

City of Capitola Agenda

Mayor: Stephanie Harlan
Vice Mayor: Michael Termini
Council Members: Jacques Bertrand
Ed Bottorff
Kristen Petersen

Treasurer: Peter Wilk



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, DECEMBER 14, 2017

7:00 PM

**CITY 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 Open Session Meeting.

LIABILITY CLAIMS [Govt. Code § 54956.95]

Claimant: Grey Smith
Agency claimed against: City of Capitola

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Govt. Code § 54956.9(d)(1)]

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

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

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Kristen Petersen, Michael Termini, Jacques Bertrand, Ed Bottorff, and Mayor Stephanie Harlan

2. PRESENTATIONS

- A. Capitola Police Department Herb Ross Community Achievement - Officer of the Year Award

3. REPORT ON CLOSED SESSION

4. ADDITIONAL MATERIALS

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

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. COUNCIL REORGANIZATION

- A. City Council Reorganization for the Selection of Mayor and Vice Mayor
RECOMMENDED ACTION: City Council consideration for a new Mayor and Mayor Pro Tempore.

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. Review Annual Advisory Body Appointments
RECOMMENDED ACTION: Make appointments.

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 the November 21, 2017, City Council Regular Meeting Minutes and the November 29, 2017, Special Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Liability Claim of Grey Smith
RECOMMENDED ACTION: Deny liability claim.
- C. Adopt a Resolution Setting the Interest Rate for Tenant's Security Deposits for 2018 at Zero Percent (0.00%)
RECOMMENDED ACTION: Adopt Resolution.
- D. Consider a Resolution Approving a New Hourly and Seasonal Pay Schedule
RECOMMENDED ACTION: Adopt a Resolution repealing Resolution No. 4075 and approving a new Hourly/Seasonal Pay Schedule.
- E. Consider a Resolution Authorizing an Increase in the Residential and Commercial Garbage Collection
RECOMMENDED ACTION: Adopt the proposed Resolution approving the Rate Schedule for Residential and Commercial Garbage Collection and Recycling in Capitola effective January 1, 2018.
- F. Review Audit Report for Fiscal Year 2016-2017
RECOMMENDED ACTION: Receive report.

11. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Consider Purchase of Police Communication Infrastructure
RECOMMENDED ACTION: Approve the purchase of Police Department communications infrastructure and required budget amendments.
- B. Review 2014 Community Development Block Grant Accomplishments
RECOMMENDED ACTION: Direct staff to submit final reports and CDBG closeout package to the state.
- C. Reauthorize an Ordinance Implementing the Provisions of the Digital Infrastructure and Video Competition Act
RECOMMENDED ACTION: Approve an emergency ordinance and introduce an

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
December 14, 2017

ordinance reauthorizing Ordinance No. 934 regarding Municipal Code Chapter 13.06
State Video Service Franchisee.

12. ADJOURNMENT

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

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

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

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

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

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



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: Capitola Police Department

SUBJECT: Capitola Police Department Herb Ross Community Achievement - Officer of the Year Award

DISCUSSION: Sergeant Cliff Sloma began his career with the Capitola Police Department as a Reserve Police Officer in May 1992. In August 1994, Sergeant Sloma was hired as a Community Service Officer and worked for three years until he was selected to attend the Police Academy in February 1995. Ten years later, Sergeant Sloma was promoted to his current rank of Police Sergeant with the Capitola Police Department.

Sergeant Sloma has held many assignments during his 23-year career with the Police Department, including field training officer, motor officer, detective, firearms instructor, defensive tactics instructor, and impact weapons instructor. In addition to his extensive duties as a patrol sergeant, Sergeant Sloma oversees our Police Training Officer program and In-Service Training program. Sergeant Sloma is the coordinator for the Santa Cruz County Training Managers group, and has been intimately involved in the training of law enforcement officers from throughout Santa Cruz County.

Additionally, Sergeant Sloma has been a staff member at Cabrillo College, serving as an adjunct instructor for the Cabrillo College Administration of Justice Program. Sergeant Sloma was selected by California Police Officer Standards and Training as a member of its Training Advisory Committee and has worked on several state-wide projects and committees, recognized as a subject matter expert in police training practices and protocol.

Sergeant Sloma is a graduate of the prestigious FBI National Academy, Class 252, and a graduate of the Sherman Block Supervisory Leadership Institute Class 364. In his tenure as a supervisor, Sergeant Sloma has been instrumental in the mentoring and development of all members of police department staff and support components.

Sergeant Sloma understands the importance of volunteerism and charitable giving. For many years, he has participated in our county-wide "Police in Pursuit" program and numerous Tip-A-Cop events, all of which raise money for the Special Olympics. He is also an Assistant Scout Master of the Boy Scouts of America Troop #504 and a current board member for the Capitola/Soquel Chamber of Commerce.

For his outstanding commitment to the City of Capitola and the Capitola Police Department,

CPD Officer of the Year Award
December 14, 2017

Sergeant Cliff Sloma has been selected as the 2017 recipient of the Herb Ross Community Achievement Award - Officer of the Year.

Report Prepared By: Terry McManus
Police Chief

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/6/2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: City Council Reorganization for the Selection of Mayor and Vice Mayor

RECOMMENDED ACTION: City Council consideration of 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."

The duties of these positions are defined by California Code Section 36802: "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: City Council must determine if it is the desire of the Council to reorganize at this time. If so, a new Mayor and Mayor Pro Tempore (Vice Mayor) should be selected by motion. The newly selected Mayor will then preside over the remainder of the meeting.

FISCAL IMPACT: None

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

12/6/2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department
SUBJECT: Review Annual Advisory Body Appointments

RECOMMENDED ACTION: Make appointments.

BACKGROUND: Several of the City of Capitola's advisory bodies have terms that expire in December 2017 and will require the City Council or individual members to make appointments for the next term. In addition, Council Members sit on several multi-jurisdiction boards and a number of those appointments are reviewed annually.

DISCUSSION: The Library Advisory Committee (LAC), the Finance Advisory Committee (FAC), and the Art and Cultural Commission have received sufficient applications to close recruitment.

Of those boards, the LAC will meet prior the next City Council meeting, so staff recommends the Council make appointments at this time. The Art and Cultural Commission may meet prior to the next Council meeting; they will be finalizing their 2018 schedule on December 12, 2017.

The Finance Advisory Committee does not meet until February 20, 2018.

Finance Advisory Committee: 7 Members, 1-Year Terms

The Committee provides financial and budget alternatives and advice to the City Council.

- Mayor (or other appointed Council Member)
 - Current appointment Council Member Bertrand
- Vice Mayor (or other appointed Council Member)
- City Treasurer
- 1 appointee from each of the remaining 3 City Council members
 - Marilyn Warter [Petersen Appointee]
 - Will O'Sullivan [Bertrand Appointee]
 - Brigitte Estey [Bottorff Appointee]
- Capitola Businessperson/Capitola Resident representing the business community as recommended by the Capitola Soquel Chamber of Commerce.
 - Matt Arthur

Marilyn Warter and Will O'Sullivan have expressed interested in being reappointed. Brigitte Estey and Matt Arthur are resigning at the end of this term. Paul Estey and Toni Castro have applied to join the committee (Attachments 1 and 2).

Library Advisory Committee: 7 Members, 1-Year Terms

Annual Advisory Committee Appointments
December 14, 2017

The Committee advises the City Council and the City's representative to the Santa Cruz Public Library System regarding library services and the Capitola Branch Library.

- 5 individual council appointees who reside in Capitola or within 2 miles of the Capitola Branch Library
 - Toni Campbell [Harlan Appointee]
 - Ariel Gray [Bottorff Appointee]
 - Gayle Ortiz [Termini Appointee]
 - Lisa Steingrube [Petersen Appointee]
 - Stephen Walsh [Bertrand Appointee]
- 1 Council member
 - Council Member Termini
- 1 City representative to the Santa Cruz Public Library System (still mid-term)

All five current Council-appointed members have expressed interested in being reappointed. In addition, Geri Hancock submitted a new application (Attachment 3).

Art and Cultural Commission: 9 Members, 2-Year Staggered Terms

Commission members help promote the arts and advise the Council regarding public art projects within the City. The Commission will be interviewing applicants at its December 12 meeting and its recommendations for appointment will be distributed as additional materials.

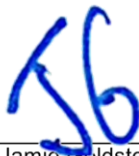
Outside Boards: Attachment 4 is a list of the positions on multi-jurisdiction boards held by Council Members or City staff that are up for annual review. Current representatives may continue to serve or request appointment of another member.

ATTACHMENTS:

1. Castro application
2. Estey application
3. Hancock application
4. 2018 multi-jurisdiction reappointment list

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/7/2017

NOV 28 2017

CITY OF CAPITOLA
CITY CLERK



COVER SHEET CITY of CAPITOLA BOARDS AND COMMISSIONS APPLICATION (for filing in City Clerk's Office)

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
- Library Advisory Committee
- Architectural & Site Committee
[Architect; Landscape Architect; Historian]
Please underline category above.
- Traffic & Parking Commission
[Village Resident; Village Business Owner; At Large Appointee]
Please underline category above.
- Planning Commission
- Other Committee _____

Name: CASTRO TONI

Telephone: 464-3480 CAPITOLA-SOQUEL CHAMBER 359-1803

E-mail Address: TONI@CAPITOLACHAMBER.COM

Physical Address of Residence: 920 CAPITOLA AVE SP#30, CAPITOLA, CA 95010

Mailing Address: 116-G CAPITOLA AVENUE, CAPITOLA, CA 95010

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

Attachment: Castro application (Annual Advisory Committee Appointments)



CITY of CAPITOLA BOARDS AND COMMISSIONS APPLICATION

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
- Library Advisory Committee
- Architectural & 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: Estey Paul
Last First

Residential Neighborhood: Depot Hill

Occupation: Chief Operating Officer

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

Please see attached

(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-November-2017
Date

Paul J Estey
Signature of Applicant

Mail or Deliver Application to:
Capitola City Hall
Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

All information contained in this page of the application is public data and will be made available for public review and copying for anyone requesting it, and may be posted on the website of the City of Capitola. All information in this page will be provided to the Capitola City Council in a public forum and will be reviewed in public. It will therefore be part of the public record.

Attachment: Estey application (Annual Advisory Committee Appointments)

I am a COO of an aerospace company and have many years of managing project budgets and profit and loss of a \$1Billion company. I am well versed in financial accounting and reporting in the private sector. I believe that my experience will be valuable in the public sector.

I have been a resident in Capitola for 14 years and enjoy the many resources that exist here, including those provided by the city government. Since I plan to retire here in a few years I am very interested in ensuring that the city of Capitola manage it's resources well and invest properly for the future.



CITY of CAPITOLA BOARDS AND COMMISSIONS APPLICATION

Application for:

- Art & Cultural Commission
[Artist; Arts Professional; At Large Member]
Please underline category above.
- Architecture & Site Committee
[Architect; Landscape Architect; Historian]
Please underline category above.
- Finance Advisory Committee
[Business Representative; At Large Member]
Please underline category above.
- Traffic & Parking Commission
[Central Village Resident; Village Business Owner; City Council Appointee]
Please underline category above.
- Historical Museum Board
- Planning Commission
- Library Advisory Committee
- Other Committee _____

Name: HANCOCK GERI
Last First

Residential Neighborhood: CAPITOLA

Occupation: CARE GIVER

Describe your qualifications and interest in serving on this Board/Commission/Committee: WAS EMPLOYED IN THE LOS GATOS LIBRARY SYSTEM, VOLUNTEERED IN THE "FRIENDS OF THE LOS GATOS" LIBRARY BOOK STORE, CURRENTLY FREQUENT 3 DIFFERENT BRANCHES WITHIN THE SANTA CRUZ PUBLIC LIBRARY SYSTEM.

(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.

11.7.17
Date

Geri Hancock
Signature of Applicant

Mail or Deliver Application to:
Capitola City Hall
Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

All information contained in this page of the application is public data and will be made available for public review and copying for anyone requesting it, and may be posted on the website of the City of Capitola. All information in this page will be provided to the Capitola City Council in a public forum and will be reviewed in public. It will therefore be part of the public record.

Attachment: Hancock application (Annual Advisory Committee Appointments)

2018 MULTI-JURISDICTION BOARDS CAPITOLA REPRESENTATIVE REAPPOINTMENTS

Name of Board/Commission/Committee	Capitola Representative(s)
Community Television of Santa Cruz County Board of Directors <i>(Meets: 10 times per year at 5:30 p.m. at Community Television Offices, 816 Pacific Avenue, Santa Cruz)</i>	<i>Term expires November 2017</i> <ul style="list-style-type: none"> • Larry Laurent
Criminal Justice Council of Santa Cruz County <i>(Meets: Quarterly)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Michael Termini (<i>Representative</i>) • Jacques Bertrand (<i>Representative</i>)
Santa Cruz County Children's Network <i>(Meets five times a year at noon in the County Office of Education)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Jacques Bertrand (<i>Representative</i>) • Michael Termini (<i>Alternate</i>)
Santa Cruz County Flood Control & Water Conservation District, Zone 5 ▲ <i>(Meets: Quarterly on the 4th Tuesday at 10 a.m. in the County Board of Supervisors Chambers, 701 Ocean Street)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Stephanie Harlan (<i>Representative</i>) ♦ • Jacques Bertrand (<i>Alternate</i>) ♦
Santa Cruz County Library Financing Authority <i>(Meets twice yearly in January and June Main Library)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Michael Termini ♦ (<i>Representative</i>) • Jacques Bertrand (<i>Alternate</i>)
Santa Cruz County Integrated Waste Management Local Task Force <i>(Meets: 4 x/year)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Larry Laurent (<i>Representative</i>) • Stephanie Harlan (<i>Alternate</i>)
Santa Cruz County Sanitation District ▲ <i>(Meets: 1st & 3rd Thursday of each month at 4:45 p.m. at the East Cliff Pumping Station on Lode St., Santa Cruz)</i>	<i>Council to review appointments annually</i> <ul style="list-style-type: none"> • Stephanie Harlan (<i>Representative</i>) ♦ • Jacques Bertrand (<i>Alternate</i>) ♦

- ▲ = Members are required to File Statements of Economic Interest, Form 700
 ■ = Members are required to complete AB 1234 Ethics Training
 ♦ = Council Member appointment required



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Consider the November 21, 2017, City Council Regular Meeting Minutes and November 29, 2017, Special Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the regular meeting of November 21 and special meeting of November 29, 2017.

ATTACHMENTS:

1. 11-21 draft minutes
2. 11-29 draft minutes

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

12/6/2017

**DRAFT
CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, NOVEMBER 21, 2017**

CLOSED SESSION 6:30 PM

CALL TO ORDER

Mayor Harlan called the meeting to order at 6:30 p.m. with the following items to be discussed in Closed Session:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR
[Govt. Code § 54956.8]**

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

LIABILITY CLAIMS [Govt. Code § 54956.95]

Claimant: Donald Ish
Agency claimed against: City of Capitola

There was no public comment; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Mayor Stephanie Harlan: Present, Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.
Treasurer Peter Wilk was present.

2. REPORT ON CLOSED SESSION

Assistant City Attorney Reed Gallogly said there was no reportable action on the property negotiations and the liability claim will be voted on consent.

3. ADDITIONAL MATERIALS

A. Item 8.A – 13 emailed public comments.

4. ADDITIONS AND DELETIONS TO AGENDA - NONE

5. PUBLIC COMMENTS

Dave Fox thanked the City Council for its work.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
November 21, 2017

Rob Kawamoto, 42nd Avenue resident, noted that there is a loud leaf blower operating early in the morning at a commercial building on 41st Avenue.

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Bertrand noted that the County is developing its strategic plan and asking for community input.

Council Member Termini noted that Surfing Santa arrives this Saturday. The Art and Cultural Commission selected two new projects it will be bringing to the Council for approval: a new climbable sculpture for Esplanade Park and a mural for the Monte skatepark. He shared the work of the first and second place winners of the recent Plein Air event, which will hang in the Council Chambers.

Council Member Petersen attended a recent County strategic plan meeting and noted it offers opportunities for participation, not just information gathering. She encouraged the community to donate toward homeless care kits from the Community Action Board.

Mayor Harlan announced the Grey Bear annual holiday dinner is December 3, and encouraged people to dine or serve. She also reported that the Seniors Council is hosting work groups.

Treasurer Wilk noted that the Zoning Update has been ongoing since 2014 and costs continue to accrue.

7. CONSENT CALENDAR

MOTION:	APPROVE OR DENY ITEMS AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Botorff, Council Member
AYES:	Botorff, Bertrand, Harlan, Termini, Petersen

- A. Consider the October 26 and November 9, 2017, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of November 2, 2017.
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Register Reports Dated October 6, October 13, October 20 and October 27, 2017
RECOMMENDED ACTION: Approve check registers.
- D. Liability Claim of Donald Ish [Claims Binder]
RECOMMENDED ACTION: Deny liability claim.
- E. Approval of a Notice of Completion for the Highway 1 Bike Lane Enhancement Project [940-40/500-10 D&M]
RECOMMENDED ACTION: Accept the Highway 1 Bike Lane Enhancement Project, constructed by D&M Traffic Services, Inc., as complete at a final cost of

Attachment: 11-21 draft minutes (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
November 21, 2017

\$115,052.20, approve a Notice of Completion, and authorize the release of the contract retention.

F. Second Reading of an Ordinance Amending Chapter 16 of the Capitola Municipal Code Pertaining to Subdivisions

RECOMMENDED ACTION: Staff recommends the City Council take the following actions:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) as documented in the attached CEQA 15183 exemption form;
2. Adopt the proposed Subdivision Ordinance Amendment;
3. Adopt the attached Resolution authorizing the City Manager to submit a Local Coastal Program Amendment to the California Coastal Commission.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Consider a 2017 Community Development Block Grant (CDBG) Application

RECOMMENDED ACTION: Adopt the attached Resolution approving a Community Development Block Grant application for \$2,430,700 to fund Clares Street traffic improvements and housing programs and allowing execution of a grant agreement.

Community Development Director Rich Grunow presented the staff report.

Council Member Bottorff clarified with Public Works Director Steve Jesberg that the Clares Street cost estimate now includes paving the full section between Wharf Road and 41st Avenue.

There was no public comment.

MOTION:	ADOPT THE RESOLUTION AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

B. Introduce Zoning Code Update

RECOMMENDED ACTION: Staff recommends that the City Council introduce an Ordinance rescinding and readopting the Zoning Code of Capitola Municipal Code Chapter 17; rescinding the Capitola Village Design Guidelines and 41st Avenue Design Guidelines; moving Floodplain District and Green Building Regulations into Title 15 Building and Construction; and adopting a new zoning map, and continue the public hearing to November 29, 2017.

Senior Planner Katie Herlihy presented an overview of the process from the 2010 inception to the current adoption hearings. Once the update is adopted locally, it will be submitted to the California Coastal Commission. The Planning Commission unanimously recommended approval. Its amendments are highlighted for Council discussion.

The hearing opened with discussion of proposed new zoning along Capitola Road between 41st Avenue and 45. Noted that two zones convert to match 41st and 45th

Attachment: 11-21 draft minutes (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
November 21, 2017

avenues. The current zoning shifts from 40 to 27 to 35 feet in allowed height. The change was first identified in 41st Avenue Re-Visioning Plan and the General Plan identifies local commercial emphasis for the corridor.

The Planning Commission considered this item during its September 6 meeting and directed staff to maintain the proposed zoning of Community Commercial and not modify the maximum height.

Planner Herlihy reviewed the potential development under proposed standards and acknowledged receipt of public comment expressing concern about the height. The floor area ratio (FAR) of one for the zone limits the height because of parking and costs of multi-level structures.

Council Member Termini confirmed the challenges for specific lots in the target area presented by the need to meet parking requirements and setbacks due to FAR.

Council Member Bertrand confirmed that FARs of 1.5 to 2 are only along 41st Avenue.

Council Member Bottorff confirmed the Council could add limits to one portion of Community Commercial zoning.

Jeff Perez, resident, noted the neighborhoods are heavily impacted by traffic.

Susan Westman, Planning Commissioner, reported on the commission's recommendation where the majority supported the proposed zoning. As an individual resident, she said the need to adopt the update is great and as a planner she is not concerned about the density of development that would be permitted. She suggested a third option of rezoning the north side that is adjacent to single-family residential to Mixed-Use Neighborhood (MU-N).

David Fox, resident, said he is no longer concerned that four stories would be allowed, and supports suggestions by Ms. Westman.

Rob Kawamoto, resident, would like more information about improving walkability. He is also concerned about traffic impacts.

Melody Newcomb, resident, also expressed concern about traffic and density.

Jennifer Collins, resident, echoed concerns. She supports specific zoning for the area.

Deidre Fuller, resident, said there have been long-term cut-through traffic problems and heavy use of street parking.

Council Member Termini said he likes the MU-N possibility on the north side and wants design review on all projects in the area.

Council Member Bertrand would like to expand sidewalks.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
November 21, 2017

Following discussion, the City Council provided the following direction for continued discussion:

- North side of Capitola Road: Rezone to MU-N due to shallow lots and adjacent residential properties.
- South side of Capitola Road: Provide a zoning solution that would maintain the Community Commercial zoning with the additional requirements:
 - a decreased height limit of three stories/35 feet maximum,
 - additional review requirement, including public outreach and City Council approval, for all development over two stories, and
 - require adequate setbacks for future sidewalks.

Mayor Harlan invited the public to comment on any other issues.

Elizabeth Jackson, resident, addressed vacation rental overlay and requested her home at 488 Riverview be included. Council asked to continue this item.

Mark Garrigoes, resident, asked if accessory dwelling units (ADUs) will be permitted for lots of 4,000 square feet lot and given the bonus of a 0.6 FAR.

Senior Planner Herlihy confirmed the update includes a decrease to 4,000 square feet for attached ADUs and asked for direction on the bonus. The Council expressed consensus support for an exception to allow 0.60 FAR on lots 4,000 square feet or greater with a secondary dwelling unit.

The Council reviewed the remaining items amended or discussed by the Planning Commission and supported its recommendations as follows:

Capitola Road between 45th Avenue and Wharf Road: The new zoning map rezones this area to Mixed Use Neighborhood (MU-N). The Planning Commission directed staff to add a footnote requiring a Conditional Use Permit for retail, personal service establishments, and offices for all properties within the MU-N zoning district along Capitola Road. This modification essentially reinstalls the requirements of the previous zoning. Council supported the modification.

Drive-through and curbside service:

The Planning Commission directed staff to allow a restaurant with curbside delivery consistent with the table below.

	Current Code	Draft Code	PC Recommendation
Restaurant w/ Curbside	No	CUP in RC Zone Prohibited elsewhere	CUP in RC Zone Prohibit elsewhere
Retail w/Curbside	Permitted in all commercial zones	CUP – RC Prohibited elsewhere	Permitted in all commercial zones

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
November 21, 2017

Designated (Curbside) Spaces in Parking Lot	No in shared lots	Yes	CUP for Shared
	Allow private lots		Allow in Private

The City Council supported the Planning Commission recommendation and directed that the update specify that curbside is only allowed in commercial and mixed-use zones.

Vacation rental signs: The City Council supported the Planning Commission recommendation of 12 inches by 12 inches maximum.

Existing non-conforming signs: The Council supported the Planning Commission amendment requiring a review with a new Design Permit.

Animal keeping: Council supported the Planning Commission requirement that all allowed animals, other than household pets, be confined to the property within a fenced yard.

Council agreed to continue discussion about Capitola Road, the vacation overlay, and improving the technical descriptions for lighting and assumed ground height.

MOTION:	CONTINUE THE HEARING	Next: 11/29/2017 6:00 PM
RESULT:	FIRST READING CONTINUED [UNANIMOUS]	
MOVER:	Michael Termini, Vice Mayor	
SECONDER:	Ed Bottorff, Council Member	
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen	

9. ADJOURNMENT

The meeting was adjourned at 9:17 p.m.

Mayor

ATTEST:

Linda Fridy, City Clerk

Attachment: 11-21 draft minutes (Approval of City Council Minutes)

**DRAFT
CAPITOLA CITY COUNCIL
SPECIAL MEETING MINUTES
WEDNESDAY, NOVEMBER 29, 2017 - 6:00 PM**

CLOSED SESSION 5:30 PM

CALL TO ORDER

Mayor Harlan called the meeting to order at 5:30 p.m. with the following item to be discussed in Closed Session:

CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]

Negotiator: Jamie Goldstein, City Manager

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 Heads

There was no public comment; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

SPECIAL MEETING OF THE CAPITOLA CITY COUNCIL – 6 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Mayor Stephanie Harlan: Present, Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.

Treasurer Wilk was absent.

2. REPORT ON CLOSED SESSION

City Attorney Tony Condotti reported that the Council received a report and gave direction on labor negotiations.

3. ADDITIONAL MATERIALS

Item 4.1 – Seven public comment additional materials.

4. GENERAL GOVERNMENT / PUBLIC HEARINGS

1. First Reading of Zoning Code Update

RECOMMENDED ACTION: Staff recommends that the City Council introduce an Ordinance rescinding and readopting the Zoning Code of Capitola Municipal Code Chapter 17; rescinding the Capitola Village Design Guidelines and 41st Avenue Design Guidelines; moving Floodplain District and Green Building Regulations into Title 15 Building and Construction; and adopting a new zoning map.

Senior Planner Katie Herlihy presented the staff report and noted that the introduction hearings Nov. 21 and tonight are not the first reading, which will be held in January

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
November 29, 2017

following the input received. Four topics were previously identified for additional discussion as well as other Council comments.

Vacation rental overlay: The first topic was a request to add a property at 488 Riverview to the vacation overlay district. Council Member Termini recused himself from the discussion due to his home's proximity and left the dais.

Planner Herlihy noted there was clear prior direction that the vacation overlay should not extend into the 500 block of Capitola Avenue.

Council Member Bottorff noted the overlay has been extensively discussed and sees no reason to extend it, especially given frequent complaints about vacation rentals. He supports the district as proposed. Council Member Bertrand added he does not want to remove more homes from available long-term housing. Council Member Petersen and Mayor Harlan concurred.

Council Member Termini returned to the dais.

Rezoning Capitola Road between 41st and 45th Avenues: Planner Herlihy noted courtesy letters went out to property owners but additional noticing would be required if the Council does recommend different zoning. She reviewed the existing zoning.

Under the suggestion to rezone the north section to Mixed-Use Neighborhood (MU-N), the existing Professional Office properties would have a lower, 27-foot height and an increased setback to the residential uses. She offered examples of impacts and noted parking requirements drive development options. Council Member Termini expressed concern about flat-topped buildings with a 27-foot height. Council Member Bertrand asked if sidewalks can be wider and there was consensus support.

City Manager Jamie Goldstein warned the Council that this zoning change likely will not encourage new projects in the short- to mid-term. Council Member Bottorff expressed support for the originally proposed Community Commercial (CC) zoning.

Stephen Sergy advocated for more housing and supports the original CC proposal. He noted area has good access to transit and bike lanes.

Erin Bernal, resident and former General Plan Commission member, said the recommended CC zoning does not support a transition to a residential neighborhood and she supports zoning that would.

Terry Tetter, resident, supports the requirements for adequate parking and transition development.

Council Member Termini asked for language discouraging flat roofs. There was majority consensus support for this request as part of MU-N zoning.

For the southern portion of Capitola Road between 41st and 45th, staff suggested reducing height to either three stories or 35 feet. Council Member Termini suggested a 40-foot setback in the rear. Staff also recommended additional conditions of a required conceptual review during which the developer would present results of public outreach.

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
November 29, 2017

Height measurement: The Council asked staff to add language limiting development below Depot Hill to prohibit height above the bluff top similar to language in the General Plan for a village hotel. It supported additional arrows in the illustration for clarification.

Lighting: Staff will work to make language consistent throughout and there was consensus for the examples.

Council Member Bertrand would like to remove non-native species language in riparian corridors. Staff noted experts often recommend acacia. Council agreed to leave the language but encourage native options.

There was a question about whether the City has jurisdiction over mobile home parks and if it can set standards for additional parking. The state oversees existing parks, but the Council agreed that if a new one were developed to require visitor parking at a ratio of one spot for every 10 units.

Large residential care facilities: The City Attorney advised against any change.

Food truck limits: Council supported increasing the limit to for four times a year.

MOTION:	CONTINUE THE HEARING TO THE JANUARY 11, 2018, MEETING
RESULT:	CONTINUED [UNANIMOUS]
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

5. **ADJOURNMENT**

The meeting was adjourned at 8:11 p.m.

Mayor

ATTEST:

Linda Fridy, City Clerk



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Liability Claim of Grey Smith

RECOMMENDED ACTION: Deny liability claim.

DISCUSSION: Grey Smith has filed a liability claim against the City for an undetermined amount.

Report Prepared By: Liz Nichols
Executive Assistant to the City Manager

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

12/6/2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Adopt a Resolution Setting the Interest Rate for Tenant's Security Deposits for 2018 at Zero Percent (0.00%)

RECOMMENDED ACTION: Adopt Resolution.

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. It requires the City Council to review the interest rate and adopt 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. However, in recent years, with the passbook savings rate near zero, the City has set the tenant security deposit rate at zero to simplify the process. A history of interest rates since adoption of the implementing Ordinance is Attachment 1.

DISCUSSION: Santa Cruz County surveyed annual simple interest on passbook savings (Attachment 2) and recommended the County Board of Supervisors set the interest rate for tenants' security deposits for 2018 at 0.01%. The Board of Supervisors met on December 5, 2017, and adopted a resolution establishing that interest rate effective January 1, 2018.

Based on the past Council's action, staff has prepared a resolution setting the City's 2018 tenant interest rate at zero percent (0.00%) given the very low passbook savings rate.

Notices were mailed and/or emailed to all interested parties on Friday, December 8, 2017, along with the agenda report.

FISCAL IMPACT: None

ATTACHMENTS:

1. Tenant Security Deposit History (PDF)
2. Interest Survey (PDF)

Report Prepared By: Linda Fridy
City Clerk

Tenant's Security Deposits
December 14, 2017

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/6/2017

Tenant's Security Deposits
December 14, 2017

DRAFT RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS FOR 2018
AT ZERO PERCENT (0.00 %) IN THE CITY OF CAPITOLA**

WHEREAS, Municipal Code Section 5.48.025 directs the City Council to set the minimum annual interest rate for tenant security deposits; and

WHEREAS, the current rate of interest for residential rental security deposits is zero percent (0.00%); and

WHEREAS, the County of Santa Cruz Board of Supervisors, at its meeting held December 5, 2017, voted to set the rate at one one-hundredth percent (0.01%) as recommended by the Santa Cruz County Investment Officer; 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 City Council finds the rate of 0.01% to be burdensome to property owners in the City of Capitola; and

WHEREAS, based on the City Council's action to set the interest rate at zero percent (0.00%) in previous years with similar situations;

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, 2018.

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 14th day of December, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor

ATTEST:

Linda Fridy, City Clerk



420 Capitola Avenue
 Capitola, California 95010
 Telephone: (831) 475-7300
 Website: CityofCapitola.org

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
Resolution No. 3973	Zero Percent (0.00%)	January 1, 2014
Resolution No. 4009	Zero Percent (0.00%)	January 1, 2015
Resolution No. 4040	Zero Percent (0.00%)	January 1, 2016
Resolution No. 4070	Zero Percent (0.00%)	January 1, 2017

Revised 1/13/2017

Survey of Annual Simple Interest on Passbook Savings

Tenant's Interest on Security Deposits
Subsection B of Section 842.010

Rate Quote Date : 11/3/17	Regular Savings Account
Bank of the West	0.01
JP Morgan Chase	0.01
Bank of America	0.01
Wells Fargo	0.01
Union Bank	0.01
Comerica	0.01
AVERAGE:	0.01

Regular Passbook based on Savings Accounts less than \$5000

djz / 11/03/17

Attachment: Interest Survey (Tenant's Security Deposits)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Consider a Resolution Approving a New Hourly and Seasonal Pay Schedule

RECOMMENDED ACTION: Adopt a resolution repealing Resolution No. 4075 and approving a new Hourly/Seasonal Pay Schedule.

BACKGROUND: The hourly and seasonal employees are primarily employed by the Recreation Department, but also includes interns, reserve officers, and annuitant officers. Seasonal and hourly employees work part-time on a seasonal basis, not year-round and are not considered regular employees. Although positions may be listed on the schedule, it does not necessarily mean they are funded. These positions are not represented by any labor union and are not subject to any existing memorandum of understanding. For this reason, any wage increases are done by separate City Council action.

DISCUSSION: The hourly and seasonal employees pay schedule was last adjusted in March 2017 to address the recruitment of the Beach Captain position. The other part-time and seasonal positions were updated in December 2016. The California State minimum wage is scheduled to increase on January 1, 2018, from \$10.50 per hour to \$11.00 per hour. In order to meet the minimum wage requirement, the schedule for all listed positions with the exception of the Police Reserve, the Police Annuitant Officer, and the Beach Captain will be adjusted by a minimum of 3 percent. This will raise the lowest step to the new minimum wage, maintain the established classification/compensation system, and prevent compaction between the different positions.

FISCAL IMPACT: The fiscal impact for the wage increase effective January 1, 2018, (six months) will be up to \$3,000 for Fiscal Year 2017/2018. The annual impact in Fiscal Year 2017/2018 will be up to \$6,000.

Report Prepared By: Larry Laurent
Assistant to the City Manager

Temporary and Seasonal Pay Rates
December 14, 2017

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

12/6/2017

Temporary and Seasonal Pay Rates
December 14, 2017

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
REPEALING RESOLUTION NO. 4075 AND APPROVING
NEW HOURLY/SEASONAL EMPLOYEE PAY SCHEDULES EFFECTIVE JANUARY 1, 2018**

WHEREAS, the City Council periodically reviews the compensation rates for hourly and seasonal employment positions; and

WHEREAS, the positions are hourly and are not represented by any labor union and are not subject to any existing memorandum of understanding; and

WHEREAS, the Seasonal/Hourly Pay Schedule was last amended by Resolution No. 4075 on March 27, 2017, which provided changes to the Beach Captain position; and

WHEREAS, the classification of Reserve Police Officer and Annuitant Officer have a set salary for those positions and are automatically adjusted and are not subject to the proposed increase; and

WHEREAS, in order to meet the requirements of the California State Minimum Wage Law, the salaries for all those positions listed with the exception of Reserve and Annuitant Officers and Beach Captain, shall be increased by minimum of three percent (3%).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAPITOLA HEREBY RESOLVES AS FOLLOWS:

1. Resolution No. 4075 is repealed in its entirety.
2. The Hourly/Seasonal and Reserve Police Officers and Annuitant Officer Employee Pay Schedule, attached hereto as Exhibit A, is effective on January 1, 2018.
3. The City Manager is authorized to hire persons to fill these positions within the limitations set forth on the attached schedule and budget.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 14th day of December 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Stephanie Harlan, Mayor

ATTEST:

Linda Fridy, City Clerk

Temporary and Seasonal Pay Rates
December 14, 2017

EXHIBIT A
HOURLY/SEASONAL
SCHEDULE - EFFECTIVE JANUARY 1, 2018

January 1, 2018 (Minimum wage \$11.00/hour)				
POSITION	0	1	2	3
Camp Capitola Assistant Leader	\$11.00	\$11.55	\$12.13	\$12.73
Camp Capitola Leader	\$13.37	\$14.04	\$14.74	\$15.48
Camp Capitola Jr. Leader Coordinator	\$16.25	\$17.06	\$17.92	\$18.81
Camp Capitola Coordinator	\$19.75	\$20.74	\$21.78	\$22.87
Intern	\$14.75	\$15.49	\$16.26	\$17.07
Jr. Lifeguard Assistant Instructor	\$11.00	\$11.55	\$12.13	\$12.73
Beach Lifeguard/Jr. Lifeguard Instructor	\$14.64	\$15.38	\$16.14	\$16.95
Beach Lieutenant/Jr. Lifeguard Coordinator	\$19.07	\$20.02	\$21.03	\$22.08
Beach Lifeguard Captain	\$29.74	\$31.23	\$32.79	\$34.43
Recreation Facility Assistant	\$13.25	\$13.91	\$14.61	\$15.34
Seasonal Maintenance	\$13.25	\$13.91	\$14.61	\$15.34
Sports Scorekeeper	\$13.25	\$13.91	\$14.61	\$15.34
POSITION				
Retired Annuitant Officer	Salary will be equivalent to the position for which the individual is working in as per the CALPERS regulations.			
	However, retired Capitola Police Officers who apply and are accepted as Annuitant Officers will be paid an hourly wage consistent with Step F of the Police Officer salary range.			
Reserve Officer Level I	Automatically adjusts to 20% below the Police Officer Pay Scale			
Reserve Officer Level II	Automatically adjusts to 20% below the Level I Reserve Officer Pay Scale			
Seasonal Recreation Assistant	Salary will be equivalent to the position of Recreation Assistant			
Art and Cultural Assistant	Salary will be equivalent to the position of Administrative Assistant			



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Consider a Resolution Authorizing an Increase in the Residential and Commercial Garbage Collection

RECOMMENDED ACTION: Adopt the proposed Resolution approving the Rate Schedule for Residential and Commercial Garbage Collection and Recycling in Capitola effective January 1, 2018.

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 at 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 percent of the CPI for the period ending October 2017, which was 2.6873 percent. The average 35-gallon residential customer will have a monthly rate increase of 44 cents and the average 64-gallon residential customer will have a monthly rate increase of 75 cents.

Residential Carts	Current Monthly Rates	New Monthly Rates
10 Gallon	\$12.20	\$12.53
20 Gallon	\$14.50	\$14.89
35 Gallon	\$16.43	\$16.87
64 Gallon	\$27.97	\$28.72
96 Gallon	\$39.64	\$40.71

The City continues to have the lowest residential rates in the County.

The proposed resolution will supersede Resolution No. 4066, as authorized in the Franchise Agreement dated April 24, 2008, and amended on December 13, 2012.

FISCAL IMPACT: The increase of 2.6873 percent results in the average 64-gallon residential customer increase of 75 cents a month. There is no direct fiscal impact to the City.

ATTACHMENTS:

Residential and Commercial Garbage Collection
December 14, 2017

1. exhibits 2018 garbage rate schedule (PDF)
2. Capitola 2018 Rate CPI Calculation (PDF)

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/6/2017

Residential and Commercial Garbage Collection
December 14, 2017

DRAFT 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, 2018,
SUPERSEDING RESOLUTION NO. 4066**

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 percent of the Consumer Price Index for San Francisco-Oakland-San Jose area, which was 2.6873 percent for the period ending October 2017; and

WHEREAS, the City Council adopted Resolution No. 4066 on December 8, 2016, which adopted a rate schedule effective January 1, 2017; and

WHEREAS, applicable rates for both commercial and residential service will increase by 2.6873 percent, as per the Franchise Agreement dated April 24, 2008, effective January 1, 2018; 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, 2018.

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 4066.

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 14th day of December 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Linda Fridy, City Clerk

Exhibit A-1 2018 Residential Rates

City of Capitola Residential Rate Structure								
Contract Year Beginning January 1, 2018								
1)	Residential Carts	Frequency	# of Carts	1/1/2017 Rates		CPI Adj	2.6873%	New Rates To be billed
				Monthly	Quarterly	Monthly	Quarterly	
	10 Gallon	1	1	\$ 12.20	\$ 36.60	\$ 12.53	\$ 37.58	37.58
	20 Gallon	1	1	\$ 14.50	\$ 43.50	\$ 14.89	\$ 44.67	44.67
	20 Gallon	2	1	\$ 29.00	\$ 87.00	\$ 29.78	\$ 89.34	89.34
	35 Gallon	1	1	\$ 16.43	\$ 49.29	\$ 16.87	\$ 50.61	50.61
	35 Gallon	2	1	\$ 32.88	\$ 98.64	\$ 33.76	\$ 101.29	101.29
	35 Gallon	1	2	\$ 32.88	\$ 98.64	\$ 33.76	\$ 101.29	101.29
	35 Gallon	1	3	\$ 50.61	\$ 151.83	\$ 51.97	\$ 155.91	155.91
	35 Gallon	1	4	\$ 67.70	\$ 203.10	\$ 69.52	\$ 208.56	208.56
	35 Gallon	1	5	\$ 84.39	\$ 253.17	\$ 86.66	\$ 259.97	259.97
	35 Gallon	1	6	\$ 101.27	\$ 303.81	\$ 103.99	\$ 311.97	311.97
	35 Gallon	1	7	\$ 118.18	\$ 354.54	\$ 121.36	\$ 364.07	364.07
	35 Gallon	1	8	\$ 131.65	\$ 394.95	\$ 135.19	\$ 405.56	405.56
	64 Gallon	1	1	\$ 27.97	\$ 83.91	\$ 28.72	\$ 86.16	86.16
	64 Gallon	2	1	\$ 55.91	\$ 167.73	\$ 57.41	\$ 172.24	172.24
	64 Gallon	1	2	\$ 55.91	\$ 167.73	\$ 57.41	\$ 172.24	172.24
	64 Gallon	1	3	\$ 83.91	\$ 251.73	\$ 86.16	\$ 258.49	258.49
	64 Gallon	1	4	\$ 111.88	\$ 335.64	\$ 114.89	\$ 344.66	344.66
	64 Gallon	1	5	\$ 139.86	\$ 419.58	\$ 143.62	\$ 430.86	430.86
	64 Gallon	1	6	\$ 167.83	\$ 503.49	\$ 172.34	\$ 517.02	517.02
	64 Gallon	1	7	\$ 195.80	\$ 587.40	\$ 201.06	\$ 603.19	603.19
	64 Gallon	1	8	\$ 223.77	\$ 671.31	\$ 229.78	\$ 689.35	689.35
	96 Gallon	1	1	\$ 39.64	\$ 118.92	\$ 40.71	\$ 122.12	122.12
	96 Gallon	2	1	\$ 79.22	\$ 237.66	\$ 81.35	\$ 244.05	244.05
	96 Gallon	1	2	\$ 79.22	\$ 237.66	\$ 81.35	\$ 244.05	244.05
	96 Gallon	1	3	\$ 118.85	\$ 356.55	\$ 122.04	\$ 366.13	366.13
	96 Gallon	1	4	\$ 153.99	\$ 461.97	\$ 158.13	\$ 474.38	474.38
	96 Gallon	1	5	\$ 198.08	\$ 594.24	\$ 203.40	\$ 610.21	610.21
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)	<u>Special pick-up for service not on a regular schedule</u>							
	\$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)	<u>Special Service for walk-in by driver</u>							
	\$5.00 per can or bag plus the monthly rate. Except as provided in Section 4.1.B(4).							

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

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		\$ 15.00	per large item		\$ 10.00		
	Non-CFC Appliance		\$ 25.00	per large item		\$ 15.00		
	Carpet		\$ 0.50	per square foot		\$ 0.50		
6)	Service Re-Start							
			\$ 25.00			\$ 25.00		
7)	Extra containers picked up on non-regularly scheduled day of service= Monthly Rate divided by 4.33							
8)	Miscellaneous Residential Services							
			1/1/2017 Rates		CPI Adj	2.6873%	New Rates	
	<u>Additional Reside</u>	<u>Frequency</u>	<u># of Carts</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	To be billed
	64 Gallon - Recycle Only	1	1	\$ 5.83	\$ 17.49	\$ 5.99	\$ 17.96	17.96
	64 Gallon - Yardwaste Only	1	1	\$ 6.78	\$ 20.34	\$ 6.96	\$ 20.89	20.89
	64 Gallon - 2nd Yardwaste Cart	1	1	\$ 3.15	\$ 9.45	\$ 3.23	\$ 9.70	9.70
	64 Gallon - 2nd Yardwaste Cart	2	1	\$ 6.29	\$ 18.87	\$ 6.46	\$ 19.38	19.38
	Cart Replacement (Lost/Damaged Cart)			\$ 56.96		\$ 58.49		58.49

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

Exhibit A-2 2018 Commercial Rates

Commercial Bins			Rate	CPI Increase
# of bins	Bin Size	Frequency	1/1/2017	2.6873%
			New Rates	
1	1 cu yd	1	\$ 166.99	\$ 171.48
1	1 cu yd	2	\$ 252.38	\$ 259.16
1	1 cu yd	3	\$ 337.63	\$ 346.70
1	1 cu yd	4	\$ 423.21	\$ 434.58
1	1 cu yd	5	\$ 508.63	\$ 522.30
1	1 cu yd	6	\$ 594.03	\$ 609.99
2	1 cu yd	1	\$ 252.38	\$ 259.16
2	1 cu yd	2	\$ 423.21	\$ 434.58
2	1 cu yd	3	\$ 594.03	\$ 609.99
2	1 cu yd	4	\$ 764.87	\$ 785.42
2	1 cu yd	5	\$ 935.67	\$ 960.81
2	1 cu yd	6	\$ 1,106.49	\$ 1,136.22
3	1 cu yd	1	\$ 337.81	\$ 346.89
3	1 cu yd	2	\$ 594.04	\$ 610.00
3	1 cu yd	3	\$ 850.44	\$ 873.29
3	1 cu yd	4	\$ 1,106.51	\$ 1,136.25
3	1 cu yd	5	\$ 1,362.75	\$ 1,399.37
3	1 cu yd	6	\$ 1,618.94	\$ 1,662.45
4	1 cu yd	1	\$ 423.21	\$ 434.58
4	1 cu yd	2	\$ 764.87	\$ 785.42
4	1 cu yd	3	\$ 1,106.85	\$ 1,136.59
4	1 cu yd	4	\$ 1,448.18	\$ 1,487.10
4	1 cu yd	5	\$ 1,789.81	\$ 1,837.91
4	1 cu yd	6	\$ 2,131.40	\$ 2,188.68
1	2 cu yd	1	\$ 252.41	\$ 259.19
1	2 cu yd	2	\$ 423.21	\$ 434.58
1	2 cu yd	3	\$ 594.03	\$ 609.99
1	2 cu yd	4	\$ 764.87	\$ 785.42
1	2 cu yd	5	\$ 935.67	\$ 960.81
1	2 cu yd	6	\$ 1,106.49	\$ 1,136.22
2	2 cu yd	1	\$ 423.21	\$ 434.58
2	2 cu yd	2	\$ 764.87	\$ 785.42
2	2 cu yd	3	\$ 1,106.50	\$ 1,136.24
2	2 cu yd	4	\$ 1,448.15	\$ 1,487.07
2	2 cu yd	5	\$ 1,789.82	\$ 1,837.92
2	2 cu yd	6	\$ 2,131.47	\$ 2,188.75

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

Commercial Bins			Rate	CPI Increase
# of bins	Bin Size	Frequency	1/1/2017	2.6873%
New Rates				
3	2 cu yd	1	\$ 594.03	\$ 609.99
3	2 cu yd	2	\$ 1,106.50	\$ 1,136.24
3	2 cu yd	3	\$ 1,618.99	\$ 1,662.50
3	2 cu yd	4	\$ 2,131.47	\$ 2,188.75
3	2 cu yd	5	\$ 2,643.93	\$ 2,714.98
3	2 cu yd	6	\$ 3,156.43	\$ 3,241.25
1	3 cu yd	1	\$ 337.79	\$ 346.87
1	3 cu yd	2	\$ 592.33	\$ 608.25
1	3 cu yd	3	\$ 850.27	\$ 873.12
1	3 cu yd	4	\$ 1,106.50	\$ 1,136.24
1	3 cu yd	5	\$ 1,362.77	\$ 1,399.39
1	3 cu yd	6	\$ 1,618.99	\$ 1,662.50
2	3 cu yd	1	\$ 594.03	\$ 609.99
2	3 cu yd	2	\$ 1,106.50	\$ 1,136.24
2	3 cu yd	3	\$ 1,618.99	\$ 1,662.50
2	3 cu yd	4	\$ 2,131.47	\$ 2,188.75
2	3 cu yd	5	\$ 2,643.93	\$ 2,714.98
2	3 cu yd	6	\$ 3,156.42	\$ 3,241.24
3	3 cu yd	1	\$ 850.26	\$ 873.11
3	3 cu yd	2	\$ 1,618.99	\$ 1,662.50
3	3 cu yd	3	\$ 2,387.71	\$ 2,451.88
3	3 cu yd	4	\$ 3,156.42	\$ 3,241.24
3	3 cu yd	5	\$ 3,925.15	\$ 4,030.63
3	3 cu yd	6	\$ 4,693.85	\$ 4,819.99
4	3 cu yd	1	\$ 1,106.50	\$ 1,136.24
4	3 cu yd	2	\$ 2,131.47	\$ 2,188.75
4	3 cu yd	3	\$ 3,156.42	\$ 3,241.24
4	3 cu yd	4	\$ 4,181.36	\$ 4,293.73
4	3 cu yd	5	\$ 5,206.36	\$ 5,346.27
4	3 cu yd	6	\$ 6,231.26	\$ 6,398.71
1	4 cu yd	1	\$ 423.21	\$ 434.58
1	4 cu yd	2	\$ 764.87	\$ 785.42
1	4 cu yd	3	\$ 1,106.50	\$ 1,136.24
1	4 cu yd	4	\$ 1,448.15	\$ 1,487.07
1	4 cu yd	5	\$ 1,789.82	\$ 1,837.92
1	4 cu yd	6	\$ 2,131.47	\$ 2,188.75

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

Commercial Bins			Rate	Increase
# of bins	Bin Size	Frequency	1/1/2017	2.6873%
2	4 cu yd	1	\$ 764.87	\$ 785.42
2	4 cu yd	1	\$ 1,448.15	\$ 1,487.07
2	4 cu yd	2	\$ 2,131.47	\$ 2,188.75
2	4 cu yd	3	\$ 2,895.82	\$ 2,973.64
2	4 cu yd	4	\$ 3,498.04	\$ 3,592.04
2	4 cu yd	5	\$ 4,181.36	\$ 4,293.73
3	4 cu yd	1	\$ 1,105.96	\$ 1,135.68
3	4 cu yd	2	\$ 2,131.47	\$ 2,188.75
3	4 cu yd	3	\$ 3,156.42	\$ 3,241.24
3	4 cu yd	4	\$ 4,181.36	\$ 4,293.73
3	4 cu yd	5	\$ 5,206.36	\$ 5,346.27
3	4 cu yd	6	\$ 6,231.26	\$ 6,398.71
4	4 cu yd	1	\$ 1,448.15	\$ 1,487.07
4	4 cu yd	2	\$ 2,814.78	\$ 2,890.42
4	4 cu yd	3	\$ 4,181.37	\$ 4,293.74
4	4 cu yd	4	\$ 5,547.95	\$ 5,697.04
4	4 cu yd	5	\$ 6,914.64	\$ 7,100.46
4	4 cu yd	6	\$ 8,281.16	\$ 8,503.70
5	4 cu yd	1	\$ 1,841.33	\$ 1,890.81
5	4 cu yd	2	\$ 3,498.05	\$ 3,592.05
5	4 cu yd	3	\$ 5,206.35	\$ 5,346.26
5	4 cu yd	4	\$ 6,914.57	\$ 7,100.39
5	4 cu yd	5	\$ 8,622.91	\$ 8,854.64
5	4 cu yd	6	\$ 10,331.07	\$ 10,608.70
1	6 cu yd	1	\$ 594.03	\$ 609.99
1	6 cu yd	2	\$ 1,106.50	\$ 1,136.24
1	6 cu yd	3	\$ 1,618.99	\$ 1,662.50
1	6 cu yd	4	\$ 2,131.47	\$ 2,188.75
1	6 cu yd	5	\$ 2,643.93	\$ 2,714.98
1	6 cu yd	6	\$ 3,156.42	\$ 3,241.24
2	6 cu yd	1	\$ 1,106.50	\$ 1,136.24
2	6 cu yd	2	\$ 2,131.47	\$ 2,188.75
2	6 cu yd	3	\$ 3,156.42	\$ 3,241.24
2	6 cu yd	4	\$ 4,181.33	\$ 4,293.70
2	6 cu yd	5	\$ 5,206.35	\$ 5,346.26
2	6 cu yd	6	\$ 6,231.29	\$ 6,398.74
1	8 cu yd	1	\$ 764.87	\$ 785.42
1	8 cu yd	2	\$ 1,448.15	\$ 1,487.07
1	8 cu yd	3	\$ 2,131.47	\$ 2,188.75
1	8 cu yd	4	\$ 2,814.76	\$ 2,890.40
1	8 cu yd	5	\$ 3,498.06	\$ 3,592.06
1	8 cu yd	6	\$ 4,181.33	\$ 4,293.70

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

Commercial Bins			Rate	CPI Increase
# of bins	Bin Size	Frequency	1/1/2017	2.6873%
				New Rates
Miscellaneous Bin Services				
	Bin Cleaning		\$ 148.90	\$ 152.90
	Lock Installation		\$ 38.26	\$ 39.29
Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33				
Commercial Carts				
1	35G	1	\$ 21.88	\$ 22.47
1	35G	6	\$ 131.29	\$ 134.82
1	64G	1	\$ 44.25	\$ 45.44
1	64G	2	\$ 88.50	\$ 90.88
1	64G	3	\$ 132.75	\$ 136.32
1	96G	1	\$ 65.83	\$ 67.60
1	96G	2	\$ 131.65	\$ 135.19
1	96G	4	\$ 263.33	\$ 270.41
1	96G	6	\$ 394.96	\$ 405.57
Commercial Cans				
1	32G	1	\$ 16.72	\$ 17.17
2	32G	1	\$ 33.47	\$ 34.37
3	32G	1	\$ 50.18	\$ 51.53
Miscellaneous Commercial Cart Services				
1	64G	1	\$ 5.83	\$ 5.99
1	64G	1	\$ 6.75	\$ 6.93
	Cart Replacement (Lost Cart)		\$ 56.96	\$ 58.49
Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33				
Drop Box Rates				
1	12 Yard		\$ 473.16	\$ 485.88
1	15 Yard		\$ 473.16	\$ 485.88
1	20 Yard		\$ 568.51	\$ 583.79
1	30 Yard		\$ 761.43	\$ 781.89
1	40 Yard		\$ 1,014.94	\$ 1,042.21
1	Box Relocatioin		\$ 87.27	\$ 89.62
1	Compactor		\$ 361.91	\$ 371.64
per pull plus disposal fees				

Commercial Front Load Compactors			CPI	
Front Load Compactors			Rate	Increase
			1/1/2017	2.6873%
1	2 cu yd	1	\$ 335.71	\$ 344.73
1	2 cu yd	2	\$ 562.87	\$ 578.00
1	2 cu yd	3	\$ 790.06	\$ 811.29
2	2 cu yd	1	\$ 562.87	\$ 578.00
2	2 cu yd	2	\$ 1,017.27	\$ 1,044.61
3	2 cu yd	1	\$ 790.06	\$ 811.29
3	2 cu yd	2	\$ 1,471.64	\$ 1,511.19
1	3 cu yd	1	\$ 449.24	\$ 461.31
1	3 cu yd	2	\$ 787.81	\$ 808.98
2	3 cu yd	1	\$ 790.06	\$ 811.29
2	3 cu yd	2	\$ 1,471.64	\$ 1,511.19
3	3 cu yd	1	\$ 1,130.85	\$ 1,161.24
3	3 cu yd	2	\$ 2,153.26	\$ 2,211.13
4	3 cu yd	1	\$ 1,471.64	\$ 1,511.19
4	3 cu yd	2	\$ 2,834.86	\$ 2,911.04
Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33				
Instabin Service				
1	3 cu yd		\$ 120.17	\$ 123.40

Attachment: exhibits 2018 garbage rate schedule (Residential and Commercial Garbage Collection)

**City of Capitola CPI Adjustment Calculations
Contract Year Beginning January 1, 2018**

San Francisco - Oakland - San Jose - CPI (u) - All Items

October 2017	277.570
October 2016	270.306
Increase	7.264
Percentage increase	2.6873%

Tipping Fee Adjustment:

The tipping fee at Marina is adjusted using the same CPI as above.
No special tipping fee adjustment is required.

**City of Capitola Residential Rate Structure
Contract Year Beginning January 1, 2018**

Residential 1) <u>Carts</u>	<u>Frequency</u>	<u># of Carts</u>	<u>1/1/2017 Rates</u>		<u>CPI Adj 2.6873%</u>		<u>New Rates To be billed</u>
			<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	
10 Gallon	1	1	\$ 12.20	\$ 36.60	\$ 12.53	\$ 37.58	37.58
20 Gallon	1	1	\$ 14.50	\$ 43.50	\$ 14.89	\$ 44.67	44.67
20 Gallon	2	1	\$ 29.00	\$ 87.00	\$ 29.78	\$ 89.34	89.34
35 Gallon	1	1	\$ 16.43	\$ 49.29	\$ 16.87	\$ 50.61	50.61
35 Gallon	2	1	\$ 32.88	\$ 98.64	\$ 33.76	\$ 101.29	101.29
35 Gallon	1	2	\$ 32.88	\$ 98.64	\$ 33.76	\$ 101.29	101.29
35 Gallon	1	3	\$ 50.61	\$ 151.83	\$ 51.97	\$ 155.91	155.91
35 Gallon	1	4	\$ 67.70	\$ 203.10	\$ 69.52	\$ 208.56	208.56
35 Gallon	1	5	\$ 84.39	\$ 253.17	\$ 86.66	\$ 259.97	259.97
35 Gallon	1	6	\$ 101.27	\$ 303.81	\$ 103.99	\$ 311.97	311.97
35 Gallon	1	7	\$ 118.18	\$ 354.54	\$ 121.36	\$ 364.07	364.07
35 Gallon	1	8	\$ 131.65	\$ 394.95	\$ 135.19	\$ 405.56	405.56
64 Gallon	1	1	\$ 27.97	\$ 83.91	\$ 28.72	\$ 86.16	86.16
64 Gallon	2	1	\$ 55.91	\$ 167.73	\$ 57.41	\$ 172.24	172.24
64 Gallon	1	2	\$ 55.91	\$ 167.73	\$ 57.41	\$ 172.24	172.24
64 Gallon	1	3	\$ 83.91	\$ 251.73	\$ 86.16	\$ 258.49	258.49
64 Gallon	1	4	\$ 111.88	\$ 335.64	\$ 114.89	\$ 344.66	344.66
64 Gallon	1	5	\$ 139.86	\$ 419.58	\$ 143.62	\$ 430.86	430.86
64 Gallon	1	6	\$ 167.83	\$ 503.49	\$ 172.34	\$ 517.02	517.02
64 Gallon	1	7	\$ 195.80	\$ 587.40	\$ 201.06	\$ 603.19	603.19
64 Gallon	1	8	\$ 223.77	\$ 671.31	\$ 229.78	\$ 689.35	689.35
96 Gallon	1	1	\$ 39.64	\$ 118.92	\$ 40.71	\$ 122.12	122.12
96 Gallon	2	1	\$ 79.22	\$ 237.66	\$ 81.35	\$ 244.05	244.05
96 Gallon	1	2	\$ 79.22	\$ 237.66	\$ 81.35	\$ 244.05	244.05
96 Gallon	1	3	\$ 118.85	\$ 356.55	\$ 122.04	\$ 366.13	366.13
96 Gallon	1	4	\$ 153.99	\$ 461.97	\$ 158.13	\$ 474.38	474.38
96 Gallon	1	5	\$ 198.08	\$ 594.24	\$ 203.40	\$ 610.21	610.21

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).

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Residential Rate Structure
Contract Year Beginning January 1, 2018**

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	\$ 15.00 per large item	\$ 10.00
Non-CFC Appliance	\$ 25.00 per large item	\$ 15.00
Carpet	\$ 0.50 per square foot	\$ 0.50

6) Service Re-Start \$ 25.00 \$ 25.00

7) Extra containers picked up on non-regularly scheduled day of service= Monthly Rate divided by 4.33

8) **Miscellaneous Residential Services**

<u>Additional Resider</u>	<u>Frequency</u>	<u># of Carts</u>	<u>1/1/2017 Rates</u>		<u>CPI Adj 2.6873%</u>		<u>New Rates To be billed</u>
			<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	
64 Gallon - Recycle Only	1	1	\$ 5.83	\$ 17.49	\$ 5.99	\$ 17.96	17.96
64 Gallon - Yardwaste Only	1	1	\$ 6.78	\$ 20.34	\$ 6.96	\$ 20.89	20.89
64 Gallon - 2nd Yardwaste Cart	1	1	\$ 3.15	\$ 9.45	\$ 3.23	\$ 9.70	9.70
64 Gallon - 2nd Yardwaste Cart	2	1	\$ 6.29	\$ 18.87	\$ 6.46	\$ 19.38	19.38
Cart Replacement (Lost/Damaged Cart)			\$ 56.96		\$ 58.49		58.49

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Commercial Rate Structure
Contract Year Beginning January 1, 2018**

Commercial Bins			Rate	CPI
# of bins	Bin Size	Frequency	1/1/2017	Increase 2.6873%
New Rates				
1	1 cu yd	1	\$ 166.99	\$ 171.48
1	1 cu yd	2	\$ 252.38	\$ 259.16
1	1 cu yd	3	\$ 337.63	\$ 346.70
1	1 cu yd	4	\$ 423.21	\$ 434.58
1	1 cu yd	5	\$ 508.63	\$ 522.30
1	1 cu yd	6	\$ 594.03	\$ 609.99
2	1 cu yd	1	\$ 252.38	\$ 259.16
2	1 cu yd	2	\$ 423.21	\$ 434.58
2	1 cu yd	3	\$ 594.03	\$ 609.99
2	1 cu yd	4	\$ 764.87	\$ 785.42
2	1 cu yd	5	\$ 935.67	\$ 960.81
2	1 cu yd	6	\$ 1,106.49	\$ 1,136.22
3	1 cu yd	1	\$ 337.81	\$ 346.89
3	1 cu yd	2	\$ 594.04	\$ 610.00
3	1 cu yd	3	\$ 850.44	\$ 873.29
3	1 cu yd	4	\$ 1,106.51	\$ 1,136.25
3	1 cu yd	5	\$ 1,362.75	\$ 1,399.37
3	1 cu yd	6	\$ 1,618.94	\$ 1,662.45
4	1 cu yd	1	\$ 423.21	\$ 434.58
4	1 cu yd	2	\$ 764.87	\$ 785.42
4	1 cu yd	3	\$ 1,106.85	\$ 1,136.59
4	1 cu yd	4	\$ 1,448.18	\$ 1,487.10
4	1 cu yd	5	\$ 1,789.81	\$ 1,837.91
4	1 cu yd	6	\$ 2,131.40	\$ 2,188.68
1	2 cu yd	1	\$ 252.41	\$ 259.19
1	2 cu yd	2	\$ 423.21	\$ 434.58
1	2 cu yd	3	\$ 594.03	\$ 609.99
1	2 cu yd	4	\$ 764.87	\$ 785.42
1	2 cu yd	5	\$ 935.67	\$ 960.81
1	2 cu yd	6	\$ 1,106.49	\$ 1,136.22
2	2 cu yd	1	\$ 423.21	\$ 434.58
2	2 cu yd	2	\$ 764.87	\$ 785.42
2	2 cu yd	3	\$ 1,106.50	\$ 1,136.24
2	2 cu yd	4	\$ 1,448.15	\$ 1,487.07
2	2 cu yd	5	\$ 1,789.82	\$ 1,837.92
2	2 cu yd	6	\$ 2,131.47	\$ 2,188.75

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Commercial Rate Structure
Contract Year Beginning January 1, 2018**

Commercial Bins			Rate	CPI
# of bins	Bin Size	Frequency	1/1/2017	Increase 2.6873%
New Rates				
3	2 cu yd	1	\$ 594.03	\$ 609.99
3	2 cu yd	2	\$ 1,106.50	\$ 1,136.24
3	2 cu yd	3	\$ 1,618.99	\$ 1,662.50
3	2 cu yd	4	\$ 2,131.47	\$ 2,188.75
3	2 cu yd	5	\$ 2,643.93	\$ 2,714.98
3	2 cu yd	6	\$ 3,156.43	\$ 3,241.25
1	3 cu yd	1	\$ 337.79	\$ 346.87
1	3 cu yd	2	\$ 592.33	\$ 608.25
1	3 cu yd	3	\$ 850.27	\$ 873.12
1	3 cu yd	4	\$ 1,106.50	\$ 1,136.24
1	3 cu yd	5	\$ 1,362.77	\$ 1,399.39
1	3 cu yd	6	\$ 1,618.99	\$ 1,662.50
2	3 cu yd	1	\$ 594.03	\$ 609.99
2	3 cu yd	2	\$ 1,106.50	\$ 1,136.24
2	3 cu yd	3	\$ 1,618.99	\$ 1,662.50
2	3 cu yd	4	\$ 2,131.47	\$ 2,188.75
2	3 cu yd	5	\$ 2,643.93	\$ 2,714.98
2	3 cu yd	6	\$ 3,156.42	\$ 3,241.24
3	3 cu yd	1	\$ 850.26	\$ 873.11
3	3 cu yd	2	\$ 1,618.99	\$ 1,662.50
3	3 cu yd	3	\$ 2,387.71	\$ 2,451.88
3	3 cu yd	4	\$ 3,156.42	\$ 3,241.24
3	3 cu yd	5	\$ 3,925.15	\$ 4,030.63
3	3 cu yd	6	\$ 4,693.85	\$ 4,819.99
4	3 cu yd	1	\$ 1,106.50	\$ 1,136.24
4	3 cu yd	2	\$ 2,131.47	\$ 2,188.75
4	3 cu yd	3	\$ 3,156.42	\$ 3,241.24
4	3 cu yd	4	\$ 4,181.36	\$ 4,293.73
4	3 cu yd	5	\$ 5,206.36	\$ 5,346.27
4	3 cu yd	6	\$ 6,231.26	\$ 6,398.71
1	4 cu yd	1	\$ 423.21	\$ 434.58
1	4 cu yd	2	\$ 764.87	\$ 785.42
1	4 cu yd	3	\$ 1,106.50	\$ 1,136.24
1	4 cu yd	4	\$ 1,448.15	\$ 1,487.07
1	4 cu yd	5	\$ 1,789.82	\$ 1,837.92
1	4 cu yd	6	\$ 2,131.47	\$ 2,188.75

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Commercial Rate Structure
Contract Year Beginning January 1, 2018**

Commercial Bins			Rate	CPI
# of bins	Bin Size	Frequency	1/1/2017	Increase 2.6873%
New Rates				
2	4 cu yd	1	\$ 764.87	\$ 785.42
2	4 cu yd	2	\$ 1,448.15	\$ 1,487.07
2	4 cu yd	3	\$ 2,131.47	\$ 2,188.75
2	4 cu yd	4	\$ 2,895.82	\$ 2,973.64
2	4 cu yd	5	\$ 3,498.04	\$ 3,592.04
2	4 cu yd	6	\$ 4,181.36	\$ 4,293.73
3	4 cu yd	1	\$ 1,105.96	\$ 1,135.68
3	4 cu yd	2	\$ 2,131.47	\$ 2,188.75
3	4 cu yd	3	\$ 3,156.42	\$ 3,241.24
3	4 cu yd	4	\$ 4,181.36	\$ 4,293.73
3	4 cu yd	5	\$ 5,206.36	\$ 5,346.27
3	4 cu yd	6	\$ 6,231.26	\$ 6,398.71
4	4 cu yd	1	\$ 1,448.15	\$ 1,487.07
4	4 cu yd	2	\$ 2,814.78	\$ 2,890.42
4	4 cu yd	3	\$ 4,181.37	\$ 4,293.74
4	4 cu yd	4	\$ 5,547.95	\$ 5,697.04
4	4 cu yd	5	\$ 6,914.64	\$ 7,100.46
4	4 cu yd	6	\$ 8,281.16	\$ 8,503.70
5	4 cu yd	1	\$ 1,841.33	\$ 1,890.81
5	4 cu yd	2	\$ 3,498.05	\$ 3,592.05
5	4 cu yd	3	\$ 5,206.35	\$ 5,346.26
5	4 cu yd	4	\$ 6,914.57	\$ 7,100.39
5	4 cu yd	5	\$ 8,622.91	\$ 8,854.64
5	4 cu yd	6	\$ 10,331.07	\$ 10,608.70
1	6 cu yd	1	\$ 594.03	\$ 609.99
1	6 cu yd	2	\$ 1,106.50	\$ 1,136.24
1	6 cu yd	3	\$ 1,618.99	\$ 1,662.50
1	6 cu yd	4	\$ 2,131.47	\$ 2,188.75
1	6 cu yd	5	\$ 2,643.93	\$ 2,714.98
1	6 cu yd	6	\$ 3,156.42	\$ 3,241.24
2	6 cu yd	1	\$ 1,106.50	\$ 1,136.24
2	6 cu yd	2	\$ 2,131.47	\$ 2,188.75
2	6 cu yd	3	\$ 3,156.42	\$ 3,241.24
2	6 cu yd	4	\$ 4,181.33	\$ 4,293.70
2	6 cu yd	5	\$ 5,206.35	\$ 5,346.26
2	6 cu yd	6	\$ 6,231.29	\$ 6,398.74
1	8 cu yd	1	\$ 764.87	\$ 785.42
1	8 cu yd	2	\$ 1,448.15	\$ 1,487.07
1	8 cu yd	3	\$ 2,131.47	\$ 2,188.75
1	8 cu yd	4	\$ 2,814.76	\$ 2,890.40
1	8 cu yd	5	\$ 3,498.06	\$ 3,592.06
1	8 cu yd	6	\$ 4,181.33	\$ 4,293.70

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Commercial Rate Structure
Contract Year Beginning January 1, 2018**

Commercial Bins			Rate	CPI
# of bins	Bin Size	Frequency	1/1/2017	Increase
				2.6873%
New Rates				
Miscellaneous Bin Services				
	Bin Cleaning		\$ 148.90	\$ 152.90
	Lock Installation		\$ 38.26	\$ 39.29
Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33				
Commercial Carts				
1	35G	1	\$ 21.88	\$ 22.47
1	35G	6	\$ 131.29	\$ 134.82
1	64G	1	\$ 44.25	\$ 45.44
1	64G	2	\$ 88.50	\$ 90.88
1	64G	3	\$ 132.75	\$ 136.32
1	96G	1	\$ 65.83	\$ 67.60
1	96G	2	\$ 131.65	\$ 135.19
1	96G	4	\$ 263.33	\$ 270.41
1	96G	6	\$ 394.96	\$ 405.57
Commercial Cans				
1	32G	1	\$ 16.72	\$ 17.17
2	32G	1	\$ 33.47	\$ 34.37
3	32G	1	\$ 50.18	\$ 51.53
Miscellaneous Commercial Cart Services				
1	64G	1	\$ 5.83	\$ 5.99 Recycle Cart Only
1	64G	1	\$ 6.75	\$ 6.93 Yard Waste
	Cart Replacement (Lost Cart)		\$ 56.96	\$ 58.49
Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33				
Drop Box Rates				
1	12 Yard		\$ 473.16	\$ 485.88
1	15 Yard		\$ 473.16	\$ 485.88
1	20 Yard		\$ 568.51	\$ 583.79
1	30 Yard		\$ 761.43	\$ 781.89
1	40 Yard		\$ 1,014.94	\$ 1,042.21
1	Box Relocatioin		\$ 87.27	\$ 89.62
1	Compactor		\$ 361.91	\$ 371.64
	per pull plus disposal fees			

Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)

**City of Capitola Commercial Rate Structure
Contract Year Beginning January 1, 2018**

Commercial Bins			Rate	CPI
# of bins	Bin Size	Frequency	1/1/2017	Increase
New Rates				
Commercial Front Load Compactors				
Front Load Compactors				
1	2 cu yd	1	\$ 335.71	\$ 344.73
1	2 cu yd	2	\$ 562.87	\$ 578.00
1	2 cu yd	3	\$ 790.06	\$ 811.29
2	2 cu yd	1	\$ 562.87	\$ 578.00
2	2 cu yd	2	\$ 1,017.27	\$ 1,044.61
3	2 cu yd	1	\$ 790.06	\$ 811.29
3	2 cu yd	2	\$ 1,471.64	\$ 1,511.19
1	3 cu yd	1	\$ 449.24	\$ 461.31
1	3 cu yd	2	\$ 787.81	\$ 808.98
2	3 cu yd	1	\$ 790.06	\$ 811.29
2	3 cu yd	2	\$ 1,471.64	\$ 1,511.19
3	3 cu yd	1	\$ 1,130.85	\$ 1,161.24
3	3 cu yd	2	\$ 2,153.26	\$ 2,211.13
4	3 cu yd	1	\$ 1,471.64	\$ 1,511.19
4	3 cu yd	2	\$ 2,834.86	\$ 2,911.04

Extra containers picked up on non-regularly scheduled day of service = Monthly Rate divided by 4.33

Instabin Service

1	3 cu yd		\$ 120.17	\$ 123.40
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Attachment: Capitola 2018 Rate CPI Calculation (Residential and Commercial Garbage Collection)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: Finance Department

SUBJECT: Receive Audit Report for Fiscal Year 2016-2017

RECOMMENDED ACTION: Receive report.

BACKGROUND: The City of Capitola is required by state statute to publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards. The audit must be conducted by a firm of licensed certified public accountants.

The City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017, has again received an "unmodified" opinion, which indicates the auditor believes the financial statements are presented fairly in all material respects. The City's annual audit and CAFR meets all state requirements, while the Addendum to the Annual Progress Report contains the required financial and housing activity information. Hard copies of the CAFR are available at City Hall.

DISCUSSION: The financial report presents the financial condition, results of operations, and current economic condition for the Fiscal Year ended June 30, 2017, for the City and its component units. Financial information for the Successor Agency is presented as a separate Private Purpose Trust Fund within the CAFR.

The independent audit firm of Rogers, Anderson, Malody, and Scott, Certified Public Accountants, has issued the following opinion on the City's financial records, found on page 1 of the CAFR: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola, California, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America."

The FY 2016/17 CAFR (available at www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports) will be submitted to the Government Finance Officers' Association (GFOA) for the Excellence in Financial Reporting Award. The City's CAFR has received this prestigious award for the last five fiscal years. Previously, the City had received the California Society of Municipal Finance Officers (CSMFO) Award for the Outstanding Financial Reporting.

In addition to the CAFR, the auditor also issues a Management Letter and the Letter of Required Disclosures to the Governing Body and Statement of Auditing Standards (SAS) 114.

Audit report
December 14, 2017

The Management Letter discusses the City's internal control over the financial reporting and makes recommendations, if necessary, of controls that need to be strengthened. The SAS 114 Letter is a document which discusses, among other matters, any significant audit findings. Neither document identified any areas of concern.

FISCAL IMPACT: The following are key financial highlights of the FY 2016/17 CAFR:

- **Net Position**

○ Current and other assets	\$ 19,926,121
○ Capital assets	<u>17,075,962</u>
○ Total Assets	\$ 37,002,083
○ Total Deferred Outflows of Resources	\$ 3,616,979
○ Other Liabilities	\$ 1,550,297
○ Long term liabilities	
▪ Due in one year	852,883
▪ Due in more than one year	<u>23,032,852</u>
○ Total Liabilities	\$ 25,436,032
○ Total Deferred Inflows of Resources	\$ 1,512,367
○ Net Position:	
○ Net investment in capital assets	\$ 14,457,242
○ Restricted	9,096,369
○ Unrestricted	<u>(9,882,948)</u>
○ Total Net Position	\$ 13,670,663

- **Revenues**

○ General Revenues:	
○ Taxes:	
▪ Property taxes	\$ 2,288,341
▪ Sales and use taxes	7,959,086
▪ Transient occupancy taxes	1,457,704
▪ Franchise taxes	534,513
▪ Business license taxes	301,545
○ Motor vehicle in-lieu	201,295
○ Investment income	264,040
○ Miscellaneous revenue	225,230
○ Program Revenues:	
▪ Charges for services	2,900,636
▪ Operating grants and contributions	3,329,091
▪ Capital contributions and grants	<u>146,378</u>
○ Total Revenues	\$ 19,607,859

- **Expenses**

○ General Government	\$ 3,975,030
○ Public Safety	7,461,862
○ Community Development	1,090,291
○ Culture and Recreation	1,301,852
○ Public Works	3,211,535

Audit report
December 14, 2017

○ Interest and other charges	119,171
○ Total Expenses	<u>\$ 17,159,741</u>
○ Change in Net Position	2,448,118
○ Beginning Net Position	11,222,545
○ Ending Net Position	<u>\$ 13,670,663</u>
• General Fund	
○ Fund balance:	
○ Non-spendable:	
▪ Prepaid items	\$ 24,161
▪ Due from Successor Agency	401,491
○ Assigned:	
▪ Emergency Reserve	1,277,206
▪ Contingency Reserve	1,903,346
○ Unassigned	<u>3,742,075</u>
○ Total Fund Balance	<u>\$ 7,348,279</u>
• Capital Assets:	
○ Land	\$ 4,883,789
○ Building & Improvements	2,392,272
○ Equipment	3,494,695
○ Infrastructure	29,721,424
○ Construction in Progress	921,817
○ Total Capital Assets	<u>\$ 41,413,997</u>
○ Less Depreciation	<u>24,338,035</u>
○ Capital Assets Net of Depreciation	<u>\$ 17,075,962</u>
• Long-Term Debt	
○ 2007 POB Bonds	\$ 645,000
○ Pacific Cove Capital Lease	1,415,100
○ Beach & Village Parking Lease	1,203,620
○ Notes Payable	14,232
○ Compensated Absences	806,431
○ Net OPEB Obligation	365,551
○ Net Pension Liability	<u>19,435,801</u>
○ Total Long-Term Debt	<u>\$ 23,885,735</u>

The next opportunity to review the City's financial picture, including updated revenue and expenditure forecasts, will be at the Mid-Year Budget Review in February.

ATTACHMENTS:

1. Internal Control Compliance Report
2. SAS 114 Letter

Audit report
December 14, 2017

Report Prepared By: Jim Malberg
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/6/2017



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Nathan Statham, CPA, MBA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA

To the Honorable City Council
City of Capitola
Capitola, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 4, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants

Attachment: Internal Control Compliance Report (Audit report)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 4, 2017



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
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December 4, 2017

To the Honorable City Council
City of Capitola
Capitola, California

PARTNERS

Brenda L. Odle, CPA, MST
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Lisa Dongxue Guo, CPA, MSA

We have audited the financial statements of the City of Capitola (the City) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 4, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 22, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

MEMBERS

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Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Attachment: SAS 114 Letter (Audit report)

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the depreciation expenses is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related deferred inflows and outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the liability for other post-employment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Capitola's financial statements relate to:

The disclosure of the fair value of investments in the notes to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in the notes to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and outflows in the notes to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the postemployment benefits other than pensions in the notes of the financial statements is based on actuarial information.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 4, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Funding Progress for Capitola Retiree Healthcare Plan, the Schedule of the City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date, the Schedule of Plan Contributions, and the budgetary comparison information for the general fund, major special revenue funds, and major capital projects fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

December 4, 2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Consider Purchase of Police Communication Infrastructure

RECOMMENDED ACTION: Approve the purchase of Police Department communications infrastructure and required budget amendments.

BACKGROUND: As discussed during the FY 17/18 budget hearings, the construction of the new Capitola Branch Library will necessitate the relocation of the police radio infrastructure to the Capitola Community Center.

The City Council approved \$100,000 to relocate and replace police radio infrastructure in the adopted FY 17/18 Budget. That funding was split between Supplemental Law Enforcement Services (SLEF) funding and the Facilities Fund.

The police radio system uses a single transmitter, currently located at the Capitola Public library, and four receivers located throughout Capitola. The transmitter is connected to Santa Cruz Regional 911 via AT&T telephone lines. The current radio equipment is no longer supported by the manufacturer and would need to be replaced even if the transmitter was not being relocated.

In addition, after the 2017/2018 Capitola budget was approved, the City was notified that the upgrade of the County Wide Computer Aided Dispatch (CAD) system would require new computers in all of the police vehicles. The computers in the vehicles are approximately seven years old and cannot run the new CAD software.

DISCUSSION: During last year's budget hearings, staff anticipated phasing the radio project and not adding a new, redundant communication radio system in FY 2017/2018. However, since last May, the existing system has failed several times and forced the Police Department to use a County Sheriff's radio channel. Unfortunately reception of this channel is poor in Capitola. These outages have underscored the need for redundancy in the radio system.

Adding the redundant system to the radio project will require additional funds for the installation of a generator at the Community Center. The estimate for the installation of a generator at the Community Center is \$30,000. The generator would be large enough to run the entire Community Center during a power outage, which serves as one of the City's shelters in the event of an emergency.

County Wide Computer Aided Dispatch (CAD) System Upgrades

The City's regional 911 dispatch center is currently in the process of upgrading its CAD system, with a rollout anticipated in early 2018. To properly interface with the new CAD system the City

Purchase of Police Communication Infrastructure
December 14, 2017

needs to update the computers installed in our patrol vehicles.

Staff is proposing to replace the existing fixed-mount vehicle computers with laptops. The laptops will offer more computing capabilities at a lower cost. Police staff has tested a vehicle with the configuration and the response has generally been positive.

The estimated cost includes the purchase and installation of laptops in six patrol vehicles and the reconfiguration of the command vehicle. The command vehicle needs to have access to the computer and radio equipment from the rear of the vehicle for potential "command post" operations during an emergency.

The cost of the new vehicle laptops and installation is approximately \$55,000.

FISCAL IMPACT: The FY2017/2018 fiscal impact to add the generator and improved redundancy to the police radio infrastructure project is \$30,000; these funds will come from the facilities reserve fund. The 2017/2018 fiscal impact of the vehicle laptop replacement is \$55,000; these funds will come from the SLEF fund.

ATTACHMENTS:

1. Patrol Vehicles MDC replacement
2. Radio system- JPS UPGRADE FOR CAPITOLA PD
3. Command-Vehicle MDC replacement
4. Generator estimate

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/7/2017

emergency vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
Fax: 831-634-1602

QUOTATION

Quote Number: 2149
Quote Date: Nov 20, 2017
Page: 1

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/20/17	Net 30 Days	UPS Ground	Aaron Kakebeen

Quantity	Item	Description	Unit Price	Amount
7.00	CF-53-3136	Panasonic CF53 w/ Back Lit Keyboard,Win10 Pro, Intel Core i54310U,2.0GHz, vPro, 2,130.00 2,130.00,14.0" HD Touchscreen, 256GB SSD, 8GB, Intel,WiFi a/b, 5 Year Warranty	3,431.00	24,017.00
1.00		-----		
1.00		Unit #161, FIU, Currently has Havis HD mount, Data 911 CPU Mounted in Glove Box		
1.00	C-MD-112	Havis Swing Arm w/Motion Adapter	330.63	330.63
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	L3-AP1SET	Troy CLA Power Port w/cover	12.60	12.60
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Reconfigure Existing Mount, Install Docking Station	250.00	250.00
1.00		-----		
1.00		Unit #141, FIU, Currently has Havis Dash Monitor Mount, Data 911 CPU Mounted in Glove Box		
1.00	C-HDM-153	Havis 13-16 Ford Utility Mount Kit	114.45	114.45
1.00	C-HDM-202	Havis 8.5" Heavy Duty Telescoping Pole, Short Handle	166.95	166.95
1.00	C-HDM-406	Havis HD Gas Shock	40.95	40.95
1.00	C-HDM-401	Havis HD Stability Side Support Arm	68.25	68.25
1.00	C-MD-112	Havis Swing Arm w/Motion Adapter	330.63	330.63
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	L3-AP1SET	Troy CLA Power Port w/cover	12.60	12.60

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Subtotal	Continued
Sales Tax	Continued
Freight	
TOTAL	Continued

Accepted By _____ Print _____

Title _____ Date _____



Attachment: Patrol Vehicles MDC replacement (Purchase of Police Communication Infrastructure)

emergency vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
Fax: 831-634-1602

QUOTATION

Quote Number: 2149
Quote Date: Nov 20, 2017
Page: 2

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/20/17	Net 30 Days	UPS Ground	Aaron Kakebeen

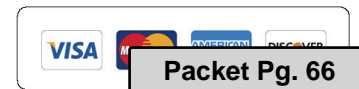
Quantity	Item	Description	Unit Price	Amount
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Remove Dash Mount, Install MDT Mount and Docking Station	500.00	500.00
1.00		-----		
1.00		Unit #111, CV, Unit has Havis Dash Monitor Mount, Data 911 CPU Mounted in Trunk		
1.00	C-HDM-204	Havis HD 8.5" Telescoping Pole Side Mount Short Handle	177.45	177.45
1.00	C-MD-112	Havis Swing Arm w/Motion Adapter	330.63	330.63
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	5201	Copeland Power Tamer / Timer	99.28	99.28
1.00	L3-AP1SET	Troy CLA Power Port w/cover	12.60	12.60
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Remove Dash Mount, Install MDT Mount and Docking Station	400.00	400.00
1.00		-----		
1.00		Unit K9, CV, Unit is unavailable for spec determination. Configuration is tentative		
1.00	C-HDM-204	Havis HD 8.5" Telescoping Pole Side Mount Short Handle	177.45	177.45
1.00	C-MD-112	Havis Swing Arm w/Motion Adapter	330.63	330.63
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	5201	Copeland Power Tamer / Timer	99.28	99.28
1.00	L3-AP1SET	Troy CLA Power Port w/cover	12.60	12.60

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Subtotal	Continued
Sales Tax	Continued
Freight	
TOTAL	Continued

Accepted By _____ Print _____

Title _____ Date _____



Attachment: Patrol Vehicles MDC replacement (Purchase of Police Communication Infrastructure)

emergency vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
Fax: 831-634-1602

QUOTATION

Quote Number: 2149
Quote Date: Nov 20, 2017
Page: 3

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/20/17	Net 30 Days	UPS Ground	Aaron Kakebeen

Quantity	Item	Description	Unit Price	Amount
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Remove Current MDT Solution. Install New MDT Solution and Docking Station	500.00	500.00
1.00		-----		
1.00		Unit #172 Toyota Tacoma, Unit has a Hint Mount for Data 911, CPU is mounted behind rear seat		
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	TA-2505-UNIB-V3	Hint Twin Arm System with G.R.I.P. Tilt/Swivel and Telescopic Post with Under the Seat Base	553.80	553.80
1.00	AP-VESA-75	Hint VESA 75 Laptop Adaptor	55.00	55.00
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Remove MDT Mount and install new laptop mount and docking station. Remove D911 system.	400.00	400.00
1.00		-----		
1.00		Unit #173, Toyota Tacoma, Unit has a Hint Mount for Data 911, CPU is mounted behind rear seat		
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	TA-2505-UNIB-V3	Hint Twin Arm System with G.R.I.P. Tilt/Swivel and Telescopic Post with Under the Seat Base	553.80	553.80
1.00	AP-VESA-75	Hint VESA 75 Laptop Adaptor	55.00	55.00
1.00	INSTALL KIT	Install Kit	25.00	25.00
1.00	SL	Shop Labor - Remove MDT Mount and install new laptop mount	400.00	400.00

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Subtotal	Continued
Sales Tax	Continued
Freight	
TOTAL	Continued

Accepted By _____ Print _____

Title _____ Date _____



Attachment: Patrol Vehicles MDC replacement (Purchase of Police Communication Infrastructure)

emergency vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
Fax: 831-634-1602

QUOTATION

Quote Number: 2149
Quote Date: Nov 20, 2017
Page: 4

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/20/17	Net 30 Days	UPS Ground	Aaron Kakebeen

Quantity	Item	Description	Unit Price	Amount
1.00		and docking station. Remove D911 system. -----		
1.00	CF-53-BKLT	Panasonic CF-53 Backlit Keyboard Upgrade Kit	295.00	295.00
1.00	SL	Shop Labor - Modify ToughBook, Install backlit keyboard	200.00	200.00
1.00	IBFC	In-Bound Freight Charge	450.00	450.00
		Units 111,141,K9, 161, 172, 173. Remove and replace necessary components to mount docking stations and laptops. Officer Vazquez		

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Subtotal	37,740.50
Sales Tax	2,544.00
Freight	
TOTAL	40,284.50

Accepted By _____ Print _____

Title _____ Date _____



Attachment: Patrol Vehicles MDC replacement (Purchase of Police Communication Infrastructure)

VISION COMMUNICATIONS CUSTOMER QUOTE

CAPITOLA POLICE DEPT.

COMPANY: CITY OF CAPITOLA
 ATTENTION: MR. LARRY LAURENT
 ADDRESS: 422 CAPITOLA AVENUE
 CITY: CAPITOLA, CA. 95010
 PHONE: 831-475-7300 X206
l laurent@ci.capitola.ca.us

SHIP TO:
 COMPANY: SAME
 ATTENTION: DEPT:
 ADDRESS:
 CITY: STATE: CA
 PHONE: FAX:

QTY	PART NUMBER	EQUIPMENT DESCRIPTION	UNIT COST	EXTENDED COST
TAIT REPEATER				
2	TB8135B3MKJ400	TAIT UHF 148-174MHZ BASE, 100W, WITH ACDC12-12 PMU (TBA30A1-1100)	\$6,860.25	\$13,720.50
TAIT RECEIVERS				
4	TBA2645	TB8100 SUBRACK, HOLD 5 RX W/ PMU	\$1,207.00	\$4,828.00
4	TBA30A1-1100	PMU, ACDC12	\$1,590.00	\$6,360.00
8	TBA50B3-0J00	TB8100 RECEIVE ONLY RECITER W/SIF	\$2,273.25	\$18,186.00
JPS VOTERS				
2	5951-80000	SNV-12 VOTER CHASSIS	\$5,227.00	\$10,454.00
8	5952-112000	SVM-2 VOTER MODULES	\$943.00	\$7,544.00
DRAGONWAVE 11 GHZ LINK				
1	DW-11GHZ	DRAGONWAVE 11 GHZ MICROWAVE LINK WITH: Band 1 Copper 100/1000bt, upgrade to 100 Mbps per link, Hitless Auto-Adaptive Modulation, 3 ft clip antennas, AC Install kit with Cat5E connections	\$21,750.00	\$21,750.00
1	DRGS-ARP-CPGL-3YR	DRAGONWAVE 3-YEAR COMPACT+ WARRANTY * Advance replacement purchased with 1st year	\$2,700.00	\$2,700.00

SUBTOTAL		\$85,542.50
TAX 9.0%	\$	7,698.83
SHIPPING	\$	1,069.28
INSTALLATION		TB
TOTAL DUE	\$	94,310.61

SPECIAL INSTRUCTIONS:
 ALL ORDERS ARE SUBJECTED TO 25% RESTOCKING FEE IF CANCELLED OR RETURNED.
 QUOTE IS VALID FOR 30 DAYS ** NET 10 DAYS

NOTE: This quote is intended only for the use of the person/s to whom it is addressed and may contain information that is privileged, confidential, and protected from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

COMPLETED BY	DATE	CONTACT INFORMATION	SIGNATURE	PO #
MARK A. CHAMP	12/1/2017	OFFICE: (510) 346-0300 CELL: (408) 461-0445 mchamp@2viscom.com		

THANK YOU FOR CHOOSING VISION COMMUNICATIONS, CO.

VISION COMMUNICATIONS CO
 1770 Neptune Dr. San Leandro, CA 94577
 PHONE (510) 346-0300 FAX (510) 346-8474

Attachment: Radio system- JPS UPGRADE FOR CAPITOLA PD (Purchase of Police Communication Infrastructure)

emergency

vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
 830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
 Fax: 831-634-1602

QUOTATION

Quote Number: 2147
 Quote Date: Nov 28, 2017
 Page: 1

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/28/17	Net 30 Days	UPS Ground	Aaron Kakebeen

Quantity	Item	Description	Unit Price	Amount
1.00	CF-53-3136	Panasonic CF53 w/ Back Lit Keyboard,Win10 Pro, Intel Core i54310U,2.0GHz, vPro, 2,130.00 2,130.00,14.0" HD Touchscreen, 256GB SSD, 8GB, Intel,WiFi a/b, 5 Year Warranty	3,431.00	3,431.00
1.00	C-HDM-102	Havis Floor Mt 20-14 Tahoe Passenger Side	93.45	93.45
1.00	C-HDM-202	Havis 8.5" Heavy Duty Telescoping Pole, Short Handle	166.95	166.95
1.00	C-MD-112	Havis Swing Arm w/Motion Adapter	330.63	330.63
1.00	C-HDM-406	Havis HD Gas Shock	40.95	40.95
1.00	C-HDM-401	Havis HD Stability Side Support Arm	68.25	68.25
1.00	DS-PAN-412	Havis Docking Station Panasonic Toughbook CF-53 laptop computer, w/ Integrated Power Supply	1,107.32	1,107.32
1.00	TSD-101	Havis Touch Screen Display	1,224.39	1,224.39
1.00	PKG-KB-201	Havis Rugged Keyboard and Keyboard Mount System	601.22	601.22
1.00	E-D	Equipment Discount - Havis	725.00	-725.00
1.00	TM-5115	Hint Combination Tablet/Monitor Mount with G.R.I.P. Tilt/Swivel, Telescopic Vertical Post, Low Profile Double Arm with G.R.I.P. Tilt/Swivel and Keyboard Tray	456.75	456.75
2.00	AP-VESA-75	Hint VESA 75 Laptop Adaptor	55.00	110.00
1.00		Rear Monitor Cabling Kit	95.00	95.00
2.00	TCRHD5	Whelen 5 Lamp Housing and TCRL DUO Lightheads	1,163.00	2,326.00
5.00	TCRLRC	Whelen Tracer DUO Lighthead Red/Wht		
5.00	TCRLBC	Whelen Tracer DUO Lighthead Blue/Wht		
2.00	TCRB45	2009-2018 Chevy Tahoe Running Board Mounting Kit, for 5 Lamp Tracer, Each	48.00	96.00

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Subtotal	Continued
Sales Tax	Continued
Freight	
TOTAL	Continued

Accepted By _____ Print _____

Title _____ Date _____



Attachment: Command-Vehicle MDC replacement (Purchase of Police Communication Infrastructure)

emergency vehicle specialists, inc.

300 Park Center Drive, Hollister, CA 95023
830 Ricardo Court, San Luis Obispo, CA 93401

Phone: 831-634-1600
Fax: 831-634-1602

QUOTATION

Quote Number: 2147
Quote Date: Nov 28, 2017
Page: 2

Quoted To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Ship To:
Capitola Police Dept. Attn: Accounts Payable 422 Capitola Ave Capitola, CA 95010

Customer ID	Good Thru	Payment Terms	Shipping	Sales Rep
00302	12/28/17	Net 30 Days	UPS Ground	Aaron Kakebeen

Quantity	Item	Description	Unit Price	Amount
1.00	E-D	Equipment Discount - Whelen	485.00	-485.00
1.00	KCH-15M	Kenwood Full Feature Control Head	504.00	504.00
1.00	KRK-6DH	Kenwood Dual Control Head Remote Mount Kit	252.00	252.00
1.00	KMC-27	Kenwood Mobile Microphone	104.00	104.00
1.00	KES-5	Kenwood External Speakers 40W	61.25	61.25
1.00	KCT-22M2	Kenwood 17' Control Cable	84.00	84.00
1.00	KCT-18	Kenwood Ignition Kit	13.70	13.70
2.00	MMSU-1	Magnetic Mic Adapter Kit	35.00	70.00
1.00	CH27-1-20	20' Harness, w/Timer, w/Circuit Breaker	549.00	549.00
1.00	INSTALL KIT	Install Kit	250.00	250.00
1.00	SL	Shop Labor	2,000.00	2,000.00
1.00	IBFC	In-Bound Freight Charge	175.00	175.00
		Unit 112. 2012 Chevy Tahoe. Remove and replace front MDT solution, configure and install rear command station. Remove and rewire 12V distribution system. Install additional intersection lighting.		

Attachment: Command-Vehicle MDC replacement (Purchase of Police Communication Infrastructure)

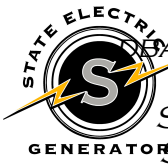
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Subtotal	13,000.00
Sales Tax	797.50
Freight	
TOTAL	13,798.00

Accepted By _____ Print _____

Title _____ Date _____





ALEXANDER ELECTRIC INC.
 STATE ELECTRIC GENERATOR
 P.O. Box 66459
 SCOTTS VALLEY, CA 95067
 SCOTTS VALLEY, CA 95066

QUOTE

DATE	QUOTE #
12/7/2017	651

<i>CUSTOMER INFORMATION</i>
City of Capitola 420 Capitola Avenue Capitola, CA 95010

TERMS	50% deposit/50% upon completion
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DESCRIPTION	QTY	RATE	TOTAL
Generator - Kohler 38RCL/B	1	14,303.00	14,303.00T
Automatic Transfer Switch - Kohler 200amp	1	1,475.00	1,475.00T
Freight charges, heavy equipment		525.00	525.00
Labor to install all equipment and 4' x 6' concrete pad*		7,500.00	7,500.00
Group 51 battery	1	165.00	165.00T
Misc. materials - brackets, bolts, wiring, conduit, bags of concrete, etc.		1,800.00	1,800.00T
*fencing not included in quote			
DISCLAIMER: No permit quoted			

If this quote is accepted, please sign below and return by fax or e-mail Signed: _____ Date: _____	Subtotal	\$25,768.00
	Sales Tax (9.0%)	\$1,596.87
	Total	\$27,364.87

PHONE #	Fax #
831-457-3911	831-457-1433

Attachment: Generator estimate (Purchase of Police Communication Infrastructure)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: Community Development

SUBJECT: Review 2014 Community Development Block Grant Accomplishments

RECOMMENDED ACTION: Direct staff to submit final reports and CDBG closeout package to the state.

BACKGROUND: The City received a \$500,000 Community Development Block Grant (CDBG) in 2014 under the General Allocation Notice of Funding Availability. The funds were allocated towards a Homebuyer Assistance Program and Owner-Occupied Housing Rehabilitation Program. The City partnered with the County of Santa Cruz Housing Authority for the implementation of both programs.

As a condition of receiving the grant, the City is required to hold a public hearing to discuss the grant accomplishments and submit a closeout certification to the State. Upon direction from the Council, staff will submit the final closeout package to the California Department of Housing and Community Development.

DISCUSSION: The City, in partnership with the Housing Authority, was very successful in expending the CDBG dollars received. Funding for the Housing Rehabilitation Program was used to assist eight Capitola homeowners finance needed health and safety repairs and/or energy efficiency upgrades. The Homebuyer Assistance Program provided funding support for one household who purchased an inclusionary unit at Capitola Beach Villas.

Of the \$500,000, the City expended \$494,314 by contract expiration, which occurred on September 30, 2017. Remaining funds will be returned to the State.

FISCAL IMPACT: The \$500,000 CDBG allocation was 100 percent grant funded and nearly all the funding was expended, with only \$5,686 remaining. The bulk of these dollars were offered in the form of deferred payment loans, which at some point will return to the City in the form of Program Income, which in turn can be recycled back out into the community through similar affordable housing programs.

ATTACHMENTS:

1. CDBG Closeout Summary

Report Prepared By: Rich Grunow
Community Development Director

Close out current CDBG Grant
December 14, 2017

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/8/2017

Funding Overview
2014 Community Development Block Grant
 Affordable Housing Rehabilitation and Home Buyer Assistance Programs

Totals			
Total Amount Granted to City:	\$500,000.00	Initial Funding Granted to City	
Total Amount Distributed during Grant Cycle:	\$494,314.00	Total Funding Distributed	
Remaining Amount to Disencumber:	\$5,686.00	Remaining Funds to Disencumber:	

Distributions Details			
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Home Buyer Assistance Program			
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Total Deferred Loans Issued by City:	\$75,000.00	Location:	Purpose:
Deferred Loans Issued by City:	1	Capitola Beach Villas	Down payment on purchase of inclusionary unit
Total Grants Issued by City:	\$0.00		
Grants Issued by City:	0		
Program Activity Delivery:	\$6,000.00	County Housing Authority	Eligibility review and processing

Rehabilitation Assistance Program			
-----------------------------------	--	--	--

Total Deferred Loans Issued:	\$292,628.00	Location:	Purpose:
Deferred Loans Issued:	3		
Deferred Loan #1:	\$127,535.00	Cabrillo Mobile Home Estates	Mobile home complete replacement Level mobile home, replace roof, paint, skirting, windows, doors, furnace, water heater, kitchen appliances, cabinets, electric and flooring
Deferred Loan #2:	\$93,414.00	Castle Mobile Estates	Roof repairs, paint, windows, furnace, electrical, flooring, plumbing, cabinets, countertops, kitchen appliances, bath/shower and water heater
Deferred Loan #3:	\$71,679.00	Castle Mobile Estates	
Total Grants Issued:	\$26,784.00		
Grants Issued:	6		
Grant #1:	\$7,500.00	Loma Vista Estates	Subfloor, hand rails, rodent damage repairs
Grant #2:	\$5,470.00	Loma Vista Estates	Floor replacement, kitchen appliances
Grant #3:	\$4,455.00	Cabrillo Mobile Home Estates	Water heater, furnace
Grant #4:	\$4,940.00	Cabrillo Mobile Home Estates	Windows
Grant #5:	\$3,190.00	Surf and Sand Mobile Home Park	Water heater, refrigerator
Grant #6:	\$1,229.00	Castle Mobile Estates	Relocation expenses for loan #2 rehab work
Program Activity Delivery:	\$59,019.00	County Housing Authority	Eligibility review and processing

General Administration of Grant			
---------------------------------	--	--	--

General Administration:	\$34,883.00	City Staff and Contract Services	Program Administration
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Attachment: CDBG Closeout Summary (Close out current CDBG Grant)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 14, 2017

FROM: City Manager Department

SUBJECT: Reauthorize an Ordinance Implementing the Provisions of the Digital Infrastructure and Video Competition Act

RECOMMENDED ACTION: Approve an emergency ordinance and introduce an ordinance reauthorizing Ordinance No. 934 regarding Municipal Code Chapter 13.06 State Video Service Franchisee.

BACKGROUND: In 2006, the State of California enacted the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). DIVCA directs the California Public Utilities Commission (PUC) to issue state video franchises for the provision of video. State franchises are for 10-year periods. Prior to DIVCA, local jurisdictions issued franchises for video.

In 2008, the City of Capitola approved an ordinance requiring state video franchises that operate in the City to pay a franchise fee to the City and to pay the City a public, educational and governmental (PEG) support fee for every subscriber.

DIVCA authorized the City to create a PEG support fee ordinance and also states that “the ordinance shall expire, and may be reauthorized, upon the expiration of the state franchise.” Therefore, reauthorization is needed to continue to collect the PEG support fees.

PEG fees are used for equipment and capital purchase for the broadcasting and live streaming of public meetings and the broadcasting of the City scroll.

DISCUSSION: On October 27, 2017, the PUC approved the renewal of the Charter Communications State Video franchise effective January 2, 2018. In November 2017, Charter Communications notified the City of Capitola that unless the City's ordinance was renewed, Charter Communication would no longer pay the PEG support fee to the City.

In addition, AT&T provides video services within the City and pays PEG support fees for its subscribers.

Staff is recommending approval of both an urgency reauthorization ordinance and the first reading of a standard reauthorization ordinance. The second ordinance would add an automatic reauthorization section. The approval of the urgency ordinance would allow the City to ensure that there would be no gap in the payment of PEG support fees until the approval of the reauthorized DIVCA ordinance.

reauthorize DIVCA ordinance
December 14, 2017

FISCAL IMPACT: The fiscal impact in fiscal year 2017/2018 of PEG fees is \$16,000.

ATTACHMENTS:

1. Draft DIVCA reauthorization and amendment (PDF)

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

12/7/2017

reauthorize DIVCA ordinance
December 14, 2017

ORDINANCE NO. ____

**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
REGARDING THE REAUTHORIZATION OF THE CITY'S PUBLIC, EDUCATIONAL, AND
GOVERNMENTAL FEE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS
FOLLOWS:

Section 1. Findings.

- A. In 2006, the California Legislature adopted the Digital Infrastructure and Video Competition Act (DIVCA), which changed the manner in which video services are regulated by placing local franchising within a state franchising system administered by the California Public Utilities Commission (CPUC).
- B. DIVCA authorizes cities to adopt an ordinance imposing a franchise fee on state franchise holders to support public, educational and governmental (hereinafter "PEG") services. The City Council established such a fee on the 11th day of September, 2008, by adopting Ordinance No. 934 to require state-franchised video service providers to pay the City a franchise fee of five percent (5%) of the video service provider's gross revenues attributable to the City.
- C. Additionally, DIVCA authorizes cities to adopt an ordinance imposing a PEG fee to support PEG channel facilities. Ordinance No. 934 also requires any state franchise holder operating within the City to pay to the City a PEG fee of sixty-four cents (\$0.64) per month per subscriber or an amount equivalent to the level of PEG funding remitted by the incumbent cable operator to the City's designated PEG provider, if greater or lesser than sixty-four cents (\$ 0.64) per month.
- D. DIVCA also provides, however, that an ordinance adopting a PEG fee "shall expire, and may be reauthorized, upon the expiration of the state franchise." (Cal. Pub. Utilities Code § 5870(n)).
- E. The Charter-CCO SoCal I, LLC operates within the City under a state video franchise that is set to expire on or about January 2, 2018.
- F. The City depends upon the PEG fee for capital costs relating to PEG channel facilities, which are essential to providing City residents with important civic programming including emergency alerts and community and government news. If this ordinance does not become effective immediately, but instead becomes effective thirty (30) days after its second reading, and therefore after the expiration date for the Charter-CCO SoCal I, LLC state franchise, funding for City PEG facilities could lapse, causing residents to lose a vital source of City information.

Section 2. Reauthorization.

The City hereby reauthorizes the PEG fee and the franchise fee codified in Chapter 13.06 of the Capitola Municipal Code, which fees shall remain unchanged and in full effect as to all state-

reauthorize DIVCA ordinance
December 14, 2017

franchised video service providers operating within the City, including but not limited to, the Charter-CCO SoCal I, LLC.

Section 3. Urgency Findings.

For the reasons hereinabove stated, the City Council finds and determines that: (a) there is a current and immediate threat to the public peace, health, or safety; and (b) this ordinance must therefore be immediately enacted and enforced in order to protect and preserve the public interest, health, safety, comfort and convenience and to preserve the public welfare.

Section 4. Compliance with CEQA.

This urgency ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(2) - the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and Section 15060(c)(3) - the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 5. Effective Dates.

This ordinance shall take effect immediately based on the findings by the City Council that this ordinance is necessary for the immediate and urgent protection of the public health, safety, and general welfare. This ordinance shall be in full force and effect from the date of its adoption by the City Council.

Section 6. Severability.

If any provision, clause, sentence, or paragraph of this ordinance, or the application to any person or circumstances, is for any reason held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application and, to this end, the provisions of this ordinance are hereby declared to be severable.

This ordinance was passed and adopted by the City Council of the City of Capitola on the 14th day of December 2017, by the following vote:

AYES:

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:

Mayor

ATTEST:

Linda Fridy, City Clerk

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
REAUTHORIZING ORDINANCE NO. 934
AND ADDING SECTION 13.06.130 “AUTOMATIC REAUTHORIZATION”
TO THE CITY OF CAPITOLA MUNICIPAL CODE**

THE CITY COUNCIL OF THE CITY OF CAPITOLA does hereby ordain as follows:

Section 1. Findings.

- A. In 2006, the California Legislature adopted the Digital Infrastructure and Video Competition Act (DIVCA), which changed the manner in which video services are regulated by placing local franchising within a state franchising system administered by the California Public Utilities Commission (CPUC).
- B. DIVCA authorizes cities to adopt an ordinance imposing a franchise fee on state franchise holders to support public, educational and governmental (PEG) services. The City Council established such a fee on the 11th day of September, 2008, by adopting Ordinance No. 934 to require state-franchised video service providers to pay the City a franchise fee of five percent (5%) of the video service provider’s gross revenues attributable to the City.
- C. Additionally, DIVCA authorizes cities to adopt an ordinance imposing a PEG fee to support PEG channel facilities. Ordinance No. 934 also requires any state franchise holder operating within the City to pay to the City a PEG fee of sixty-four cents (\$0.64) per month per subscriber or an amount equivalent to the level of PEG funding remitted by the incumbent cable operator to the City's designated PEG provider, if greater or lesser than sixty-four cents (\$ 0.64) per month.
- D. DIVCA also provides, however, that an ordinance adopting a PEG fee “shall expire, and may be reauthorized, upon the expiration of the state franchise.” (Cal. Pub. Utilities Code § 5870(n)).

Section 2. Reauthorization. Chapter 13.06 of the Capitola Municipal Code as established by Ordinance No. 934 is hereby reauthorized. All state-franchised video service providers operating within the City of Capitola shall continue to be subject to the fees required by Chapter 13.06, which fees shall remain unchanged and in full effect.

Section 3. Automatic Reauthorization. Section 13.06.130 – Automatic Reauthorization is hereby added to the Capitola Municipal Code to read as follows:

13.06.130 Automatic Reauthorization.

This Chapter and the fees established in Sections 13.060.50 and 13.06.060(B) shall automatically be reauthorized upon the expiration and renewal of any existing or future state video franchise certificate held by any state franchisee operating within the City of Capitola pursuant to the terms of Public Utilities Code Section 5870(n).

Section 4. Severability. If any provision, clause, sentence, or paragraph of this ordinance, or the application to any person or circumstances, is for any reason held invalid, such invalidity

Attachment: Draft DIVCA reauthorization and amendment (reauthorize DIVCA ordinance)

shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application and, to this end, the provisions of this ordinance are hereby declared to be severable.

Section 5. CEQA Compliance. This ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(2) – the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and Section 15060(c)(3) – the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly

Section 6. Effective Date. This ordinance shall take effect and be in full force thirty (30) days after its final adoption.

This ordinance was introduced on the 14th day of December, 2017, and was passed and adopted by the City Council of the City of Capitola on the 11th day of January, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Mayor

ATTEST:

Linda Fridy, City Clerk

Attachment: Draft DIVCA reauthorization and amendment (reauthorize DIVCA ordinance)