classification based upon analysis and evaluation of the job content, difficulty and responsibility. Reclassification may involve raising the position to a higher class, reducing it to a lower classification or reallocating the position to another class at the same pay level. Such action shall not constitute a promotion or demotion of the employee occupying said position, nor shall it require a probationary period.

SECTION 40. "Regular Employee": A non-probationary employee in the competitive service who is employed in a regular position.

SECTION 41. "Regular Position": A position in the competitive service, the duties of which do not terminate at any stated time. Regular positions are budgeted positions and receive City benefits.

SECTION 42. "Reinstatement": The reinstatement without examination of a former or current regular employee to a classification in which the employee formerly served as a regular non-probationary employee.

SECTION 43. "Relief of Duty" or "Administrative Leave": The temporary assignment of an employee to a status of leave with pay.

SECTION 44. "Restoration": The restoration without examination of a former employee to a class in which the employee formerly served following lay off.

SECTION 45. "Seasonal Employee": An employee who works part-time on a seasonal basis, not year round.

SECTION 46. "Suspension": The temporary relief of duty without pay of an employee as a product of discipline or a negative personnel action.

SECTION 47. "Sworn Employee" an employee certified and trained to be a police officer or occupy any of the positions of: police officer, sergeant, lieutenant, or chief.

SECTION 48. "Temporary Employee": A person who is employed in a temporary position.

RESOLUTION NO. 3211

EXHIBIT A

5754

SECTION 49. "Temporary Position": A position intended to cover temporary peak workloads, unanticipated workloads, normal vacation and sick leave relief, and other situations for a limited duration of no more than 52 consecutive work weeks. Temporary positions are paid on an hourly basis with no City benefits.

SECTION 50. "Transfer": The movement of an employee from one position to another position in the same class or to a similar position in a comparable class with the same salary range.

## RULE 2. CONFLICT WITH MEMORANDUM OF UNDERSTANDING

Should any rule, regulation, or standard herein contained conflict with any such rule, regulation or standard expressed in an adopted Memorandum of Understanding (MOU) the MOU shall have priority.

## RULE 3. GENERAL PROVISIONS

SECTION 1. Fair Employment Practices: Any technique or procedure used in recruitment and selection of employees shall be designed to measure only the job related qualifications of applicants. No recruitment or selection technique shall be used which, in the opinion of the Personnel Officer, is not justifiably linked to successful job performance.

## RULE 4. CLASSIFICATION

SECTION 1. Preparation of Plan: The Personnel Officer, or a person or agency employed for that purpose, shall ascertain and record the duties and responsibilities of all positions in the competitive service and shall recommend a classification plan for such positions. The classification plan shall consist of classes of positions in the competitive service defined by class specifications, including the title. The classification plan shall be so developed and maintained that all positions substantially similar with respect to duties, responsibilities, authority, and character of work are included within the same class, and the same schedule of compensation may be made to apply with equity under similar working conditions to all positions in the same class.

SECTION 2. Adoption, Amendment and Revision of Plan: The classification plan shall be adopted by the City Council and may be amended from time to time. Prior to adoption, amendment or revision of the plan, any recognized employee organization affected shall be advised in a reasonable time and manner prior to the item being placed on Council's agenda for purposes of meet and confer. Amendments and revisions of the plan may be suggested by any interested party, including any recognized employee organization, and shall be submitted to the Personnel Officer.

SECTION 3. Allocation of Positions: Following the adoption of the classification plan and consultation with any recognized employee organization affected, the Personnel Officer shall allocate every position in the competitive service to one of the classes established by the plan.

SECTION 4. New Positions: Except as otherwise provided by Ordinance or these Rules, a new position shall not be filled until the classification plan has been amended to provide therefore and an appropriate employment list established for such position.

SECTION 5. Reclassification: Positions, the assigned duties of which have been substantially changed by the City, whether new or already created, shall be allocated by the Personnel Officer to a more appropriate class. Reclassification shall not be used for the purpose of avoiding restrictions concerning demotions and promotions, nor to affect a change in salary in the absence of a significant change in skill level of duties performed or of responsibilities.

Pursuant to administrative policy, the request for the reclassification of a position shall be submitted by a Department Head to the Personnel Officer. The Personnel Office shall submit the request to the appointing authority with a recommendation. The appointing authority shall determine whether to place the matter before the City Council for approval.

SECTION 6. Position Categories.

- a. Exempt Positions. Employees occupying this category of position are at-will employees exempt from these rules and regulations.
- b. Overtime Exempt Positions. Employees occupying this category of position include all regular, full-time employees who are classified by this City as exempt from the overtime provisions of the Federal Fair Labor Standards Act. These employees' salaries are based on a job to be accomplished and not on a 40-hour workweek.
- c. Part-Time Positions. When a position is less than full time it will be classified by a fraction. For example "half-time" regular employment is expected to average 20 hours per week; "three-quarters" employment is expected to average 30 hours per week. Vacation accrual, sick leave accrual, Flex Plan contributions, holidays, and personal holidays are paid or accrued on a prorated basis according to these classifications. Thus, a half-time employee, even if actual time occasionally exceeds or falls below 20 hours in a week, when compared to a full time employee: receives one-half the Flex Plan contribution; accrues one-half the number of hours of vacation or sick leave; and is paid for four hours on a holiday or personal holiday.

RULE 5. APPLICATIONS AND APPLICANTS

SECTION 1. Announcements: All examinations for positions or classes in the competitive service shall be publicized by such methods as the Personnel Officer deems appropriate. The announcements shall specify the title and pay of the class for which the examination is announced; the nature of the work to be performed; the preparation desirable for the performance of the work of the class; the manner of making application; and other pertinent information.

SECTION 2. Application Forms: Applications shall be made as prescribed on the examination announcement. Application forms shall require information regarding training, experience, and qualifications, and may include certificates of one or more examining physicians/specialist, references, writing samples, fingerprints, and other pertinent information, consistent with applicable legal standards. All applications must be complete for the prospective candidate to be considered for a position. City Manager will determine completeness.

SECTION 3. Disqualification: The Personnel Officer may reject any application, which indicates on its face that the applicant does not possess the minimum qualifications required for the position.

RESOLUTION NO. 3211

EXHIBIT A

5756

Applications may be rejected if the application indicates facts that show that the applicant has made any false statement of any material fact, or practiced any deception or fraud in an application. Whenever an application is rejected, notice of such rejection shall be mailed to the applicant by the Personnel Officer. Defective or incomplete applications may be returned to the applicant with notice to amend the same, providing the time limit for receiving applications has not expired.

**SECTION 4. Ineligibility for Employment - Criminal Conduct:**

- a. Conviction, including pleas of guilty and nolo contendere, of a felony shall be prima facie disqualification of an applicant for employment; provided, however, that the appointing authority may disregard such conviction if it is found and determined by the appointing authority that mitigating circumstances exist.
- b. Notwithstanding the provisions of paragraph (a), an applicant for a peace officer position shall be disqualified from employment if the applicant has been convicted of a felony.

**RULE 6. EXAMINATIONS**

**SECTION 1. Examination Process:** The selection techniques used in the examination process shall be impartial and relate to those subjects which, in the opinion of the Personnel Officer, fairly measure the relative capacities of the persons examined to execute the duties and responsibilities of the class to which they seek to be appointed. Examinations shall consist of selection techniques which will test fairly the qualifications of candidates such as, but not necessarily limited to, achievement and aptitude tests, other written tests, personal interview, performance tests, physical agility tests, evaluation of daily work performance, work samples, medical tests, psychological tests, successful completion of prescribed training, or any combination of these or other tests. In any examination the Personnel Officer or his/her designee may include, in addition to competitive tests, a qualifying test or tests, and set minimum standards for such test. The City may conduct a phased selection process, whereby each application is reviewed and evaluated and the most qualified applicants are invited to participate in the next phase of the selection process.

Examinations shall be designed to provide equal opportunity to all candidates by being based on an analysis of the essential requirements of the class, covering only factors related to such requirements. The probationary period shall be considered as a part of the examination process.

**SECTION 2. Promotional Examinations:** Promotional examinations may be conducted whenever, in the opinion of the Personnel Officer, the needs of the City require. Promotional examinations may include any of the selection techniques mentioned in Section 1 of this Rule, or any combination of them. Only regular employees, or probationary employees who have been regular employees may apply in promotional examinations.

**SECTION 3. Promotion without Examination:** Notwithstanding other provisions of these rules, the Department Head may request, and the Personnel Officer may recommend to the Appointing Authority the promotion of a regular employee without examination when the employee is currently under filling a higher-level allocated position on an acting appointment; or when only one regular employee within the department is eligible for promotion to the promotional position. In each case, the employee shall have satisfactory or better written performance evaluations on all of such employee's performance evaluations for the last three years, or for the employee's period of service

with the City if that period is less than three years; and that employee shall meet all the requirements for the higher classification.

SECTION 4. Continuous Examinations: Open competitive examinations may be administered periodically for any position or class of positions as the needs of the City require and may include any of the selection techniques mentioned in Section 1 of this Rule. Eligibles shall be placed on eligible lists, and shall remain on such lists, as prescribed in Rule 7.

SECTION 5. Conduct of Examinations: The Personnel Officer is responsible for the preparation and administration of examinations provided, however, that the City may contract with any competent agency or individual for the performance of these activities when determined by the Personnel Officer to be in the best interest of the City.

SECTION 6. Notification of Examination Results and Review of Papers: Each candidate participating in an examination shall be given notice of the results thereof, and if successful, of the final earned score. All candidates shall have the right to inspect their own test answer sheet within seven (7) working days after notification of examination results. Any error in computation, if called to the attention of the Personnel Officer within this period, shall be corrected.

#### RULE 7. ELIGIBLE LISTS

SECTION 1. Eligible Lists: As soon as possible after the completion of an examination, the Personnel Officer shall prepare and maintain an eligible list consisting of names of candidates who qualified in the examination.

SECTION 2. Duration of Lists: Eligible lists shall remain in effect until exhausted, but in no event longer than one (1) year. The City Manager may after six months abolish a list.

SECTION 3. Removal of Names from List: The name of any person appearing on a current eligible, reinstatement, restoration or promotional list shall be removed by the Personnel Officer if the eligible requests in writing that the name be removed; if the eligible fails to respond to a notice of certification mailed to the last designated address, if the eligible has refused an offer of appointment two times; or if the applicant fails any additional examinations required at time of job offer. The person affected shall be notified of the removal of his/her name by a notice mailed to the last known address. The names of persons on promotional eligible lists who leave City service shall be dropped automatically from such lists.

#### RULE 8. METHOD OF FILLING VACANCIES

SECTION 1. Types of Appointment: All vacancies in the competitive service shall be filled by transfer, demotion, promotion, reinstatement, restoration, appointment of current City employee, or from eligibles certified by the City Manager or Personnel Officer from an appropriate eligible list, if available. In the absence of persons eligible for appointment in these ways, provisional appointments may be made in accordance with these personnel rules.

SECTION 2. Filling Vacancy: If a vacancy in the competitive service is to be filled, the Personnel Officer shall proceed to fill the vacancy by restoration, reinstatement, transfer, demotion, appointment from a promotional eligible list, appointment from an open eligible list, or appointment of a current City employee on a temporary basis until a permanent appointment can be made.



SECTION 3. Certification of Eligibles: When a department head requests a vacancy be filled by appointment from a promotional eligible list or from an open eligible list, the Personnel Officer shall certify from the specified list the names of individuals willing to accept appointment. Whenever there are fewer than three (3) names of individuals willing to accept appointment on a promotional eligible list or on an open eligible list, the appointing authority may make an appointment from among remaining eligibles or the department head may request the Personnel Officer to establish a new list in which case any eligibles remaining on the list shall be notified by mail to his/her last-known address.

SECTION 4. Appointment: After the interview process and background investigation (when applicable), the appropriate department head shall make a recommendation for appointment from among those certified, and shall immediately notify the Personnel Officer of the applicant recommended. The Personnel Officer shall transmit the name of the applicant and any comments to the City Manager. The City Manager may make the appointment or take other appropriate action. All offers of appointment will be made in writing to the selected individual. The City Manager may make an appointment at any step within the salary range for the position under appointment, and may assign benefits up to the maximum approved by Council in the MOU's.

If the applicant accepts the appointment and reports for duty within such period of time, as the appointing authority shall prescribe, the applicant shall be deemed to be appointed; otherwise, the applicant shall be deemed to have declined the appointment. The person accepting appointment shall report to the Personnel Officer, or the Personnel Officer's designated representative, for processing on or before the date of appointment.

SECTION 5. Provisional Appointment:

- a. In the absence of a qualified individual willing to accept appointment from appropriate eligible lists, a provisional appointment may be made by the appointing authority of a person meeting the minimum training and experience qualifications for the position or with less than the minimum qualifications. Such an appointment may be made during a vacancy or during the period of suspension of an employee or pending final action on proceedings to review suspension, demotion or discharge of an employee, and such vacancy may be filled by the appointing authority subject to the provisions of this ordinance and the personnel rules. If a provisional appointment is made of an individual not satisfying the minimum qualifications then a time period not to exceed nine (9) months shall be established within which that individual must meet the minimum qualifications. A provisional employee may be removed at any time without the right of appeal or hearing.
- b. No provisional appointment shall be continued for more than sixty (60) days after an eligible list for the position has been established unless there are no eligibles on such eligible list who are available for or wish to be considered for appointment to the position.
- c. If a provisional appointee succeeds to a regular position with the City, the time served as a provisional appointee shall be counted toward the fulfillment of the required probationary period.

- d. No special credit shall be allowed in meeting any qualifications for a position or in the giving of any test or the establishment of any open competitive promotional list, for service rendered under a provisional appointment.
- e. Temporary or acting employees are not included in this section.

SECTION 6. Emergency: In an emergency which threatens life, property, or the operation of necessary municipal services, and with the approval of the appointing authority, the Personnel Officer may employ on a temporary basis such persons as are necessary to meet the emergency.

#### RULE 9. PROBATIONARY PERIOD

SECTION 1. Regular Appointment Following Probationary Period: All original and promotional appointments shall be tentative and subject to an initial probationary period of not less than six (6) months actual service and no more than eighteen (18) months, as may be adjusted for approved leave, to be determined for each class by the Personnel Officer. The Department Head may recommend and the Personnel Officer may approve an extension of the initial probationary period up to six (6) additional months. The Probationary employee shall be informed three (3) weeks prior to the expiration of any probationary period, that the probationary period will be extended, and reasons shall be given for the extension.

The department head shall file with the Personnel Officer a Personnel Action Form that either (1) the service of the probationary employee has been satisfactory and that retention in the competitive service of such employee is desired; (2) the probationary period should be extended; or (3) the service of the employee has been unsatisfactory and his/her employment should be terminated. If at anytime during the probationary period the department head notifies the Personnel Officer that performance is less than satisfactory, the Personnel Officer will communicate that less than satisfactory performance to the appointing authority who may give or cause to be given to the employee a notice of immediate termination.

SECTION 2. Objective of Probationary Period: The probationary period shall be regarded as part of the examination process and shall be utilized for closely observing the employee's actual performance and for securing the most effective adjustment of a new employee to his/her position.

SECTION 3. Rejection of Probationer: During the probationary period, an employee may be rejected at any time by the appointing authority and without the right of appeal. Written notification of rejection by the appointing authority shall be served on the probationer.

SECTION 4. Rejection Following Promotion: An employee rejected during or at the conclusion of the probationary period following a promotional appointment, shall be reinstated to the position from which the employee was promoted or to a comparable position unless the employee is discharged in the manner provided in the Personnel Ordinance and these Rules for positions in the competitive service.

#### RULE 10. TRANSFER, PROMOTION, DEMOTION, SUSPENSION, REINSTATEMENT, AND ADVANCEMENT

SECTION 1. Transfer: Except as may otherwise be provided in the Personnel Ordinance and these Rules, no person shall be transferred to a position for which that person does not possess the minimum qualifications. Upon notice to the Personnel Officer, an employee may be transferred by the appointing authority at any time from one position to another position in a comparable class. For

RESOLUTION NO. 3211

EXHIBIT A

5760

transfer purposes, a comparable class is one with the same maximum salary, involves the performance of duties with similar skill levels and responsibilities, and requires substantially the same basic qualifications.

If the transfer involves a change from one department to another, both department heads must consent thereto unless the appointing authority orders the transfer. Transfer shall not be used to effectuate a promotion, demotion, advancement, or reduction, each of which may be accomplished only as provided in the Personnel Ordinance or these Rules.

When the duties of the position require periodic rotation among the departments, such rotation shall not be construed as a transfer.

**SECTION 2. Advancement:** The salary plan as expressed in the MOU's or other document, as approved by the City Council, shall provide at least five (5) salary steps but not more than seven (7) for the classes of positions in the classified service. Salary step increases shall be earned, shall be subject to satisfactory service, and shall not be considered a right of the employee. After an employee completes a probationary period of six (6) months of continuous service after appointment to any given step, the employee may be advanced to the next successive step upon recommendation of his/her Department Head and approval of the City Manager. Thereafter the employee may advance to successive steps upon completion by the employee's supervisor of a performance evaluation of satisfactory or better and approval of the City Manager, until the last step of the range is reached.

- a. **Special Merit Advancement.** When an employee consistently demonstrates exceptional ability and proficiency in the performance of assigned duties, the supervising department head may recommend to the City Manager that said employee be advanced to a higher pay step without regard to the minimum length of service provisions contained in this resolution. The City Manager may approve and effect such advancement
- b. **Denial of advancement.** When an employee has not been approved for advancement to the next higher wage step, such employee may be reconsidered for such advancement after the completion of three months of additional service.
- c. **Longevity pay.** Longevity pay is not part of this advancement policy. It is determined by the MOU.

**SECTION 3. Promotion:** Insofar as it is consistent with the best interests of the City, all vacancies shall be filled by promotion from within the competitive service.

If, in the opinion of the Personnel Officer, it is in the best interests of the City, a vacancy in a position may be filled by an open competitive examination instead of a promotional examination.

When an employee is promoted to a position in a higher classification, such employee shall be assigned to step "A" in the appropriate schedule for the higher classification. However, if such employee is already being paid at a rate equal to or higher than step "A", he/she shall be placed in the step in the appropriate salary schedule which will grant such employee a salary increase of not less than 5%.

SECTION 4. Demotion: The appointing authority may demote an employee whose ability to perform the required duties falls below standard, or for disciplinary reasons. Disciplinary demotion action shall be in accordance with Rule 10 hereof.

Upon request of the employee, and with the consent of the appointing authority, demotion may be made to a vacant position. Such a demotion is a voluntary demotion and is not a disciplinary action. No employee shall be demoted to a position that does not possess the minimum qualifications for that position.

SECTION 5. Suspension: The appointing authority may suspend an employee from a position at any time for a disciplinary purpose, provided that suspension without pay shall not exceed thirty (30) consecutive calendar days, nor shall any employee be penalized by suspension for more than thirty (30) calendar days in any fiscal year. Department heads may suspend a nonsworn, subordinate employee for not more than two (2) working days at any one time, within a 30 calendar day period. Thereafter, such suspensions require the approval of the City Manager. Intended suspension action shall be reported immediately to the Personnel Officer, and shall be taken in accordance with Rule 10 hereof.

SECTION 6. Reinstatement: With the approval of the appointing authority, a regular employee who has completed satisfactory probation and who has resigned with a good record may be reinstated within two years of the effective date of resignation, to a vacant position in the same or comparable class as defined in Rule 9, Section 1. Upon reinstatement, the employee may be subject to the probationary period prescribed for the position.

SECTION 7. Restoration: An employee who has been laid off and whose name is on a Restoration List may be restored to a vacant position in the same or comparable class (as defined in Rule 9, Section 1). Upon restoration, the employee shall be subject to the probationary period prescribed for the position only when that employee was placed on the restoration list when he/she was on probation or when more than one year has passed since placement on the restoration list. The Appointing Authority shall exhaust the Restoration List prior to appointing persons from a Reinstatement List.

#### RULE 11. DISCIPLINARY ACTION

SECTION 1. Types of Action: The following are forms of disciplinary action: suspension for less than three days for nonsworn employees, demotion, reduction in pay, and discharge. For sworn employees, Government Code 3300 supersedes these Rules.

SECTION 2. Grounds for Discipline: Grounds or causes for discipline shall include, but not be limited to, the following:

- a. Fraud in securing employment.
- b. Incompetence and inability to perform job duties.
- c. Inefficiency.
- d. Inexcusable neglect of duty.
- e. Insubordination.
- f. Dishonesty.
- g. Drunkenness on duty.

RESOLUTION NO. 3211

EXHIBIT A

5762

- h. Intemperance.
- i. Addiction to the use of controlled substances.
- j. Inexcusable absence without leave.
- k. Absenteeism and tardiness.
- l. Conviction of a felony or conviction of a misdemeanor involving moral turpitude.
- m. Immorality.
- n. Discourteous treatment of the public or other employees.
- o. Improper political activity.
- p. Willful disobedience.
- q. Misuse of City property.
- r. Violation of a City ordinance, rule or regulation.
- s. Behavior during or outside of duty hours which is of such a nature that it causes discredit to the City.
- t. Unlawful discrimination, harassment or retaliation against the public or other employees.
- u. Violation of any City, City Department rule, regulation, policy, established procedure or process.

### SECTION 3. Policy:

- a. An employee who wishes to respond to a written reprimand either verbally or in writing, or both, must do so within thirty (30) working days from receipt of the reprimand. The response should be made or submitted to a minimum of one supervisory level above the position initiating the reprimand. A copy of the employee's written response will be placed in his/her personnel file upon request.
- b. Prior to the suspension of more than two days for nonsworn employees, demotion, reduction in pay or discharge of a regular employee for disciplinary purposes, the procedure set forth in this rule shall be followed.

SECTION 4. Written Notice: Advanced written notice of the proposed disciplinary action in the form of demotion, reduction in pay, suspension of three days or more for nonsworn employees or discharge shall be given to the employee. The notice shall include the following:

- a. A statement of the reason(s) for the proposed action, the charge(s) being considered, and the specific grounds and particular facts upon which the disciplinary action is proposed.
- b. A statement that the documents or materials upon which the proposed disciplinary action is based are either attached or available upon request.
- c. A statement informing the employee of the right to respond to the proposed disciplinary action, the date by which the employee must respond, and the person to whom the employee should respond.

All notices shall be personally served or shall be mailed by certified mail, return receipt requested, to the last known address of the employee. For notices personally served, the employee shall acknowledge in writing receipt of the notice at the time of presentation.

The employee shall be given six (6) working days from date of receipt in which to respond, orally or in writing, at the employee's option, to the designated authority. The response will be considered before disciplinary action is taken. Failure to respond within this period of time will result in a waiver of the employee's right to respond.

SECTION 5. Relief of Duty or Administrative Leave: Notwithstanding the provisions of this rule, upon the recommendation of the Personnel Officer, the City Manager may approve the temporary assignment of an employee to a status of leave with pay pending conduct or completion of investigations or opportunity to respond, as may be required to determine if disciplinary action is to be taken.

The Chief of Police may approve temporary assignment of a Police Department employee to a status of leave with pay pending completion of investigation that could lead to discipline or certain traumatic incident situations.

SECTION 6. Notice of Discipline: When the predisciplinary meeting has been conducted and a disciplinary action determined, then a notice of discipline must be issued. As a guide, the notice of discipline should be issued in a timely fashion after the predisciplinary meeting. The notice should contain: Date of the notice; name and title of the employee being disciplined; name of the appointing authority or personnel officer, the individual who is sending the notice; the disciplinary action; date when the disciplinary action is to be effective (at least six days from the date the employee receives the notice); violations upon which the discipline is based; where the support documents for these violations can be found; notice that the employee can appeal the discipline within five working days, and to whom the employee can address the appeal whether the appeal is made in writing or verbally.

SECTION 7. Appeal and Hearing Procedures:

- a. For employees who have received a suspension of 15 working days or longer, who have been demoted, or have been discharged, the following procedures shall apply.

Employees may appeal disciplinary actions to a hearing before a Hearing Officer from the State of California, Office of Administrative Procedure, by filing a written request with the Personnel Officer within thirty (30) days working days of the imposition of the action.

The time for the appeal hearing shall be established, which shall not be more than sixty (60) working days from the date of the filing of the appeal, unless otherwise stipulated to by the parties. The Hearing Officer shall render his/her findings and recommendations within ten (10) working days after conducting the hearing, unless otherwise stipulated to by the parties. His/her decision shall set forth the recommendations as to each of the charges and the reasons therefore.

The decision of the Hearing Officer is advisory only. His/her decision shall be filed with the disciplined employee, the City Manager, and the City Council. The City Council shall consider the decision of the Hearing Officer at its next regularly scheduled meeting, unless otherwise stipulated to by the parties. The City Council shall take action to ratify, modify, or reverse the proposed decision of the Hearing Officer. The decision of the City Council shall be final.

RESOLUTION NO. 3211

EXHIBIT A

5764

- b. For all disciplines other than those identified in Section 7.a. above, the following procedures shall apply.
1. Employees may appeal disciplinary actions not covered in Section 7(a) above by filing a written appeal with the Employee's Department Head or Personnel Officer. The appeal must be filed within the time period identified above in Section 6.
  2. Once the appeal is filed the City Manager shall select a hearing officer who shall be impartial and able to conduct such an appeals hearing.
  3. A reasonably expeditious date for the appeal hearing shall be set by the hearing officer. All parties involved in the process should be notified in writing of the date, time and place of the hearing. The parties should have adequate time to prepare for the hearing. Parties can agree to a continuance with the approval of the hearing officer.
  4. The hearing officer shall be allowed to issue subpoenas at the reasonable request of either party to compel attendance of witnesses. The parties should give the hearing officer reasonable notice of the need to issue subpoenas. The hearing office shall be the sole determinant of what is reasonable.
  5. Unless both parties agree otherwise, at least five working days prior to the hearing, all parties should submit to the hearing officer and opposing party: identification of the disciplinary authority and the employee and the representatives of each, if any; where notification for each party should be sent; a statement from the employee setting forth the grounds and reasons for appeal; notice of discipline including all supporting information and dates and time of predisciplinary meetings, and any other processes or procedures held prior to this post disciplinary hearing; all documentary, written, or pictorial evidence; all such information and material shall be organized, collated and tabbed for ease of reference.
  6. The order of proceedings for the hearing shall be: reading of the discipline and rule violations upon which the discipline is based; introduction of the employee, and those representing the City and the employee; statement from the disciplinary authority or representative of the reasons or steps leading to the discipline; statement from the employee or representative setting forth the grounds and reasons for the appeal; presentation of all evidence and testimony by the disciplinary authority or representative in support of the discipline; presentation of evidence and testimony by the employee or representative in support of the appeal; final summary of each party in order of disciplinary authority presenting first.
  7. In lieu of an agreement between the two parties and approved by the hearing officer, the following rules of order shall apply: the burden of proof shall be the preponderance of the evidence; copies of original materials are acceptable unless otherwise determined by the hearing officer; all evidence provided must be relevant to the proceedings, the hearing officer is the sole determinant of relevance; examination of witnesses shall be courteous and relevant to matter of the witness's testimony; the hearing officer shall be sole determinant of admissible evidence.

8. The decision of the hearing officer shall be final. His decision and findings shall be made in writing within ten working days from the conclusion of the hearing. Copies of the decision, including the findings shall be given to both parties.

RULE 12. LAYOFF POLICY AND PROCEDURE

SECTION 1. Statement of Intent: Whenever, in the judgment of the City Council, it becomes necessary to abolish any position of employment, the employee holding such position of employment may be laid off or transferred. The departments and classifications subject to layoff if not determined by the City Council shall be determined by the City Manager on the basis of the administrative needs of the City. Such action does not connote any disciplinary intent and employees so affected shall not have the right of appeal.

SECTION 2. Order of Layoff: When one or more employees in the same class in a department are to be laid off, the order of layoff shall be as follows:

- a. Temporary employees in the order to be determined by the appointing authority.
- b. Provisional employees in the order to be determined by the appointing authority.
- c. Probationary employees in the order to be determined by the appointing authority.
- d. Regular employees in inverse order of seniority within the class being reduced.

SECTION 3. Definitions:

- a. Seniority: For the purpose of these rules, "seniority" means the length of continuous, paid, status in a regular position at or above the affected class within a class series of the retreat position as of the date that layoff is determined necessary. Seniority shall be retained but shall not accrue during any period of leave without pay, except for time served on military leave of absence and Family Leave.
- b. Class Levels:
  1. A "higher level" class means a class with a higher top step salary.
  2. The "same level" class means a class with the same top step salary.
  3. A "lower level" class means a class with a lower top step salary.

SECTION 4. Notice of Layoff: Employees being laid off shall be given written notice thereof at least thirty (30) calendar days prior to the effective date of layoff. Notice of layoff shall be given by personal service and, if possible, the employee shall sign an acknowledgment of personal receipt. A copy of the layoff notice shall be sent to the bargaining unit to which the affected employee belongs.



SECTION 5. Transfer and Displacement:

- a. In the event of a layoff, any affected employee may elect, in lieu of being laid off, to accept one of the following options:
  1. Transfer to a vacant position in the same or lower class in the same class series, provided the employee has the skills required for such position as determined by the Personnel Officer.
  2. Transfer to a vacant position at the same or lower level in another class series, provided that the employee formerly held regular status in said class series in which the vacancy exists.
  3. In the event there are no vacancies as listed in 1 and 2 above, the employee shall have the right, upon written request, to return to a position at the same or lower level than the employee's current class, provided that the employee formerly held regular status in said class and provided further that the employee has more seniority in regular City employment than the least senior incumbent in such position.
- b. Should an employee have the right to displace in more than one class, he or she shall displace first in the highest class in which such right is held.
- c. Employees displacing other employees or transferring to vacant positions must accept the salary, hours and working conditions of the position to which return or transfer is requested, except that salary shall not be less than the top step of the lower class salary range or current salary prior to layoff or transfer whichever is lower.
- d. Employees requesting displacement rights or transfer as provided herein, must make such request to the Personnel Officer in writing within seven (7) calendar days of their receipt of written notice of layoff.

SECTION 6. Restoration List:

- a. The names of persons laid off shall be placed upon a restoration eligible list in inverse order of seniority, i.e., the person with the greatest seniority on the restoration eligible list for the classes affected shall be offered restoration first when a vacancy exists in the affected class. In the event the person refuses the offer of restoration, such person's name shall be removed from the restoration eligible list unless such person has restoration rights under the provisions of this part to a higher class than the one in which the reinstatement is being refused.
- b. In the event an employee accepts restoration to a lower class to which he or she is entitled, such person's name shall remain on the restoration eligible list for restoration to the same class that he or she held at the time of layoff, provided such person would have been otherwise entitled to such position at the time of the most recent layoff.

- c. Any person who is restored to a class which is the highest class to which he or she would have been entitled at the time of the layoff shall have his or her name removed from the restoration eligible list.
- d. The City will give written notice to persons on layoff at the person's last known address by registered mail, return receipt requested, regarding vacancies for which he or she is eligible. Persons so notified shall respond to the City within ten (10) working days from the date of the notice. In the event a person on layoff cannot be contacted by the City or does not respond within ten (10) working days, such person's name shall be removed from the restoration eligible list; providing, however, that such person within the two-year period specified herein may request in writing that his or her name be replaced on the restoration eligible list and such person's name may, at the sole discretion of the City Manager, be returned to the restoration eligible list.
- e. In no event shall the name of any person laid off pursuant to the provisions of this Rule remain on a restoration eligible list for a period longer than two (2) years from the effective date of such person's most recent layoff.
- f. To the extent possible, employees will not lose their rights under this policy because classes have been created, abolished or retitled.

SECTION 7. Promotion: No employee shall be entitled to a position in a higher class as a result of the application of this rule.

SECTION 8. Reinstatement of Benefits: Upon restoration to any classification to which the employee is entitled pursuant to the provisions of this Rule, all benefits acquired by the employee prior to his or her layoff and lost as a result of the layoff shall be reinstated. An employee shall not receive credit for time spent on layoff in computing time for any benefit entitlement.

SECTION 9. Layoff and Retirement: An employee who is subject to being, or is in fact, laid off and who elects service retirement from the Public Employees' Retirement System shall be placed upon his/her request on an appropriate restoration list. If the employee is subsequently subject to reemployment and accepts, in writing, the appropriate vacant position, the City shall notify the Public Employees' Retirement System by filing a request for reinstatement from retirement.

#### RULE 13. SEPARATION FROM CITY SERVICE

SECTION 1. Discharge: An employee in the competitive service may be discharged at any time for cause, by the appointing authority. Disciplinary discharge action shall be taken in accordance with Rule 10.

SECTION 2. Resignation: A regular employee wishing to leave the competitive service in good standing shall file with the appointing authority a written resignation stating the effective date and reasons for leaving at least two weeks, unencumbered by leave or personal holidays, prior to the last day of work, unless such time limit is waived by the appointing authority. A statement as to the resigned employee's service performance and other pertinent information shall be prepared by the affected department and forwarded to the Personnel Officer. Failure to give notice as required by this rule shall be cause for denying future employment by the City.

RULE 14. ADMINISTRATIVE LEAVES, RECORDS, STATUS CHANGES

SECTION 1. Attendance: Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays, and leaves. All departments shall keep daily attendance records of employees, which shall be reported to the Personnel Officer in the form and on the dates he/she shall specify. Failure on the part of an employee to return to duty within five (5) consecutive working days (whether voluntary or involuntary) may be considered, at the City's discretion, an automatic resignation as of the date last worked. For any such failure, that employee automatically waives all rights under the Personnel Ordinance and these Rules. The depositing in the United States mail of a first class letter, postage paid, addressed to the employee's last known place of address, shall be reasonable notice of acceptance of this automatic resignation.

SECTION 2. Military Leave: Military leave shall be granted in accordance with the provisions of state law. The appointing authority shall determine within the limits of military regulations when such leave shall be taken.

SECTION 3. Leave of Absence Without Pay: With the approval of the Personnel Officer, a leave of absence without pay may be granted for a period not to exceed three (3) months. After three months, the leave of absence may be extended if so authorized by the City Manager. No such leave shall be granted except upon written request of the employee, setting forth the reason for the request, and the approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the employee shall assume the duties defined by his/her regular position or employment. No seniority time or leave benefits shall accrue during leave without pay and any payments toward maintenance of medical and insurance benefits must be made by employee during this time. Failure on the part of an employee on leave to report to work promptly at the leave's expiration, or within the reasonable time agreed upon by the appointing authority, shall be deemed to be a resignation. The depositing in the United States mail of a first class letter, postage paid, addressed to the employee's last known place of address, shall be reasonable notice of acceptance of the resignation.

SECTION 4. Jury Duty: Every regular employee of the City who is called or required to serve as a trial juror, upon notification and appropriate verification submitted to his/her supervisor, shall be entitled to be absent from his/her duties with the City during the period of such service. The employee shall deposit to the City the amount of pay received for jury duty, exclusive of travel expenses. The employee shall receive normal pay and benefits from the City while on jury duty.

SECTION 5. Personnel Records: The Personnel Officer or his/her designee shall maintain a personnel record for each employee in the service of the City showing the name, title of position held, the department to which assigned, salary, all changes in employment status, and other such information as may be considered pertinent by the Personnel Officer. These are the official personnel records of the City of Capitola and, with the exception of sworn Police personnel files located in the Police Department, shall be maintained in the Personnel Office.

The original or a copy of all material that reflects on an employee or on an employee's performance shall immediately be inserted in the employee's file in the Personnel Office, and the employee shall be notified accordingly. Said file shall be available at all reasonable times for inspection by the employee and/or such persons as the employee may authorize in writing.

SECTION 6. Change of Status: Every appointment, transfer, promotion, demotion, change of salary rate, or any other temporary or permanent change in the status of an employee shall be reported to the Personnel Officer in such manner as he/she may prescribe.

RULE 15. EMPLOYMENT OF IMMEDIATE FAMILY MEMBER

A person shall not be appointed to any non elective position within the competitive service who has a member of his/her immediate family already employed with the City in a position where one immediate family member would be supervising the other.

RULE 16. PERFORMANCE EVALUATIONS

SECTION 1. Advancement Within Salary Range: Advancement within salary range shall not be automatic. All increases shall be granted on the basis of merit, established by the employee's work performance, and with the approval of the City Manager. Employees who fail to receive their in-grade salary advancement shall be made aware in writing as to the reason for denial through their performance evaluation.

SECTION 2. Evaluation Schedule: All regular employees shall be evaluated at least once each year in a manner and on a form provided by the Personnel Officer. Probationary employees shall be evaluated at least every three (3) months during the term of probation.

RULE 17. MEDICAL INCAPACITY

The City is required to comply with the Federal Occupational Health and Safety Act (OSHA), and Americans with Disabilities Act (ADA).

In this regard, should a concern exist regarding occupational health, the department head subject to approval by the Personnel Officer, may request a medical examination for any employee. Such examination costs shall be paid by the City. Costs for treatment or correction of deficiencies from any medical examination process shall be borne by the employee. If determined by City medical examiner that an employee does not meet established medical job standards and such non-work related condition affects his/her ability to perform assigned work tasks, then a reasonable medical probationary period shall be established by the City medical examiner for compliance. Failure to meet medical job standards within the medical probationary period may result in reassignment or dismissal.

The provisions of Worker's Compensation law shall govern any condition determined to be work related.

RULE 18. GRIEVANCE

SECTION 1. Definition: A grievance is defined as an allegation by an employee or group of employees that the Employer has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of such right is not made subject to the discretion of the Department Head or the Employer by the terms of this Memorandum of Understanding and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504.

SECTION 2. Department Review and Adjustment of Grievances:

The following is the procedure to be followed in the resolution of grievances.

- a. An employee having a grievance shall have the right to consult with and be assisted by a representative of his own choice in this and all succeeding steps of this rule and may thereafter file a grievance in writing with his immediate supervisor. Within five actual working days after receipt of any written grievance, the immediate supervisor shall return a copy of the written grievance to the employee with his answer thereto, in writing.

If the grievance is not resolved at the first level, the employee shall have five actual working days after receipt of the answer within which to file an appeal with the employee's immediate supervisor's supervisor or with the Department Head, at the employee's option. If the grievance is filed with a supervisor other than the Department Head that person shall have five actual working days in which to review and answer the grievance in writing. If the grievance is not resolved at this second level, the employee shall have five actual working days after receipt of the answer within which to file an appeal with the Department Head. At the time the Department Head receives the grievance, the Department Head shall have five actual working days in which to review and answer the grievance in writing. If the grievance is not resolved at this Department Head level, the employee shall have five actual working days from receipt of the answer within which to file an appeal with the City Manager.

- b. The City Manager shall have five actual working days in which to review, and if necessary, hold hearings, and answer the grievance in writing. Unless waived by the mutual agreement of the employee or his representative and the City Manager, a hearing is required at this step, and the employee, and his representative, shall have the right to be present at, and participate in such hearing. The time limit at this step may be extended by mutual agreement between the City Manager and the employee or his representative. The Union may, in its own name, file a grievance alleging that the Employer has failed to provide it some organizational right which is established by law, provided that such right is not made subject to the discretion of the City. Such Union grievances shall be filed with the City Manager and heard and determined pursuant to the provisions of this step of the grievance procedure.
- c. In the event that the grievance is not resolved at the City Manager's level, the Employee may, within ten (10) working days, request that the grievance be heard by the City Council.

SECTION 3. Effect of Failure of Timely Action: Failure of the employee to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the Employer to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.

SECTION 4. Limitation on Stale Grievances: A grievance shall be void unless presented within twenty-one (21) calendar days from the day upon which the Employer has allegedly failed to provide a condition of employment, or within twenty-one (21) calendar days from the time at which an employee might reasonably have been expected to have learned of such alleged failure to provide. In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.

RESOLUTION NO. 3211

EXHIBIT A

5771

SECTION 5. Exclusion of Non-Recognized Organizations: For the purpose of this section, the provisions of this Rule shall not be construed to limit the employee's right of selection of a representative to the extent that the agents of any other employee organization which is not party to this agreement, are specifically excluded from so acting. In those cases in which an employee elects to represent himself or arranges for other representation, the association shall have the right to participate in the resolution procedure for the purpose of protecting the interest of its members in negotiated conditions of employment.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
AMENDING CHAPTER 2.44 OF THE CAPITOLA MUNICIPAL CODE  
PERSONNEL SYSTEM**

BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

Section 1. Chapter 2.44 is hereby amended to read as follows:

**“CHAPTER 2.44”  
PERSONNEL SYSTEM**

- 2.44.020 Definitions.
- 2.44.030 Personnel officer.
- ~~2.44.040 Personnel board Designated.~~
- ~~2.44.050 Personnel board Duties.~~
- 2.44.060 Exempted employees.
- 2.44.062 Exempted officials.
- 2.44.070 Rules adoption and amendment.
- 2.44.080 Appointments.
- 2.44.090 Probationary period.
- 2.44.100 Continuation of employment.
- ~~2.44.110 Attendance and leaves for full-time exempt positions.~~
- 2.44.120 Disciplinary action.
- 2.44.130 Appeal.
- 2.44.140 Layoff and reemployment.
- 2.44.150 Political activity.
- 2.44.160 Discrimination prohibited.
- 2.44.170 Right to contract for special service.

**2.44.010 Adopted.**

In order to establish an equitable and uniform procedure for dealing with personnel matters; to attract to municipal service the best and most competent persons available; to assure that appointments and promotions of employees will be based on merit and fitness; and to provide a reasonable degree of security for qualified employees, the personnel system set forth in this chapter is adopted. (Ord. 381 § 1, 1974)

**2.44.020 Definitions.**

As used in this chapter, the following terms shall be defined as indicated:

- A. “Appointing ~~power~~Authority” ~~means the officers of the city who, in their individual capacities, or as a board, commission, or city council, have the final authority to make the appointment to the position to be filled.~~ means the City Manager, who is the appointing authority of employees in the competitive service, provided, however the City Manager may delegate in writing the appointing authority to any Department Head.



## Item #: 11.E. Attach 2.pdf

### DRAFT ORDINANCE

- B. "Class" means all positions sufficiently similar in duties, authority, and responsibility, to permit grouping under a common title in the application with equity of common standards of selection, transfer, demotion and salary.
- C. "Competitive service" means all positions of employment in the service of the city except those specifically excluded by this chapter.
- D. "Days" means calendar days unless otherwise stated.
- E. "Demotion" means the movement of an employee from one class to another class having a lower maximum rate of pay.
- F. "Employment list" means a list of names of persons who may be considered for employment with the city under specified conditions.
- G. "Examination" means selection techniques used to measure the relative capacities of the persons applying for positions within the competitive service.
- H. "Layoff" means the separation of employees from the active workforce due to lack of work or funds, or to the abolition of positions by the city council for the above reasons or due to organizational changes.
- I. "Position" means a group of duties and responsibilities in the competitive service requiring the full-time or part-time employment of one person.
- J. "Probationary period" means a working test period during which an employee is required to demonstrate his or her fitness for the position to which he or she is appointed by actual performance of the duties of the position.
- K. "Promotion" means the movement of an employee from one class to another class having a higher maximum rate of pay.
- L. "Provisional appointment" means an appointment of a person who possesses the minimum qualifications established for a particular class and who has been appointed to a position in that class in the absence of available eligibles.
- M. "Reinstatement" means the reemployment without examination of a former regular employee or probationary employee.
- N. "Suspension" means the temporary separation from the service of an employee without pay, for disciplinary purposes.
- O. "Transfer" means a change of an employee from one position to another position in the same class or in a comparable class.
- P. "Regular" means a position in the competitive service that is, regardless of the number of hours worked per week, intended to be continuous and uninterrupted (except for authorized or unpaid leave) and receives benefits. Positions intended to be seasonal, of a limited term, on call only, emergency, intermittent, substitute or on any other irregular basis are not "regular." (Ord. 829 § 1, 2001; Ord. 381 § 2, 1974)



## DRAFT ORDINANCE

**2.44.030 Personnel officer.**

The city manager shall be the personnel officer. The city manager may delegate any of the powers and duties conferred upon him or her as personnel officer under this chapter to any other officer or employee of the city or may recommend that such powers and duties be performed under contract as provided in Section 2.44.170. The personnel officer shall:

A. Act as the appointing authority for the City

~~A.B.~~ Administer all the provisions of this chapter and of the personnel rules not specifically reserved to the city council;

~~B.C.~~ Prepare and recommend to the city council personnel rules and revisions and amendments to such rules;

D. Prepare or cause to be prepared a position classification plan, including class specifications, and revisions of the plan. The plan, and any revisions thereof, shall become effective upon approval by the city council;

C.E. Have the authority to discipline employees in accordance with this Chapter and the personnel rules of the City.

~~D.F.~~ Provide for the publishing or posting of notices of tests for positions in the competitive service; the receiving of applications therefore; the conducting and grading of tests; the certification ~~to the appointing power~~ of a list of all persons eligible for appointment to the appropriate position in the competitive service. (Ord. 381 § 3, 1974)

**~~2.44.040 Personnel board — Designated.~~**

~~— The city council shall act in the capacity of the personnel board. (Ord. 381 § 4, 1974)~~

**~~2.44.050 Personnel board — Duties.~~**

~~— The board, as provided by this chapter and by the rules, shall hear appeals submitted by any person in the competitive service relative to any disciplinary action, dismissal, demotion, charge of discrimination, or alleged violation of this chapter, and to certify its findings and recommendations as provided in the personnel system rules. (Ord. 381 § 5, 1974)~~

**2.44.060 Exempted employees.**

The provisions of this chapter apply to all employees in the service of the city, except:

- A. The city manager and any assistant city manager;
- B. Any department head, including the chief of police, whose first date of employment is July 1, 2001, or after;
- C. Emergency employees who are hired to meet the immediate requirements of an emergency condition, such as fire, flood, or earthquake;
- D. Employees who are not "regular" (as defined in Section 2.44.020 (P)) employees. (Ord. 829 § 2, 2001; Ord. 381 § 6, 1974)

**2.44.062 Exempted officials.**

The provisions of this chapter do not apply to any of the following:

- A. Elective officers;
- B. Members of, appointive boards, commissions, and committees;

## Item #: 11.E. Attach 2.pdf

### DRAFT ORDINANCE

- C. Persons engaged under contract to supply expert, professional, technical or any other services;
- D. Volunteer personnel, ~~such as volunteer firemen~~;
- E. City attorney, whether or not he or she is an employee. (Ord 829 § 3, 2001)

#### **2.44.070 Rules adoption and amendment.**

Personnel rules shall be adopted by resolution of the city council after notice of such action has been publicly posted in at least three public places designated by the city council, and at least five days prior to city council consideration. The personnel officer shall give reasonable written notice to each recognized employee organization affected by the ordinance, rule, resolution or regulation or amendment thereof proposed to be adopted by the city council. Amendments and revisions may be suggested by any interested party and shall be processed as provided in the personnel rules. The rules shall establish regulations governing the personnel system including:

- A. Preparation, installation, revision and maintenance of a position classification plan covering all positions in the competitive service, including employment standards and qualifications for each class;
- B. Public announcement of all tests and acceptance of applications for employment;
- C. Preparation and conduct of tests and the establishment and use of resulting employment lists containing names of persons eligible for appointment;
- D. Certification and appointment of persons from employment lists and the making of provisional appointments;
- E. Establishment of probationary periods;
- F. Evaluation of employees during the probationary period;
- G. Transfer, promotion, demotion, reinstatement, disciplinary action and layoff of employees in the competitive service;
- H. Separation of employees from the city service;
- I. The establishment of adequate personnel records;
- J. The establishment of appeal procedures concerning the interpretation of application of this chapter and any rules adopted under this chapter. (Ord. 381 § 7, 1974)

#### **2.44.080 Appointments.**

Appointments to vacant positions in the competitive service shall be made in accordance with the personnel rules. Appointments and promotions shall be based on merit and fitness to be ascertained so far as practicable by competitive examination. Examinations may be used and conducted to aid in the selection of qualified employees and shall consist of selection techniques which will test fairly the qualifications of candidates such as achievement and aptitude tests, written tests, personal interview, performance tests, physical agility tests, evaluation of daily work performance, work samples or any combinations of these or other tests. The probationary period shall be considered an extension of the examination process. Physical and medical tests may be given as a part of any examination.

In any examination the personnel officer may include, in addition to competitive tests, a qualifying test or tests and set minimum standards therefor.



## DRAFT ORDINANCE

~~Appointments shall be made by the city council, or by the officer in whom the power to make appointments is vested.~~

~~When appointment is to be made to a vacancy in the competitive service, the personnel officer shall transmit to the appointing power the names of all persons on the appropriate certified employment list, in the order in which they appear on the list. (Ord. 381 § 8, 1974)~~

#### **2.44.090 Probationary period.**

All regular appointments, including promotional appointments, shall be for a probationary period of not less than six months. Appointments to public safety positions will ordinarily be twelve months. That period may be reduced (but not below six months) if the chief of police so recommends and the city manager approves. Such a recommendation should only be made after the chief has had ample opportunity to evaluate the officer. During the probationary period, the employee may be rejected at any time without the right of appeal or hearing. An employee rejected during the probationary period from a position to which he or she has been promoted shall be reinstated to a position in the class from which he or she was promoted unless he or she is discharged from the city service as provided in this chapter and the rules.

An employee in the competitive service promoted or transferred to a position not included in the competitive service shall be reinstated to a position in the class from which he or she was promoted or transferred if action is taken to reject him or her unless he or she is discharged in the manner provided in this chapter and the personnel rules for positions in the competitive service. (Ord. 831, 2001; Ord. 381 § 9, 1974)

#### **2.44.100 Continuation of employment.**

Any person holding a position included in the competitive service who, on the effective date of the ordinance codified in this chapter, has served continuously in such position, or in some other position in the competitive service, for a period equal to the probationary period prescribed in the rules for his or her class, shall assume regular status in the competitive service in the position held on such effective date without qualifying test, and shall thereafter be subject in all respects to the provisions of this chapter and the personnel rules. Any other person holding positions in the competitive service shall be regarded as probationers who are serving out the balance of their probationary periods as prescribed in the rules before obtaining regular status. The probationary period shall be computed from the date of appointment or employment. (Ord. 381 § 10, 1974)

#### **~~2.44.110 Attendance and leaves for full-time exempt positions.~~**

~~—The provisions of the personnel rules relating to attendance and leaves shall apply to the incumbents of full-time exempt positions, unless otherwise specified. (Ord. 381 § 11, 1974)~~

#### **2.44.120 Disciplinary action.**

~~Any~~The appointing ~~power~~authority shall have the right, for due cause, to demote, dismiss, reprimand, reduce in pay, or suspend without pay ~~for thirty calendar days~~, any regular non-sworn employee in accordance with procedures included in the personnel rules. ~~—Notice of such action must be in writing and served personally on such employee, except where an emergency situation exists, in which case the notice shall be served within three working days of the action taken. Such notice shall specify the penalty and contain a statement of the reason or reasons therefor.~~

Notwithstanding any provision in this rule to the contrary, public safety personnel in the Police Department are subject to provisions of the Public Safety Officers Procedural Bill of Rights (POBR), as set forth in Government Code §§ 3300 et seq., and wherever any provisions



## Item #: 11.E. Attach 2.pdf

### DRAFT ORDINANCE

of these Rules and Regulations conflict with provisions of the POBR, the provisions of the POBR shall prevail.

The provisions of this section shall not apply to reductions in pay which are a part of a general plan to reduce salaries and wages or to eliminate positions. (Ord. 381 § 12, 1974)

#### **2.44.130 Appeal.**

Any employee in the competitive service shall have the right to appeal ~~to the personnel board~~ any disciplinary action, or alleged violation of this chapter, except in those instances where the right of appeal is specifically prohibited by this chapter or the rules adopted under this chapter or the personnel rules.

All appeals shall be concluded as expeditiously as possible and in accordance with the requirements and procedures as set forth in the personnel rules and regulations adopted pursuant to this chapter. (Ord. 381 § 13, 1974)

#### **2.44.140 Layoff and reemployment.**

Whenever in the judgment of the city council or the appointing authority, it becomes necessary in the interest of economy, or because the necessity for a position no longer exists, the city council or the appointing authority may abolish any position or employment in the competitive service; and the employee holding such position for employment may be laid off without taking disciplinary action, ~~and without the right of appeal.~~

~~The order of layoff of employees shall be established by the personnel follow the process outlined in the personnel rules adopted pursuant to this Chapter. officer on the recommendation of the department head involved. The department head shall take into consideration the job performance and length of service of employees in preparing a recommended layoff list; provided, however, that no regular or probationary employee shall be laid off from his or her position in any department while any emergency, temporary or provisional employee is serving in the same class in that department.~~

~~Employees to be laid off shall be given at least fourteen days prior notice. The names of regular and probationary employees laid off or demoted in lieu of layoff shall be placed upon reemployment lists for one year for those classes requiring basically the same qualifications, duties and responsibilities of the class from which layoff or demotion in lieu of layoff was made.~~

~~Persons whose names are placed on reemployment lists in accordance with this section, and who are reemployed within the prescribed period, shall be regarded as having been on leave of absence during this period of absence and entitled to all benefits accruing from such leave. (Ord. 381 § 14, 1974)~~

#### **2.44.150 Political activity.**

The political activities of city employees shall conform to pertinent provisions of state and federal law. (Ord. 381 § 15, 1974)

#### **2.44.160 Discrimination prohibited.**

No person in the competitive service, or seeking admission thereto, shall be employed, promoted, demoted or discharged, or in any way favored or discriminated against because of political opinions or affiliations, race, color, ancestry, national origin, religious creed, sex, age, sexual orientation, or gender identity or because of the exercise of his or her rights under Section 3502 of the Government Code. (Ord. 381 § 16, 1974)

DRAFT ORDINANCE

**2.44.170 Right to contract for special service.**

The city manager shall consider and make recommendations to the city council regarding the extent to which the city should contract for the performance of technical services in connection with the establishment or operation of the personnel system. The city council may contract with any qualified person or public or private agency for the performance of all or any of the following responsibilities and duties imposed by this chapter:

- A. The preparation of personnel rules and subsequent revisions and amendments thereof;
- B. The preparation of a position classification plan, and subsequent revisions and amendments thereof;
- C. The preparation, conduct and grading of competitive tests;
- D. The conduct of employee training programs;
- E. Special and technical services of advisory or informational character on matters relating to personnel administration. (Ord. 381 § 17, 1974)

**2.44.180 Effective date.**

This ordinance shall become effective immediately after the date of final passage by the City of Capitola City Council.

**2.44.190 No conflict with Federal or State law.**

Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any Federal or State law.

**2.44.100 Preemption.**

The provisions of this chapter shall be null and void if State or Federal legislation, or administrative regulation, takes effect with the same or substantially similar provisions as contained in this chapter. The City Council shall determine whether or not identical or substantially similar statewide legislation has been enacted or regulations issued."

Section 2. This ordinance shall take effect and be in full force on \_\_\_\_\_, 2013.

This ordinance was introduced on the 12<sup>th</sup> day of December, 2013, and was passed and adopted by the City Council of the City of Capitola on the \_\_\_ day of \_\_\_, 2014, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:
- DISQUALIFIED:

APPROVED:

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

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