

# City of Capitola Agenda

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



## **CAPITOLA CITY COUNCIL REGULAR MEETING**

**THURSDAY, MAY 14, 2015**

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

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

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

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

Negotiator: Allyson Hauck, Public Law Group

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; (6) Department Heads; and (7) City Manager

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

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

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

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

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

**2. PRESENTATIONS**

- A. Introduction of Mark Welch, the City's new Finance Director.
- B. Introduction of Nelson Membreno, the City's new Building Inspector.
- C. Presentation of 2015 Herb Ross Community Achievement Award for the Capitola Police Officer of the Year.

**3. REPORT ON CLOSED SESSION**

**4. ADDITIONAL MATERIALS**

*Additional information submitted to the City Council 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. 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.*

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

- A. Council Member Harlan's appointments to the Commission on the Environment and the Traffic and Parking Commission.

**CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, May 14, 2015**

**9. CONSENT CALENDAR**

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

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

- A. Consider approving the April 23, 2015, Regular City Council Minutes; and the April 30, 2015, City Council and Planning Commission Special Joint Meeting Minutes.  
RECOMMENDED ACTION:  
Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of May 7, 2015.  
RECOMMENDED ACTION:  
Receive Minutes.
- C. Receive the Third Quarter Budget Report and Second Quarter Sales Tax Report.  
RECOMMENDED ACTION:  
Receive Reports.
- D. Consider amending the Administrative Policy regarding Board, Commission and Committee Guide Procedures.  
RECOMMENDED ACTION:  
Approve the amended Policy.

**10. GENERAL GOVERNMENT / PUBLIC HEARINGS**

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

- A. 502 Pine Street #14-175 APN: 036-022-27  
The appeal of a Planning Commission decision to approve a minor subdivision and design permit for a single-family home and duplex at 502 Pine Street has been withdrawn by the appellant.  
RECOMMENDED ACTION:  
Take no action.
- B. Consider sending a letter in support of Assembly Bill 700 amending the Political Reform Act.  
RECOMMENDED ACTION:  
Direct the Mayor to send a letter of support.
- C. Consider approving the Side Letters to existing Memoranda of Understanding (MOUs) and Compensation Plans with the following bargaining groups: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; (6) Department Heads; and (7) City Manager for a term of three years expiring June 30, 2018.  
RECOMMENDED ACTION:  
Approve MOUs.

## CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, May 14, 2015

- D. Consider sending a letter in support of the Redwood/Coast Dairies National Monument.  
RECOMMENDED ACTION:  
Direct the Mayor to send a letter of support.
  
- E. Receive report regarding the 2014 Summer Beach Shuttle and consider reversing the shuttle route for 2015.  
RECOMMENDED ACTION:  
Receive report and approve reversing the shuttle route for 2015.
  
- F. Consider sending a letter in support of Senate Bill 16 pertaining to a Senate Transportation Funding Proposal containing important revenues for California's local streets and roads.  
RECOMMENDED ACTION:  
Direct the Mayor to send a letter or support.

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

**Agenda and Agenda Packet Materials:** The City Council Agenda and the complete Agenda Packet are available for review on the City's website: [www.cityofcapitola.org](http://www.cityofcapitola.org) and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday 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](http://www.cityofcapitola.org) by clicking on the Home Page link "**Meeting Video**". Archived meetings can be viewed from the website at anytime.



# CITY COUNCIL AGENDA REPORT

## MEETING OF MAY 14, 2015

FROM: CITY CLERK'S OFFICE

SUBJECT: CONSIDER APPOINTMENTS TO THE CITY'S COMMISSION ON THE ENVIRONMENT AND THE TRAFFIC AND PARKING COMMISSION

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**RECOMMENDED ACTION:** Consider appointments to the City's Commission of the Environment (COE) and the Traffic and Parking Commission.

**BACKGROUND/DISCUSSION:** Currently Council Member Harlan has appointments to fill vacancies on the Commission on the Environment (COE) and the Traffic and Parking Commission. The term for the COE vacancy ends in December 2015, and the term on the Traffic and Parking Commission vacancy ends December 2016.

Council Member Harlan will announce appointments at the May 14, 2015, City Council meeting.

**ATTACHMENTS:**

1. COE roster
2. Traffic and Parking Commission roster

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager: 

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

**COMMISSION ON THE ENVIRONMENT  
 CURRENT MEMBERS**

NAME	APPOINTEE	ADDRESS & PHONE NUMBER & EMAIL	DATE APPOINTED	TERM EXPIRES
Jacques Bertrand	Council Rep	601 Monterey Avenue Capitola, CA 95010 (C) 831-247-6199 <a href="mailto:jbertrand@ci.capitola.ca.ius">jbertrand@ci.capitola.ca.ius</a>	1/8/15	12/31/2015
Kristine Sullivan Chair	Norton's appointee	408 Oak Drive Capitola, CA 95010 (H) 831-477-0471 (W) 408-864-8626 <a href="mailto:sully@cruzio.com">sully@cruzio.com</a>	1/22/15	12/31/2015
Vacancy	Harlan appointee			
Amie Forest	Termini Appointee	516 Oak Drive Capitola, CA 95010 (C) 831-331-3218 <a href="mailto:amie.forest@gmail.com">amie.forest@gmail.com</a>	12/12/13 1/8/15	12/31/2014 12/31/2015
Peter Wilk Vice Chair	Bottorff Appointee	305 Fanmar Capitola, CA 95010 (C) 510-378-2769 <a href="mailto:petergwilk@gmail.com">petergwilk@gmail.com</a>	1/8/15	12/31/15

Peters, Steven	Ex-Officio	County of Santa Cruz Environmental Health Service 701 Ocean Street Rm 312 Santa Cruz, CA 95060 (W) 454-5010 (F) 454-3128 <a href="mailto:env032@co.santa-cruz.ca.us">env032@co.santa-cruz.ca.us</a>	1/8/15	12/31/15
Ricker, John	Ex-Officio	County of Santa Cruz Environmental Health Service 701 Ocean Street Rm 312 Santa Cruz, CA 95060 (W) 454-2740 (F) 454-3118 <a href="mailto:John.Ricker@co.santa-cruz.ca.us">John.Ricker@co.santa-cruz.ca.us</a>	1/8/15	12/31/15

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

- October 24, 2013      *The Capitola Commission on the Environment was re-established by Resolution No. 3967.*
- January 13, 2005      *The Capitola Commission on the Environment was established by Resolution No. 3424*
- February 8, 2007      *Resolution No. 3610 Amended Section 3 of Resolution No. 3424 regarding Membership on the Commission.(to allow another Council Member to serve on behalf of the Mayor; add a Youth Member; add Ex-Officio Members)*
- April 24, 2008      *Resolution No. 3696 Amended Section 3 of Resolution No. 3610 regarding Membership on the Commission.(removed "Appointee of the Mayor" and added two (2) At Large Members)*
- October 8, 2009      *Resolution No. 3779 Amended Section 3 of Resolution No. 3696 regarding Youth Member on the Commission (does not require Capitola residence)*
- October 24, 2013      *Resolution No. 3967 Repealing Resolution No. 3424 and re-establishing the Commission.*

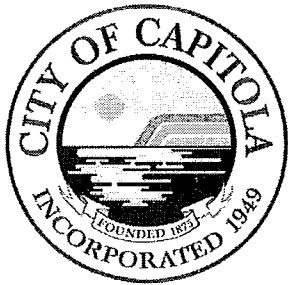
*The Mayor's seat is up each time the mayor changes. Terms for other council appointments are for 2 years and expire following a general municipal election of council members.*

**Staff Representative:**

Danielle Uharriet, Environmental Projects Manager  
831-475-7300 ext. 218  
[duharriet@ci.capitola.ca.us](mailto:duharriet@ci.capitola.ca.us)

Revised: 3/26/15 ss





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

**CAPITOLA TRAFFIC & PARKING COMMISSION  
 CURRENT MEMBERS**

NAME	APPOINTEE	ADDRESS & PHONE NUMBER & EMAIL	DATE APPOINTED	TERM EXPIRES
Margaret Kinstler	Village Resident	2305 Old San Jose Rd Soquel, CA 95073 (H) 831-476-1370 (C) 831-566-3294 Email: <a href="mailto:mmkinstler@aol.com">mmkinstler@aol.com</a>	5/14/09 12/9/10 1/10/13 1/8/15	12/31/16
James Steven Ross	Village Resident	218 El Camino Medio Capitola, CA 95010 (H) 831-464-2091 (C) 408-206-5980 (W) 408-779-3633 Email: <a href="mailto:eagledog41@yahoo.com">eagledog41@yahoo.com</a>	2/14/13 1/8/15	12/31/16
Carin Hanna	Village Business Owner	650 37th Avenue Santa Cruz, CA 95062 (H) 831-475-4724 (C) 831-251-6230 (W) 831-475-4466 Email: <a href="mailto:carinhanna@aol.com">carinhanna@aol.com</a>	5/14/09 12/9/10 1/10/13 1/8/15	12/31/16

TRAFFIC & PARKING COMMISSION – CURRENT MEMBERS

NAME	APPOINTEE	ADDRESS & PHONE NUMBER & EMAIL	DATE APPOINTED	TERM EXPIRES
Gary Wetsel	Village Business Owner	3327 Deer Hollow Drive Danville, CA 94506 (C) 510-693-9300 (W) 831-476-4984 Email: <a href="mailto:gary@mauisunrise.net">gary@mauisunrise.net</a>	5/14/09 12/9/10 1/10/13 1/8/15	12/31/16
Vacancy	Harlan Appointee			12/31/16
Molly Ording	Bertrand Appointee	218 Monterey Avenue Capitola, CA 95010 (H) 831-475-7284 (C) 831-227-3373 Email: <a href="mailto:mollyording@yahoo.com">mollyording@yahoo.com</a>	5/14/09 12/09/10 1/10/13 1/8/15	12/31/16
Ron Burke	Norton Appointee	1525 47 <sup>th</sup> Avenue Capitola, CA 95010 (H) 831-477-0446 (C) 831-359-7778 Email: <a href="mailto:rburke477@gmail.com">rburke477@gmail.com</a>	1/8/15	12/31/16
Mike Lee	Bottorff Appointee	850 Park Avenue #5A Capitola, CA 95010 (H) 831-854-2342 (C) 925-876-0251 Email: <a href="mailto:michaelalee303@yahoo.com">michaelalee303@yahoo.com</a>	1/8/15	12/31/16

TRAFFIC & PARKING COMMISSION – CURRENT MEMBERS

NAME	APPOINTEE	ADDRESS & PHONE NUMBER & EMAIL	DATE APPOINTED	TERM EXPIRES
Nels Westman	Termini Appointee	507 Riverview Drive Capitola, CA 95010 (H) 831-462-4362 (C) 831-566-9370 Email: <a href="mailto:nels@bestwestman.com">nels@bestwestman.com</a>	5/14/09 12/9/10 1/10/13 1/8/15	12/31/16
Vacancy	Planning Commission Representative			

**Staff Representative:**

Steve Jesberg, Public Works Director  
831-475-7300 ext. 217  
[sjesberg@ci.capitola.ca.us](mailto:sjesberg@ci.capitola.ca.us)

Revised: 4/9/15 ss

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# CITY COUNCIL AGENDA REPORT

## MEETING OF MAY 14, 2015

FROM: OFFICE OF THE CITY CLERK

SUBJECT: APRIL 23, 2015, REGULAR CITY COUNCIL MINUTES; AND THE APRIL 30, 2015, CITY COUNCIL AND PLANNING COMMISSION SPECIAL JOINT MEETING MINUTES

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

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

**ATTACHMENTS:**

1. Draft April 23, 2015, Regular City Council Minutes;
2. Draft April 30, 2015, City Council and Planning Commission Special Joint Meeting Minutes.

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager:

A handwritten signature in black ink, appearing to be 'S. Sneddon', is written over the text 'By City Manager:'.

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**CAPITOLA CITY COUNCIL  
REGULAR MEETING ACTION MINUTES  
THURSDAY, APRIL 23, 2015  
CLOSED SESSION – 6:15 PM  
CITY MANAGER’S OFFICE**

**CALL TO ORDER**

Mayor Norton called the meeting to order at 6:15 PM. He announced the items to be discussed in Closed Session, as follows:

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

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

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

Negotiator: Allyson Hauck, Public Law Group  
Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees;  
(5) Mid-Management Group; (6) Department Heads; and (7) City Manager

Mayor Norton asked if anyone wished to address items on the Closed Session agenda. Seeing no one, the Council recessed the meeting at 6:16 p.m. to the Closed Session in the City Manager’s Office.

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

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

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

**2. PRESENTATIONS**

A. Certificate of Appreciation to Ron Graves for his service on the Planning Commission.

Certificate received.

B. Proclamation designating May 10 through May 16, 2015, as National Police Week 2015.

Proclamation received.

**3. REPORT ON CLOSED SESSION**

Deputy City Attorney Choi stated that the City Council received a status report regarding Schroedel et al. v. the City of Capitola existing litigation; and labor negotiations for the following employee organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; (6) Department Heads; and (7) City Manager; there was no reportable action.

**4. ADDITIONAL MATERIALS**

None provided.

**CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, April 23, 2015**

**5. ADDITIONS AND DELETIONS TO AGENDA**

None provided.

**6. PUBLIC COMMENTS**

The following local residents stated their opposition for the proposed Monterey Skate Park:

- Nancy Lippy
- Richard Lippi
- Lisa Steingrube
- Marilyn Warder (read statement provided by Al Globus)
- Cheryl Devlin
- Helen Bryce
- Craig Curtis
- Terry Tetter
- Marla Sanders

The following local residents stated their support for the proposed Monterey Skate Park:

- Jim Crowley
- Sheri Siegfrie
- Jason Turner
- Zac Proctor
- Jason Turner

Marie Martorella and Trica Proctor, proponents for the proposed skate park at Monterey Park, stated that the plans for the skate park at Monterey Park were submitted to the City last week, and they welcome input from the community.

Community Development Director Grunow provided an update on the planning and public meeting process for the proposed skate park at Monterey Park. He stated that information will be made available on the City's website.

TJ Welch, Capitola Public Safety Foundation, stated that the Foundation is hosting a three-night fundraiser dinner at Paradise Beach Grill on May 11, 12, 13.

Peter Pethoe, Santa Cruz Hostel, stated concerns about the Santa Cruz Metropolitan Transit bus route schedule for in and out of Capitola.

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

City Manager Goldstein stated that a pay parking app will be available to the public in the near future.

Council Member Termini thanked Mayor Norton for helping to facilitate the light opera coming to Capitola later this year.

Council Member Bertrand requested that an item be added to a future City Council agenda regarding the City's tree ordinance.

Council Member Harlan stated that there will be a Law Enforcement Special Olympics fund raising event on April 30, 2015, at Chili's restaurant.



## CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, April 23, 2015

Council Member Bottorff requested an item be agendaized for discussion regarding plan modifications to the McGregor Park Project in order for the City Council to consider increasing the size of the bike pump track in lieu of the skate park.

Police Chief Escalante stated that April 21 - 27 "Operation Surf" is coming to Capitola.

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

- A. Council Member Harlan to make an appointment to the Planning Commission to fill an unexpired term ending in December 2016.

**ACTION Council Member Harlan appointed Susan Westman to the Planning Commission to fill an unexpired term ending in December 2016.**

9. **CONSENT CALENDAR**

- A. Consider approving the April 9, 2015, Regular City Council Minutes.
- B. Approval of City Check Register Reports dated March 20, 2015; March 27, 2015; April 3, 2015; and April 10, 2015.
- C. Consider approving the fifth amendment to the Agreement for City Attorney Services with Atchison, Barisone, Condotti & Kovacevich in the amount of \$133,560.

**ACTION Motion made by Council Member Termini, seconded by Council Member Harlan, to approve the Consent Calendar Items 9.A., 9.B., and 9.C. The motion was passed unanimously with the exception of the payment to Santa Cruz Regional 911 (Items 9.B.) being opposed by Council Member Norton.**

10. **GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Consider approving the Art & Cultural Commission's 2014/2015 Annual Report.

The City Council received the Annual Report.

- B. Consider approving a Santa Cruz County Sanitation District Grant Easement for the Soquel Creek Pump Station Force Main Replacement Project.

Council Member Harlan stated that, due to a conflict of interest, she will recuse herself from participating on this item because she is the City's representative on the Santa Cruz County Sanitation District (District) and she receives a stipend from the District. She left the dais.

**ACTION Motion made by Council Member Termini, seconded by Council Member Bottorff, to approve the Santa Cruz County Sanitation District Grant Easement for the Soquel Creek Pump Station Force Main Replacement Project. The motion carried with the following vote: AYES: Council Members Bertrand, Bottorff, Termini, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Harlan.**

1. **ADJOURNMENT**

At 8:20 PM Mayor Norton adjourned the meeting.

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**SPECIAL CAPITOLA CITY COUNCIL  
AND  
PLANNING COMMISSION JOINT MEETING MINUTES  
THURSDAY, APRIL 30, 2015 - 6:00 PM**

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

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

Planning Commissioners Ed Newman, Gayle Ortiz, T. J. Welch, Susan Westman, and Chairperson Linda Smith

Planning Commissioner Gayle Ortiz arrived at 6:35 PM.

Council Member Michael Termini was absent.

**2. PRESENTATIONS**

A. Oath of Office Ceremony for newly appointed Planning Commissioner Susan Westman.

Oath of Office provided.

**3. ADDITIONAL MATERIALS**

None provided

**4. ADDITIONS AND DELETIONS TO AGENDA**

None provided

**5. PUBLIC COMMENT**

Richard Lippi, local resident, provided for the record a letter to the City Council and the Planning Commission regarding the proposed skate park at Monterey Park.

**6. CITY COUNCIL / PLANNING COMMISSION / STAFF COMMENTS**

Council Member Harlan stated the Public Utility Commission is providing opt-out options for the Smart Meter program.

**7. GENERAL GOVERNMENT / PUBLIC HEARINGS**

A. Receive presentation regarding the City of Capitola Zoning Code Update.

Community Development Director Grunow introduced this item and provided the background history regarding steps, previous meetings, and issues involving the City's Zoning Code Update process.

Senior Planner Cattan stated that a preliminary survey was conducted which included input from the City Council, Planning Commission and the public. She reviewed the following issues and options included in the survey results:

ISSUE 2: Maintaining and Enhancing the Village Character

Direction: Preference for Option 2.

*Option 2: Establish new building form and character standards.*

*The Zoning Code (Code) could establish mandatory site and building standards to maintain and enhance the Village character. These would apply to non-residential and mixed-use development.*

Additional comments: Guidelines are removed.

ISSUE 7.A. SIGNS: Threshold for Review

Direction: Preference for Option 2.

*Option 2: Allow staff-level review with new standards.*

*Revise sign standards to include new, well-defined and well-illustrated design standards that create maximum allowances within staff-level review and an option for Planning Commission review for signs that go beyond the maximum allowance. In this option, new maximum limits are established. Signs can be approved administratively within an over-the-counter permit.*

Additional comments: Ensure high quality signs.

ISSUE 7.B. SIGNS: Tailored Standards

Direction: Preference for Option 2

*Option 2: Create tailored standards for different commercial areas. Certain sign standards could be adjusted to address the unique issues in different commercial areas. Tailored standards could address types of permitted signs, maximum sign area, sign dimensions, sign location and placement, illumination, materials, and other issues.*

Additional comments: Preference for monument signs to be drafted into tailored standards for each commercial area within Issue 7.B. Also, update to allow digital gas pricing signs.

ISSUE 7.C. SIGNS: Monument Signs

Direction: Option 5 – Other. Preference for monument signs to come back with tailored standards for each neighborhood. Allow digital gas pricing signs.

ISSUE 10: Permits and Approvals

Direction: Incorporate 2(a), 2(b), and 2(c)

*Option 2(a): Create a new Administrative Permit.*

*This new permit would be used for a wide range of existing, ministerial staff-level actions. It could be used as a general replacement for existing fence permits, temporary sign permits, approvals of temporary sidewalk/parking lot sales, and temporary storage approvals.*

*Option 2(b): Create a new Minor Use Permit.*

*This new permit would be similar to a Conditional Use Permit except that it would be approved by the Community Development Director (Director). Notice would be mailed to neighbors prior to final action by the Director and decisions could be appealed to the Planning Commission. The Director could also choose to refer applications to the Planning Commission for decision. A Minor Use Permit could be a good middle ground for uses that should not be allowed by-right, but that also generally do not need to go the Planning Commission for a public hearing and approval, such as a Home Occupancy Permit and Transient Occupancy Permits.*

*Option 2(c): Create a New Substantial Conformance Process.*

*The Zoning Code currently requires applicants to submit a new application if they wish to make any changes to an approved permit – even if the change is very minor in nature. Under this option, a substantial conformance process would be developed to allow administrative approval of specified minor alterations while still requiring the Planning Commission consideration of more substantive changes.*

## CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES – April 30, 2015

ISSUE 12.A: Design Permit: When a Design Permit is Required

Direction: Option 2

*Option 2: Require Design Permits only for Exterior Modifications. With this option, a design permit would be required to establish a new use only with an exterior modification to the structure. All other commercial design permit thresholds would remain the same.*

ISSUE 12.B Design Permit Approval Authority – Commercial Use

Direction: Option 2

*Option 2: Delegate limited approval authority to the Director With this option; the Director would approve more types of commercial projects requiring a Design Permit. For example, the Director could approve:*

*Option 2(a): Minor repairs, changes and improvement to existing structures which use similar, compatible or upgraded quality building materials.*

*Option 2(b): Additions not visible from the front façade up to a specified square-footage threshold.*

*Option 2(c): Expansion of one tenant space into a second tenant space in a multi-tenant building.*

*Option 2(e): Accessory structures*

Additional Comments: Support for 2(c) and 2(e).

2(c): Limit tenant expansions to combining two tenant spaces.

2(e): For garbage or recycling enclosures. The Planning Commission and the City Council provided direction on the April 30, 2015, City Council and Planning Commission Special Joint Meeting Agenda.

12.C. When a Design Permit is Required – Residential Uses

Direction: Options 2(a), 2(b) and 2(c).

*Option 2: Modify threshold for residential design permits.*

The threshold could be revised in multiple ways. Thresholds that could be modified to include the following:

*Option 2(a): Increase existing threshold (greater than 400 sq ft) for additions located on the rear of a single family home. Note: first story only.*

*Option 2(b): Allow first story additions (unlimited) that are located on the back of an existing home and comply with all standards of the Code.*

*Option 2(c): Allow minor additions to the front of a building that upgrade the front façade and comply with all standards of the Code. Minor additions could include enclosing recessed entrances, enclosing open front porches, and installation of bay windows.*

Additional Comments: First story only for Options 2(a), 2(b), and 2(c). Second story requires design permit.

12.D. Design Permit Approval Authority – Residential Use

Direction: Option 2.

*Option 2: Delegate limited approval authority to the Director with this option; the Director would approve more types of residential projects requiring a Design Permit.*

Comments: See 12.C. on previous page for thresholds.

12.E. Design Permit: Considerations for Design Permit Approval

Direction: Option 2

*Option 2: Maintain the existing architecture and site considerations with additional considerations focused on design, including massing, height, scale, articulation, neighborhood compatibility, privacy, quality exterior materials, and submittal requirements.*

ISSUE 14: Environmental and Hazard Overlays

Direction: Staff to simplify the overlays utilizing the best approach. Likely Option 2; however the top concern of the Planning Commission and the City Council is simplicity for applicants and administration.

Issue 17.A: Floor Area Ratio (FAR) and Decks

Direction: Option 3(a), 3(b) and 3(c).

*Option 3: Add exception for special circumstances.*

*There are special circumstances in which allowing a second story deck will not have an impact on neighbors or may be an asset to the public. The Code could include exceptions for special circumstances to allow larger decks that are not counted toward the floor area.*

*Option 3(a): Front Façade.*

*Privacy issues are typically on the side and back of single family homes. The ordinance could consider increased flexibility for decks on the first and second story front facades to allow for increased articulation while not impacting privacy of neighbors. There are two options for decks on front facades. The first is to increase the allowed deck area (beyond 150 sq ft) on the front façade of a home. The second option is to remove front façade decks from the calculation entirely by including front story decks within the list of items not included in the floor area calculation.*

*Option 3(b): Open Space.*

*There are a number of homes in Capitola that are located adjacent to open space. For example, the homes located along Soquel Creek and ocean front properties. Similar to the prior exception, the Code could be revised to either increase the allowed deck area or remove the calculation entirely for decks located on elevations facing open space.*

*Option 3(c): Restaurants and Hotels.*

*Visitor experiences are enhanced when they take in a view. The Code currently does not include an exception for decks on hotels or restaurants. The Code could be revised to either increase the maximum allowed deck area of restaurants and hotels or remove decks on restaurants and hotels from the floor area calculation entirely.*

## CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES – April 30, 2015

Comments: Acknowledged that deck regulations do not necessarily belong in the FAR standards. Decks should be included in the updated design permit standards and individual neighborhood standards. Support for exceptions (a), (b) and (c). Also, consider if rail line is open space.

Issue 17.B. Floor Area Ratio and Basements

Direction: Option 3

*Option 3: Remove basements from FAR formula.*

Comments: Include area of basement in parking requirement. Basements that have a walk out creating a 3rd story should count toward FAR (properties on slopes). Basements that do not impact visual massing should not count toward FAR. Modify FAR to exclude basements that are below grade on four sides.

Issue 17C: Floor Area Ration and Phantom floors, Roof Eaves, and Window Projections

Direction: Option 5

*Option 5: Remove a combination of phantom floors, roof eaves, and/or window projections from the FAR calculation.*

**Public Comment:**

Adam Samuels, local resident, stated the City is providing an effective process for the City's Zoning Code Update. He requested that upcoming meetings be posted to the City's website.

Helen Bryce, local resident, stated concerns regarding preserving open space in the City.

Planning Commissioner Newman remarked about appeals of Planning Commission's decision to the City Council.

City Manager Goldstein stated that 50% of the skate park construction at McGregor Park is complete and asked if Council Member Bottorff's request for the Council to consider stopping the skate park project at McGregor Park.

Council Member Bottorff requested to withdraw his request.

**8. ADJOURNMENT**

Meeting adjourned at 8:15 pm.

\_\_\_\_\_  
Dennis Norton, Mayor

\_\_\_\_\_  
Linda Smith  
Planning Commission Chair

ATTEST:

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

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ACTION MINUTES  
CAPITOLA PLANNING COMMISSION  
THURSDAY, MAY 7, 2015  
7 P.M. CITY COUNCIL CHAMBERS

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

Commissioners: Ed Newman, Linda Smith, Gayle Ortiz, TJ Welch and Susan Westman

2. **ORAL COMMUNICATIONS**

A. Additions and Deletions to Agenda

1. Appointment to Traffic and Parking Commission

**ACTION: Commissioner Welch was appointed.**

B. Public Comment

C. Commission Comment

D. Staff Comments

3. **APPROVAL OF MINUTES**

A. **April 2, 2015, Draft Planning Commission Minutes**

**ACTION: Approved 4-0, 1 abstention**

4. **CONSENT CALENDAR**

A. **4525 Capitola Road #15-005 APN: 034-124-06**

Conditional Use Permit for a Sunday School to be located in the CR (Commercial Residential) Zoning District.

This project is located in the Coastal Zone and requires a Coastal Development Permit, which is not appealable to the California Coastal Commission.

Environmental Determination: Categorical Exemption

Property Owner: Calvary Chapel Capitola, filed 1/20/15

Representative: Sandy Hale

**ACTION: Approved 4-0 (Welch recused)**

B. **208 Hollister #15-031 APN: 036-124-17**

Design Permit for the demolition of an existing single-story residence and construction of a new two-story residence located in the R-1 (Single Family Residential) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: Brian Sherer

Representative: Derek Van Alstine, filed: 2/25/15

**ACTION: Approved 4-0 (Welch recused)**

**C. 110 Stockton Ave #15-063 APN: 035-23-114**

Conditional Use Permit for a take-out restaurant and bakery to be located in the CV (Central Village) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: SouthStar Property Management

Representative: Helmut J. Fritz, filed: 4/7/15

**ACTION: Approved 5-0**

**5. PUBLIC HEARINGS**

**A. 408 Monterey Ave #15-052 APN: 036-092-04**

Design Permit for the demolition of an existing single-story residence and construction of a new two-story home in the R-1 (Single-Family Residential) Zoning District, and a variance request to exclude first-story decks within Floor Area calculation.

This project is located in the Coastal Zone and requires a Coastal Development Permit, which is not appealable to the California Coastal Commission.

Environmental Determination: Categorical Exemption

Property Owner: Arthur Lin

Representative: Dennis Norton, filed: 3/24/15

**ACTION: Approved 5-0**

**B. Draft Climate Action Plan - Authorization to Initiate Public Review**

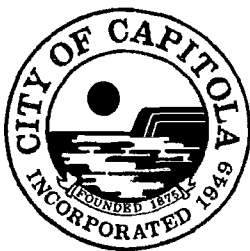
**ACTION: Recommendation to the City Council to initiate public review**

**6. DIRECTOR'S REPORT**

**7. COMMISSION COMMUNICATIONS**

**8. ADJOURNMENT**

Adjourned at 8:27 p.m. to the special meeting of the Planning Commission to be held on Monday, May 18, 2015, at 6 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



# CITY COUNCIL AGENDA REPORT

## MEETING OF MAY 14, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: QUARTERLY FINANCIAL REPORTS – THIRD QUARTER BUDGET REPORT  
AND SECOND QUARTER SALES TAX REPORT

---

**RECOMMENDED ACTION:** Receive the Third Quarter Budget Report and Second Quarter Sales Tax Report.

**BACKGROUND:** The City's quarterly reports are typically posted to the City's website in the last week of the month for the preceding quarter. These reports are also placed on the City Council agenda for informational purposes.

**DISCUSSION:** The attached quarterly reports contain information for the following dates:

- Third Quarter Budget Report: January 1 to March 31, 2015.
- Second Quarter Sales Tax Report: October 1 to December 31, 2014.

The Third Quarter Budget report reflects revenues earned for the period listed above. Sales tax information for the quarter ended March 31, 2015, will not be available until June 2015.

Detailed information on both subjects can be found in the attached documents.

**FISCAL IMPACT:** This action is administrative and should not result in a financial impact.

**ATTACHMENTS:**

1. Third Quarter Budget Report
2. Second Quarter Sales Tax Report

Report Prepared By: Mark C. Welch  
Finance Director

Reviewed and Forwarded  
by City Manager: 

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## Budget Report Third Quarter – FY14/15

### Overview:

This report summarizes the City's overall financial position for the current fiscal year through March 2015. All revenue and operating expenditure trends are generally on target with annual projections.

### News and Information:

#### **Projected FY 14/15 Fund Balance**

The City is projecting an ending FY 14/15 General Fund balance of approximately \$900,000. This positive fund balance is primarily the result of increased sales tax, transient occupancy tax, and property tax revenues. As part of the Fiscal Year 2014/15 Proposed Budget hearings, Council allocated \$475,000 of the fund balance to reserves, capital improvement projects, and a new Facilities Reserve Fund.

### General Fund:

The fiscal year is 75 percent complete. The General Fund revenues are 62 percent of the annual projections, while expenditures excluding transfers are at 64 percent. While it may appear that revenues aren't performing as projected, this pattern is consistent with prior years and the timing of key revenue receipts. In FY 14/15, increased performance in core revenues have increased revenues by \$211,287 over the prior year. The City's expenditures are fairly consistent with the number of payrolls processed through March 31, 2015; while the amount of transfers reflect 40% of the Measure O and fund balance commitments to reserves and CIP. Additional details are provided in the remaining sections.

General Fund	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	Percent	
Beginning Fund Balance	\$ 1,707,866	\$ 1,707,866		
Revenues	14,573,845	9,091,526	62%	\$ 8,880,239
Expenditures	12,611,023	8,632,973	68%	8,462,679
Operating Subtotal	1,962,822	458,553		417,559
Other Financing: (CIP, Debt Service, Reserves)	2,395,025	962,000	40%	1,519,644
FY14/15 Operating Difference	\$ (432,203)	\$ (503,447)		\$ (1,102,085)
Est. Fund Balance	\$ 1,275,663	\$ 1,204,419		

# Item #: 9.C. Attach 1.pdf

## Key Revenues:

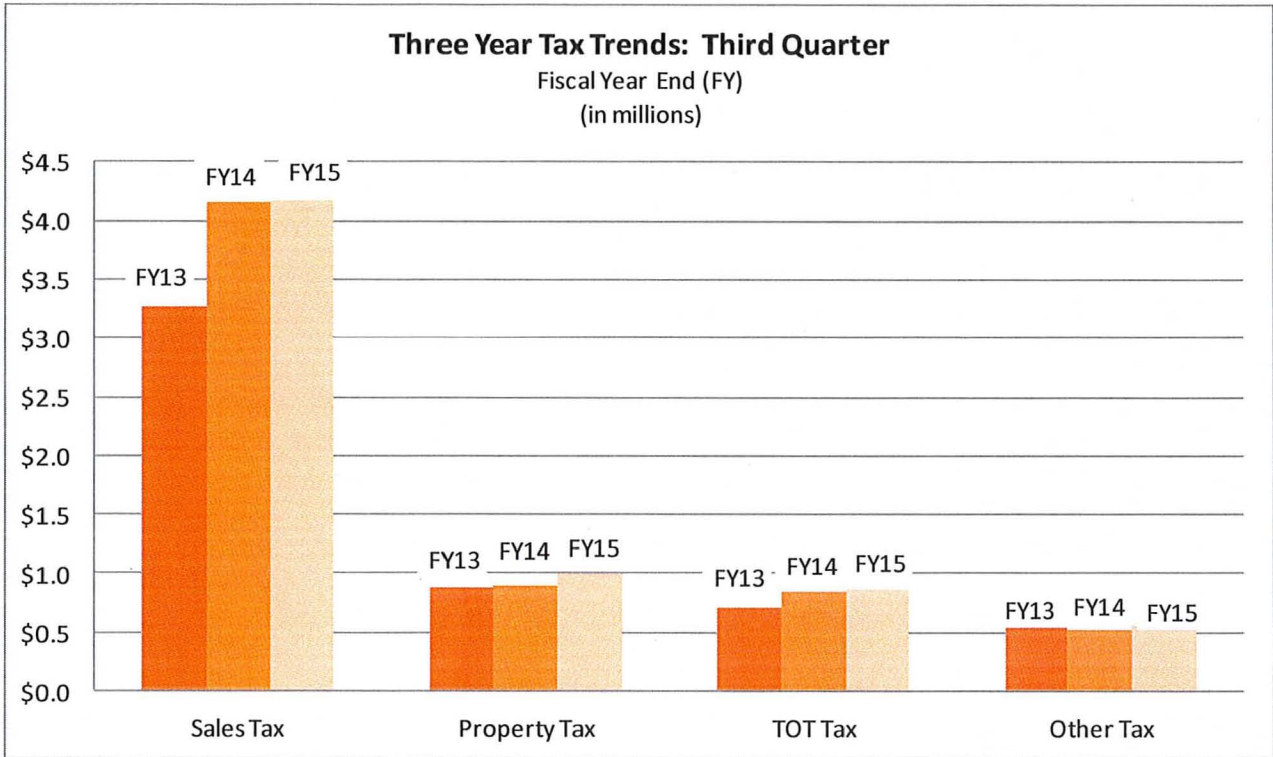
Revenue	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used / Rec'd	
<b>Taxes:</b>				
Property Taxes	\$ 1,904,900	\$ 997,259	52%	\$ 902,965
Sales and Use Tax	7,315,454	4,181,868	57%	4,159,975
Document Transfer Tax	33,200	48,738	147%	34,577
Business License Tax	280,800	272,975	97%	275,850
Franchise Tax	485,200	230,873	48%	203,676
TOT Tax	1,251,800	855,978	68%	853,854
<b>Subtotal - Taxes</b>	<b>\$ 11,271,354</b>	<b>\$ 6,587,691</b>	<b>58%</b>	<b>\$ 6,430,897</b>
<b>Other:</b>				
Licenses and permits	\$ 249,450	\$ 191,063	77%	\$ 205,868
Intergovernmental revenues	235,016	189,899	81%	86,830
Charges for services	1,980,900	1,508,880	76%	1,590,294
Fines and forfeitures	718,800	511,475	71%	480,675
Use of money & property	51,800	50,625	98%	14,105
Other revenues	66,525	51,893	78%	71,570
Other financing sources	-	-	0%	-
Extraordinary Items	-	-	0%	-
<b>Subtotal - Other Revenues</b>	<b>3,302,491</b>	<b>2,503,835</b>	<b>76%</b>	<b>2,449,342</b>
<b>Total Revenues</b>	<b>\$ 14,573,845</b>	<b>\$ 9,091,526</b>	<b>62%</b>	<b>\$ 8,880,239</b>

**Taxes** – The City receives most taxes on alternate schedules; however revenue receipting patterns are consistent with prior years. Due to the timing of revenue receipts only 62 percent of tax revenues were received in the first three quarters of FY 14/15. This includes almost a full year of business license receipts; less than 33 percent of third quarter sales tax receipts; and 50 percent of the estimated property tax revenues. Sales tax receipts are approximately \$22,000 greater than the prior year. TOT year to date revenues are flat with the prior year.

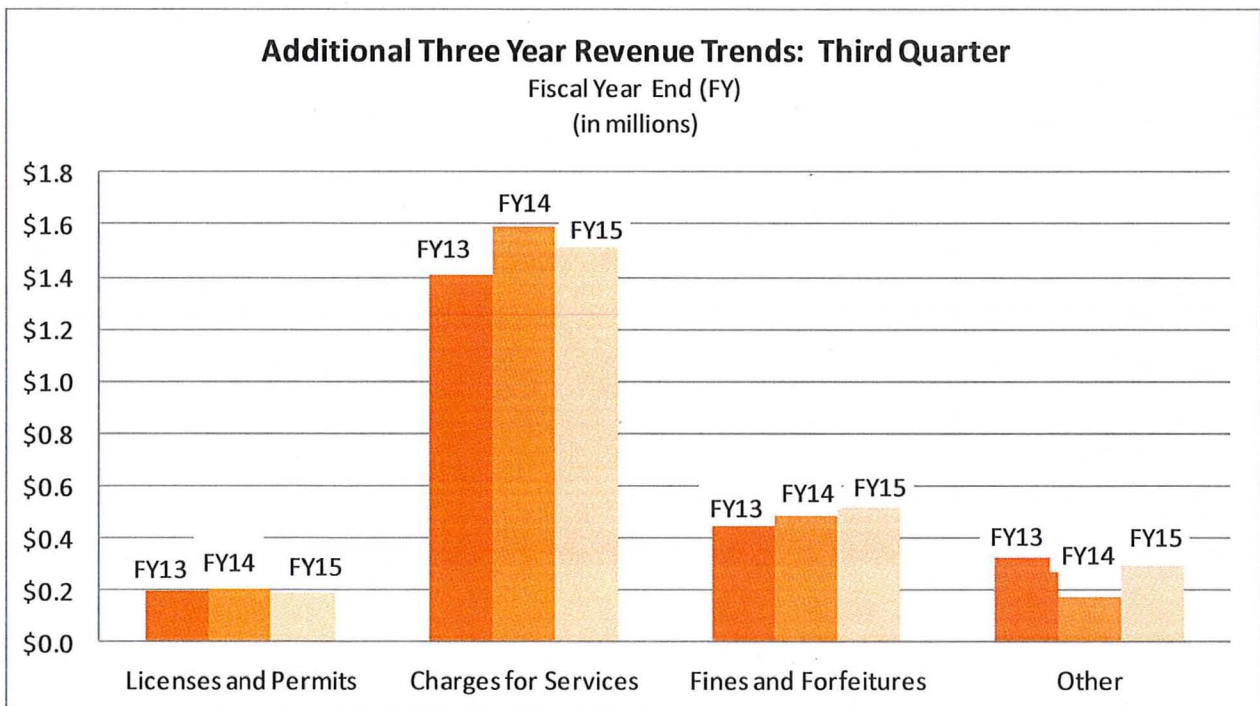
**Charges for Services** – The timing of recreational classes resulted in the increase of \$26,394 from last year. Due to the seasonality of major recreational programs, it may be difficult to project whether this trend will continue through the Fourth Quarter. Additional factors include a \$10,000 increase in parking meter revenues that could be attributed to increased tourism and general economic improvement; and \$45,000 decrease in Community Development Planning fees which can be partially attributable to a large environmental impact review project last fiscal year.

**Other** – Intergovernmental Revenues related to grant funding are included in this category. The budgetary and annual comparative differences are primarily the result of the timing of grant billings and receipts.

A chart providing three-year tax trend information is provided for reference:



Additional three-year revenue trend information is presented below:



Item #: 9.C. Attach 1.pdf

Expenditures:

Expenditures by Category	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
Personnel	\$ 7,910,707	\$ 5,511,350	70%	\$5,418,675
Contract Services	2,921,578	1,923,794	66%	1,801,981
Training & Memberships	82,600	56,266	68%	56,364
Supplies	565,728	375,898	66%	363,375
Grants and Subsidies	269,763	128,580	48%	128,670
Capital Outlay	10,000	(900)	-9%	23,920
Internal Service Fund Charges	850,647	637,985	0%	669,694
Other Financing Uses	2,395,025	962,000	40%	1,519,644
<b>Fund Totals: General Fund</b>	<b>\$ 15,006,048</b>	<b>\$ 9,594,973</b>	<b>64%</b>	<b>\$9,982,323</b>

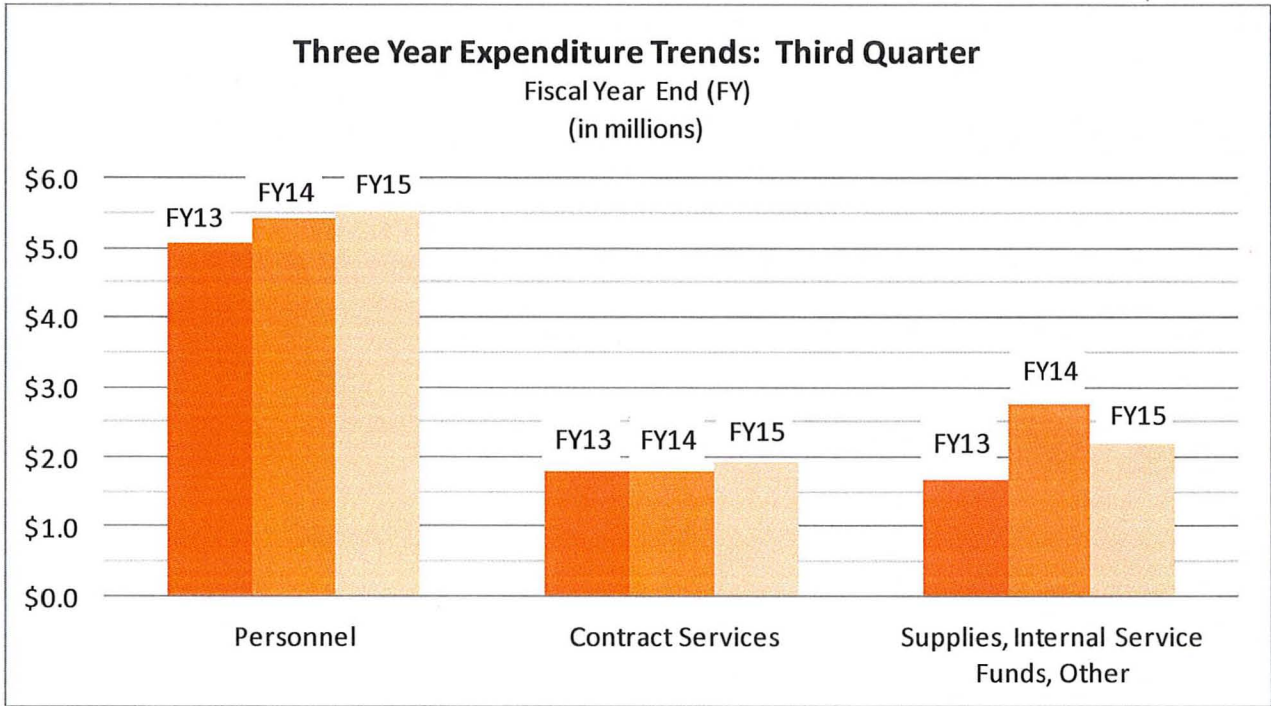
Expenditures By Department	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
City Council	\$ 125,240	\$ 82,309	66%	\$ 84,717
City Manager	847,919	568,331	67%	586,518
Personnel	209,744	140,335	67%	126,184
City Attorney	187,323	122,444	65%	135,168
Finance	789,080	489,538	62%	506,494
Community Grants	269,763	128,580	48%	128,670
Public Safety	6,017,340	4,298,233	71%	4,233,967
Public Works	2,471,868	1,682,555	68%	1,593,232
Community Development & Building	739,122	496,924	67%	428,836
Culture and Leisure	953,624	623,724	65%	638,893
Transfers	2,395,025	962,000	40%	1,519,644
<b>Expenditure Totals</b>	<b>\$ 15,006,048</b>	<b>\$ 9,594,973</b>	<b>64%</b>	<b>\$9,982,323</b>

Expenditures are currently below 75 percent of budget. Personnel expenditures have increased 1.7 percent over the prior year, while Contract Services increased 6.7 percent, with Other Financing Sources decreasing 36.7 percent. Overall expenditures have decreased 3.9 percent from the same time last year.

The FY 13/14 third quarter transfers are approximately \$557,644 greater than this year. This is primarily related to \$750,000 in reserve and CIP transfers and a \$160,000 contribution to the Equipment and IT Funds that occurred in FY 13/14.



Three year expenditure trend information by category is presented in the following chart.



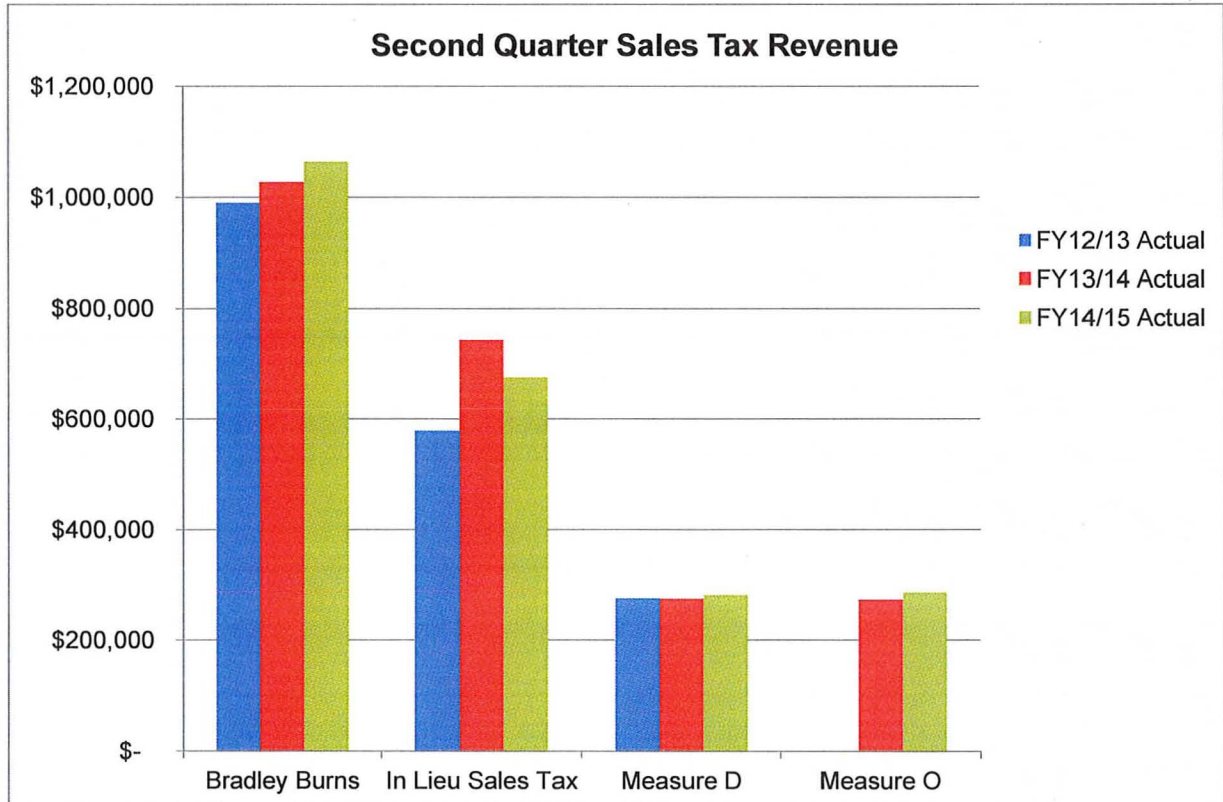
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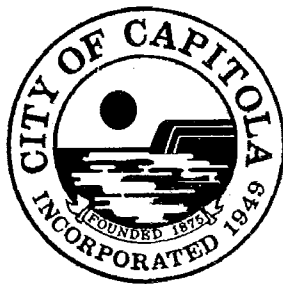
## Sales Tax Revenue Report Second Quarter – Fiscal Year 14/15

Total sales tax receipts for the second quarter of FY14/15 were \$2,307,812, which is \$23,512 or 1% over budget and \$10,691 or 0.5% lower than the prior year. The Bradley-Burns component generated \$1,064,447 in revenues and is \$22,247 or 2.1% over budget and \$37,249 or 3.6% higher than the prior year. In Lieu sales tax receipts were \$8,118 or 1.2% lower than budget and \$67,560 or 9.1% lower than last year. Measure D produced \$281,605 in receipts, which is \$1,005 or 0.4% over budget and \$6,827 or 2.5% more than the second quarter of last year. Measure O contributed \$286,178 in revenues, which is \$8,378 or 3% over budget and \$12,793 or 4.7% higher than the prior year. A table and graph showing the second quarter sales tax results are listed below.

<b>Second Quarter Sales Tax Revenue Analysis</b>								
Description	FY12/13	FY13/14	FY14/15	FY14/15	Actual vs. Budget		Actual vs. Prior Year	
	Actual	Actual	Budget	Actual	Amount	%	Amount	%
Bradley Burns	\$ 990,039	\$ 1,027,198	\$ 1,042,200	\$ 1,064,447	\$ 22,247	2.1%	\$ 37,249	3.6%
In Lieu Sales Tax	\$ 578,743	\$ 743,141	\$ 683,700	\$ 675,582	\$ (8,118)	-1.2%	\$ (67,560)	-9.1%
Measure D	\$ 276,317	\$ 274,778	\$ 280,600	\$ 281,605	\$ 1,005	0.4%	\$ 6,827	2.5%
Measure O	\$ -	\$ 273,385	\$ 277,800	\$ 286,178	\$ 8,378	3.0%	\$ 12,793	4.7%
	<b>\$ 1,845,099</b>	<b>\$ 2,318,502</b>	<b>\$ 2,284,300</b>	<b>\$ 2,307,812</b>	<b>\$ 23,512</b>	<b>1.0%</b>	<b>\$ (10,691)</b>	<b>-0.5%</b>



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# CITY COUNCIL AGENDA REPORT

## MEETING OF MAY 14, 2015

FROM: OFFICE OF THE CITY CLERK

SUBJECT: PROPOSED AMENDMENTS TO THE BOARD, COMMISSION AND COMMITTEE ADMINISTRATIVE PROCEDURE

**RECOMMENDED ACTION:** Approve an amendment to the City's Board, Commission and Committee Procedures (Administrative Policy I-20).

**BACKGROUND/DISCUSSION:** In May 2014, the City Council approved an amendment to the City's Board, Commission and Committee Procedures (Administrative Policy I-20) amending the public noticing requirements and staff responsibilities.

At this time staff is recommending that the Administrative Policy I-20 (Attachment 1) be approved for the purposes of amending Section IV(C) entitled "Agenda, Agenda Packet, and Noticing Requirement" pertaining to the standard agenda format for advisory bodies and the adjourned meeting noticing requirement.

**FISCAL IMPACT:** There are no apparent fiscal impacts.

**ATTACHMENTS:**

- 1. Draft Administrative Policy I-20

Report Prepared By: Susan Sneddon  
City Clerk

Reviewed and Forwarded  
By City Manager

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## ADMINISTRATIVE PROCEDURE

Number: I-20  
 Issued: 9/20/05  
 Revised: 8/10/06  
 Revised: 2/28/13  
 Revised: 1/9/14  
 Revised: 5/22/14  
 Revised: \_\_\_\_\_  
 Jurisdiction: City Council

## Board, Commission and Committee Guide Procedures

### I. PURPOSE

The purpose of this procedure is to set forth consistent procedures concerning agenda preparation, meeting procedures, conduct and other administrative matters for city boards, commissions and committees.

### II. POLICY

It is the policy of the City of Capitola that all city boards, commissions, and committees shall follow the guidelines established in the "Board, Commission and Committee Guide – A Reference Guide for City Advisory Bodies" ("Guide") initially issued on March 1, 2005, and any revisions made thereto. It is the responsibility of the staff representative of each board, commission or committee to be familiar with this guide, particularly as it relates to regular meeting protocol, including agenda preparation and posting, and staff responsibilities.

### III. PUBLIC MEETINGS

City Council and advisory boards must conduct business in public as required by the Ralph P. Brown Act (Brown Act) for public meetings. The Brown Act (Gov. Code § 54950 et seq.) is the state's open meetings act. It is intended to ensure that the public has adequate notice of what it's elected and appointed local decision makers do, and that those decisions and the deliberations leading to them take place in public. The Brown Act has evolved under a series of amendments and court decisions, and has been the model for open meeting laws. To locate the most current version the Brown Act on the Internet go to the League of California Cities website (<http://www.cacities.org/>) and in the search box enter *Open & Public IV: A Guide to the Ralph M. Brown Act*.

Most advisory bodies can create Ad hoc or Task Force Committees consisting of less than a quorum of their members to deal with specific issues. Such Ad hoc Committees are not required to comply with the noticing and open meeting requirements of the Brown Act. This is often referred to as the "less-than-a-quorum exception." An Ad hoc Committee has a defined purpose and a time frame to accomplish that purpose. An Ad hoc Committee is not delegated any decision-making power and must return to the full advisory body with its recommendation.

## Item #: 9.D. Attach 1.pdf

Administrative Procedure I-20  
Board, Commission and Committee Guide Procedures

### IV. AGENDA, AGENDA PACKET, AND NOTICING REQUIREMENTS

Agendas for advisory bodies will be prepared by the staff representative in consultation with the advisory body chair using the standard agenda format [Attachment 1]. The following also applies to agendas:

- A. Advisory body regular meeting agendas are posted in the City Hall foyer and posted to the City's website at least 72 hours prior to the meeting.
- B. Agendas and agenda packet materials shall be distributed to all advisory body members prior to the meeting. This can be done by mail or email if all members have an email address and agree to receive materials in that manner. In addition, staff representative shall email a copy of all meeting agendas and agenda packets to the City Clerk and the Records Coordinator. City Council members may request to receive agendas/agenda packets via email as part of the regular distribution.

A.C. If an advisory body meeting is adjourned to a meeting date other than that stated in the "Adjournment" section of the agenda, a Notice of Adjournment shall be posted on the agenda board in the City Hall foyer and posted to the City's website within 24 hours of adjournment. If there is less than a quorum or all members are absent from a regular or adjourned regular meeting the City Clerk or City staff representative of the legislative body may declare the meeting adjourned to a stated time and place, and shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings. A notice of adjournment must be posted on or near the door of the meeting room with 24 hours of the adjournment (GC 54955). The City Clerk or City staff representative shall cause a written notice of the adjournment to be delivered electronically to each member of the legislative body at least three hours before the adjourned meeting. A copy is also provided to the City Clerk. (Attachment 2).

B.D. Advisory body special meetings may be called by the advisory body and coordinated with the staff representative. Only matters specified on the agenda may be discussed and considered by the advisory body. No items may be added to the agenda at a special meeting. The staff representative will prepare the special meeting agenda (Attachment 3) and make sure it is delivered to each member of the advisory body prior to the meeting. The staff representative will also post the notice and the agenda in the City Hall foyer, and on the City's website.

C.A. E. Copies of all meeting notices, adjournments, and cancellations shall be posted to the City's website, and emailed to the City Clerk, Records Coordinator, and to the receptionist for updating the Community Channel 8 scroll.

### V. PROCEDURES FOR APPROVAL TO TECHNOLOGICAL CONFERENCING

"Teleconference" is defined as "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." In addition to the specific requirements relating to teleconferencing, the meeting must comply with all provisions of the Brown Act. Refer to III. Public Meetings in this Administration Procedure for Board, Commission and Committee.



Administrative Procedure I-20  
Board, Commission and Committee Guide Procedures

- A. Commissioner must complete a form (Attachment 4) requesting the ability to teleconference and confirm the following:
1. Agenda is posted at least 72 hours in advance.
  2. The teleconference location is accessible to the disabled and has the technology, such as a speakerphone, to enable the public to participate.
  3. The location is specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable.
  4. At least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.
  5. The staff representative shall be responsible for receiving the completed Teleconferencing Request form, and provide a copy to the City Clerk.

#### **VI. STAFF RESPONSIBILITIES**

Refer to the "Staff Representative and City Clerk Check List" (Attachment 5) as a reference for tasks to be completed in relation to advisory bodies business. It is the responsibility of the staff representative to follow the procedures contained in this Guide, as well as the following:

- A. The "Guide," along with the current advisory body member roster and implementing Resolution or Ordinance, shall be presented to each advisory body member at the time he/she attends his/her first meeting.
- B. Following appointment of an advisory body member by the City Council, the City Clerk shall prepare the oath of office (oath) form (Attachment 6) and forward it to the staff representative. The staff representative shall administer the oath to each advisory body member at his/her first meeting using the standard oath form for advisory bodies. The advisory body member and the staff representative administering the oath shall sign the oath form and return the original signed form to the City Clerk for filing.
- C. The staff representative shall be responsible for scheduling the meeting room with the receptionist and City Clerk staff informing the receptionist of any changes to regularly scheduled meetings, special meetings, etc.
- F. It is the responsibility of the staff representative to keep attendance records and report attendance issues to the Mayor pursuant to Administrative Policy I-5, Attendance Policy and Leaves of Absence for City Advisory Bodies.
- G. All public meetings complying with the Brown Act must publicly report the vote of its members. The Chair can comply with this requirement by conducting a roll call vote; or by simply reporting the vote on the record after it has been taken. For example the Chair, after calling for a vote on a motion, might state the following:

## Item #: 9.D. Attach 1.pdf

Administrative Procedure I-20

Board, Commission and Committee Guide Procedures

“The motion passes 3 to 2, Committee/Commission members (name), (name), (name), in favor and Committee/Commission members (name) and (name) opposed.”

- H. Minutes for advisory bodies will be prepared by the staff representative following the meeting to be included on the next advisory body agenda for approval. Minutes shall be action minutes with some discussion of matters considered by the body, including the names of members of the public who address the advisory body. Minutes shall include the vote for each action item. Minutes shall be prepared in a format similar to the standard minute format [Attachment 7]. Following approval of the minutes by the advisory body, a copy shall be emailed to the City Clerk, and the Records Coordinator.
- I. If an advisory member resigns they are to provide the City Clerk with a letter or email stating their resignation. Once submitted, an email or letter of resignation cannot be withdrawn unless overturned by the City Manager. The effective date of the resignation is the date it is received by the City Clerk unless a future date is indicated. The City Clerk shall forward the correspondence to the City Council, City Manager, and the staff representative notifying them that a vacancy exists.
- J. It is the City Clerk’s responsibility to ensure that advisory body members that receive compensation, salary, or expense reimbursement from the City are aware of the requirement to receive ethics training pursuant to Assembly Bill 1234. This training is available online through the California Fair Political Practices Commission (FPPC) website at <http://www.fppc.ca.gov>. After initial training, members must renew their training every two years thereafter.
- K. It is the City Clerk’s responsibility to ensure that advisory body members listed on the City’s Conflict of Interest Code complete their annual Fair Political Practices Commission Conflict of Interest Form 700, and the assuming or leaving office Form 700 is applicable.

Approved and authorized by the Capitola City Council at its meeting of  
May 22, 2014.

\_\_\_\_\_  
Jamie Goldstein, City Manager

### Attachments (Sample Documents):

1. Agenda
2. Notice of Adjournment
3. Notice of Special Meeting
4. Teleconferencing Request Form
5. Staff Check-off List
6. Oath
7. Minutes
8. Notice of Cancellation



## **AGENDA**

*(Advisory Body Name)*

*Regular Meeting*

*(Day - Date)*

*(Time)*

*(Meeting Room & Address)*

**CALL TO ORDER AND ROLL CALL** *(List Board Members)*

**APPROVAL OF MINUTES**

**PRESENTATIONS** *(If applicable)*

**ORAL COMMUNICATIONS** *(No action may be taken)*

*The Chair may announce and set time limits at the beginning of each agenda item.*

*The Committee Members may not discuss Oral Communications to any significant degree, but may request issues raised be placed on a future agenda.*

**CONSENT AGENDA** *(If applicable)*

**OTHER BUSINESS**

**COMMISSION REPORTS** *(If applicable/No action may be taken)*

**INFORMATION ITEMS** *(Members may initiate items for future agendas at this time)*

**ADJOURNMENT**

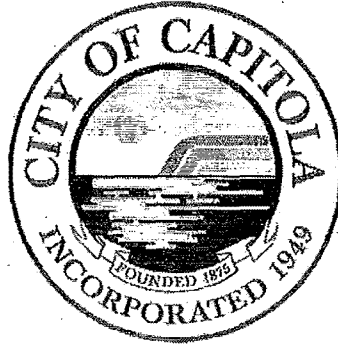
**Notice:** The *(Advisory Body)* meets on the *(day of week)* of each month at *(time)*, in *(the Community Room or the City Council Chambers)* located at 420 Capitola Avenue, Capitola.

**Agenda:** The *(Advisory Body)* Agenda is available on the City's website: [www.cityofcapitola.org/](http://www.cityofcapitola.org/)

**Agenda and Agenda Packet Materials:** The *(Advisory Body)* Agenda is available on the City's website: [www.cityofcapitola.org/](http://www.cityofcapitola.org/) on Friday prior to the *(day of the week)*. If you need additional information please contact the City Hall Department at (831) 475-7330.

**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.

**Appeals:** Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing and delivered to the City Clerk's Office within ten (10) working days from the time of the boards' decision. The notice of appeal shall set forth appellant's name, phone number, address to which notices may be sent to the appellant, and the grounds upon which the appeal is made.



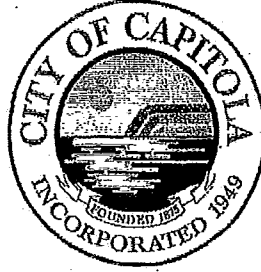
**CITY OF CAPITOLA  
(Advisory Body)**

**Notice of Adjournment**

**NOTICE IS HEREBY GIVEN** that the (Regular/Adjourned/Special) of the (Advisory body) will not have a quorum present at their meeting schedule for (date). Based on that information, the (date), will be adjourned to the next regular meeting (date) at (time) in (location).

Date: \_\_\_\_\_

\_\_\_\_\_  
(Staff Representative Signature)



**NOTICE OF A SPECIAL MEETING  
OF THE (NAME OF ADVISORY BODY)  
(day), (date)  
(time)**

**City Hall Council Chambers  
420 Capitola Avenue, Capitola, California.**

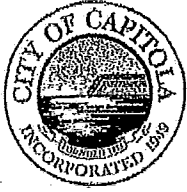
**NOTICE IS HEREBY GIVEN that a special meeting of the (name of advisory body) of the City of Capitola is hereby called to be held on (day), (date) at (time), in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.**

**Said special meeting shall be for the purpose of conferring on the following matter:**

***(Insert specific business to be discussed)***

**Dated this \_\_\_<sup>th</sup> of (month & year) \_\_\_\_\_  
Staff representative signature**

# City of Capitola



## TELECONFERENCE REQUEST FORM

### PUBLIC MEETING INFORMATION

Name of Committee: \_\_\_\_\_

Committee Member Name: \_\_\_\_\_

Committee Member Contact No: \_\_\_\_\_ Email: \_\_\_\_\_

Committee Staff Member: \_\_\_\_\_ Method of teleconferencing:<sup>1</sup> \_\_\_\_\_

Teleconferencing Location:<sup>2</sup> \_\_\_\_\_

Meeting Date: \_\_\_\_\_

### INSTRUCTIONS

**Complete the following:**

1. Public Meeting Information Section (above)
2. Certification Section (below)
3. Provide any additional comments if applicable
4. Sign and date

### ADDITIONAL MATERIAL

Please refer to the City's *Board, Commission and Committee Guide Procedures (Administrative Procedure I-20)* regarding agenda preparation, meeting procedures, conduct and other administrative matters for City boards, commissions and committees.

Check the boxes below to certify that the following will occur:

- Agenda posted at least 72 hours in advance.
- The teleconference location is accessible to the disabled and has the technology, such as a speakerphone, to enable the public to participate.
- The location is specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable.

Additional Information: \_\_\_\_\_

*(Faxed completed form to the attention of the City's staff liaison - 831-479-8879)*

Signature \_\_\_\_\_

Date \_\_\_\_\_

<sup>1</sup> Audio (e.g. telephone), video (e.g. skype)

<sup>2</sup> Include complete address

**DRAFT CITY OF CAPITOLA BOARD, COMMISSION AND COMMITTEE GUIDE  
STAFF CHECK OFF LIST**

Name of Advisory Committee: \_\_\_\_\_

Staff Representative \_\_\_\_\_

Check Off	CITY STAFF REPRESENTATIVES RESPONSIBILITIES
✓	
	Contact the City Clerk's office staff to schedule meeting rooms for the year.
	Post notices/agendas, adjournments, cancellations, etc. pursuant to the noticing requirements.
	Notify the City Clerk's office staff and receptionist to add information to the scroll regarding advisory meetings and any scheduling changes.
	Email agenda packets to advisory body members using the Outlook Distribution List.
	Post agenda, agenda packets, and approved minutes to the City's website.
	Return completed Oath of Office to the City Clerk's office staff.
	Email copies of advisory body documents to the City Clerk's office staff.
	Provide any advisory committee reports to the City Manager; and then the City Manager reports to the City Council.

Check Off	CITY CLERK'S OFFICE STAFF RESPONSIBILITIES
✓	
	Post recruitment notices in display cases, on the City's website, and email media.
	Email applicants acknowledging receipt of completed applications.
	Notify non-appointed applicants for particular committee that a vacancy exists (applications remain on file for one year).
	Applications are forwarded to the appointing Council Members.
	Prepare City Council staff reports for appointments.
	Email individual applicants notifying them if they were appointed or not.
	Maintain current and former member rosters of all advisory committee members with contact information and terms of office; and update the City's website with committee membership.
	Request and process advisory committees Fair Political Practices Commission Conflict of Interest Statement (Form 700) when applicable.
	Provide Oath of Office form to City staff representative.
	Receives letter of resignation.
	On or before December 31st of each year, the City Clerk shall prepare and post a Local Appointments List of all Council-appointed board, commission and committee terms that expire during the next calendar year in compliance with the Maddy Act.



Office of the City Clerk of the City of Capitola

I, Susan Sneddon, City Clerk of the City of Capitola, do hereby certify that on the \_\_\_th day of \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Member name)

was appointed to the (Name of Committee) of said City of Capitola.

# Oath of Office

## FOR BOARDS, COMMISSIONS AND COMMITTEES

(State Constitution, Art. XX, Sec. 3 as amended)

State of California        )  
  ) ss.  
County of Santa Cruz    )

I, (Member name), do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

(Name of Committee)

\_\_\_\_\_  
(Member name)

Subscribed and sworn to before me this \_\_\_th day of \_\_\_\_\_, 20\_\_

CITY OF CAPITOLA

\_\_\_\_\_  
By: (Staff Representative)



ATTACHMENT 7

SAMPLE COMMITTEE MINUTES FORMAT

MINUTES



CAPITOLA (BOARD, COMMISSION OR COMMITTEE)  
(Day), (Date)

A. CALL TO ORDER/ROLL CALL

Chair \_\_\_\_\_ called the (Date), meeting of the Capitola Commission on the Environment to order at (time) in the City Hall Community Room, 420 Capitola Avenue, Capitola, CA.

PRESENT: (Commission Members name(s))  
ABSENT: (Commission Members name(s))  
STAFF: (Staff Member name)

B. ORAL COMMUNICATIONS

C. BUSINESS

- 1) (Sample) Approval Minutes – From the Regular Meeting of (Date) Minutes.  
Commissioner \_\_\_\_\_ moved, seconded by Commissioner \_\_\_\_\_, to approve the Minutes for the (date) meeting as submitted. The motion was approved by the following vote: AYES: (Commission Members name(s)); NOES: (Commission Members name(s) if applicable); ABSENT: (Commission Members name(s) if applicable).
- 2) (Sample) Presentation by Ex Officio Commissioner John Ricker of the County of the Report of the Assessment of Sources of Bacterial Contamination on Santa Cruz Beaches.  
Ex Officio Commissioner Ricker distributed some written work, attached to these minutes, discussing the coliform contamination in Santa Cruz County and summarizing the results of the study. Commissioner Ricker presented the study information and responded to questions.

D. INFORMATION ITEMS (Members may initiate items for future agendas at this time)

E. ADJOURNMENT

The (Name of Board, Commission, or Committee) adjourned at (time) to its next Regular Meeting to be held on (Date), at (time) in the City Hall Community Room, 420 Capitola Avenue, Capitola.

\_\_\_\_\_, Chair



**NOTICE OF CANCELLATION  
OF THE REGULAR MEETING OF THE  
(NAME OF ADVISORY BODY)**

NOTICE IS HEREBY GIVEN that the *(date)* meeting of the *(Name of Committee)* has been cancelled. The next Regular Meeting is scheduled to be held on \_\_\_ *day, (date)* at *(time)* in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dated this \_\_\_<sup>th</sup> of *(month & year)* \_\_\_\_\_

*Staff representative signature*



## CITY COUNCIL AGENDA REPORT

MEETING OF MAY 14, 2015

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: APPEAL OF A PLANNING COMMISSION DECISION TO APPROVE A  
MINOR SUBDIVISION AND DESIGN PERMIT FOR A SINGLE-FAMILY  
HOME AND DUPLEX AT 502 PINE STREET

---

**RECOMMENDED ACTION:** Remove item from agenda.

**BACKGROUND:** On April 2, 2015, the Planning Commission approved an application for a minor subdivision and design permit to allow development of a single-family home and duplex at 502 Pine Street. An appeal of the Planning Commission decision was filed by a neighboring property owner on April 16, 2015. The appellant withdrew their appeal on May 6, 2015.

**DISCUSSION:** This hearing item was publicly noticed to be considered by the City Council at their May 14, 2015 City Council meeting. The appellant subsequently withdrew their appeal; therefore, the appeal is no longer valid and the appeal period has expired. Accordingly, the Planning Commission decision to approve the project is final.

**FISCAL IMPACT:** None

**ATTACHMENTS**

1. Appeal Documentation
2. Appeal Withdrawal

Report Prepared By: Rich Grunow  
Community Development Director

Reviewed and Forwarded  
By City Manager:

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April 16, 2015

To City of Capitola Planning Commission

Attn: Katie Cattan

Re: 502 Pine Street - Appeal

Thank you Katie for meeting with us on Tuesday regarding David Kraemer's Design Permit and Minor Subdivision.

As we shared with you we have received numerous phone calls from David Kraemer and I have attached the message on 4/6/15 that he left us on our phone. We spoke with David on the phone on 4/8/15 (he didn't want to meet at the property - he didn't have time). To date, we have not met David and his wife as we originally requested and hoped, so it is a mystery as to who we are dealing with and are concerned due to the events in the past 10 days.

The issue that we are concerned about is that David has informed us that there is an encroachment issue on the lot line between our homes. When we asked David on the phone why he didn't bring this to everyone's attention prior to getting permitted he said he was "advised not to".

The surveyor marked the property line between our homes yesterday, and thank you for arranging this. Our concrete retaining wall appears to be close to the property line and the concrete foundations on the staircases also seems to be close.

David (see phone message) informed us that when they start to demo the house in the next few weeks and then grade that it "will impact our property". David went on to say in the phone message that the encroachment involves our deck, fence, retaining wall and the back door and grass.

- 1: We are concerned about the above. We would like some assurance that when the grading starts that our property will not be impacted. We would like a letter from David Kraemer saying that this grading "won't impact our property".
- 2: We are wanting to have knowledge of where the fence will be located so that when we do repairs on our side of the property we will have ample room for access.
- 3: We would also like to be informed in a timely matter of when this project will start so that we will be able to notify tenants so that they will be able to keep their pets safe that stay in their yards. This would include the timing of the removal of the old fence (since the tenants have a dog fenced in) and the placement of the temporary fencing.

4: The Cypress Tree has been trimmed back but not enough to still have our P.G.& E. lines entangled in the middle of the large trees branches due to overgrowth. We do not want our tenants to be inconvenienced with the possible loss of electricity.

Thank you for listening to the above. We look forward to having these things addressed.

James and Claudia Kelly

**From:** [Cattan, Katie \(kcattan@ci.capitola.ca.us\)](mailto:kcattan@ci.capitola.ca.us)  
**To:** [Grunow, Rich \(rgrunow@ci.capitola.ca.us\)](mailto:rgrunow@ci.capitola.ca.us); [Sneddon, Su \(ssneddon@ci.capitola.ca.us\)](mailto:ssneddon@ci.capitola.ca.us); [Fridy, Linda \(lfridy@ci.capitola.ca.us\)](mailto:lfridy@ci.capitola.ca.us)  
**Subject:** FW: update on status of appeal  
**Date:** Wednesday, May 06, 2015 5:15:05 PM

---

**From:** Claudia Kelly [mailto:cckelly@mac.com]  
**Sent:** Wednesday, May 06, 2015 4:13 PM  
**To:** Cattan, Katie (kcattan@ci.capitola.ca.us)  
**Subject:** Re: update on status of appeal

Hi Katie

Thank you again for meeting this am. Jim talked with David Kramer a short while ago and explained that we would stop the appeal and hopefully move forward with an agreement. So Jim would like to be refunded for the fees initially paid and hopefully we will all be great neighbors and work this out amiably.

Thanks again. Stay tuned.

Claudia/Jim Kelly.

Sent from my iPhone

On May 5, 2015, at 2:27 PM, "Cattan, Katie ([kcattan@ci.capitola.ca.us](mailto:kcattan@ci.capitola.ca.us))" <[kcattan@ci.capitola.ca.us](mailto:kcattan@ci.capitola.ca.us)> wrote:

Hi Claudia and Jim,

I wanted to reach out prior to drafting the staff report on the appeal to get an update on status. I know you had the opportunity to meet onsite with David Kraemer. Please let me know if you would like to move forward with the appeal or if things have been worked out. If everything is worked out I can send you a full refund as I have not worked on the report yet. I plan to write the appeal report tomorrow. I would appreciate an update tomorrow morning if possible.

Thank you,

Katie Cattan, AICP  
Senior Planner

**City of Capitola**  
420 Capitola Avenue  
Capitola, CA 95010  
(831) 475-7300

<image002.jpg>

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## CITY COUNCIL AGENDA REPORT

### MEETING OF MAY 14, 2015

FROM: OFFICE OF THE CITY CLERK  
SUBJECT: ASSEMBLY BILL 700 – THE CALIFORNIA DISCLOSE ACT

**RECOMMENDED ACTION:** Consider authorizing the Mayor to send a letter on behalf of the City in support of Assembly Bill (AB) 700 amending the Political Reform Act of 1974.

**BACKGROUND/DISCUSSION:** At the March 12, 2015, City Council meeting Council Member Harlan requested an item be agendaized for the City Council to consider sending a letter of support for AB 700.

Increasing amounts of funds are raised and spent in support of and in opposition to state and local ballot measures. In California, over \$640 million was spent on ballot measures in 2012 and 2014, much of the spending by groups with misleading names like "Stop Interest Money Now" or "Californians Against Higher Health Care Costs."

Assemblymembers Gomez and Levine have introduced AB 700, the California Disclose Act, which would improve disclosure on political advertisements to help voters make well-informed decisions and have greater confidence in the electoral process. The bill would amend language to the Political Reform Act of 1974 (Act) regarding disclosures for political campaigns for candidates and ballot measures. The Act provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, and imposing other reporting and recordkeeping requirements on campaign committees. The Act also imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes.

The bill would require the three largest funders of ballot measure ads (the two largest on radio ads) to be clearly and prominently identified, on the ads themselves, so that viewers can immediately see who is funding the advertisement.

In the Supreme Court's *Citizens United* decision, eight of the nine Supreme Court Justices noted the problems when groups run ads "while hiding behind dubious and misleading names" and said transparent disclosure is needed for voters "to make informed decisions and give proper weight to different speakers and messages." AB 700 would make significant strides toward this goal.

The League of California Cities (League) is currently taking a "watch" position on AB 700, and the League's Monterey Bay Regional Public Affairs Manager, stated that the League does not see anything in this bill that would raise a red flag.

**ATTACHMENTS:**

1. Assembly Bill No. 700
2. Senate Bill No. 52
3. California Clean Money Campaign Fact Sheet
4. Draft letter in support of AB 700

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL****No. 700****Introduced by Assembly Members Gomez and Levine**

February 25, 2015

An act to add Section 84503.1 to the Government Code, relating to the Political Reform Act of 1974.

## LEGISLATIVE COUNSEL'S DIGEST

AB 700, as introduced, Gomez. Political Reform Act of 1974: advertisement disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes.

This bill would impose new disclosure statement requirements for political advertisements regarding a ballot measure paid for by specified committees that are radio advertisements, prerecorded telephonic messages, or television or video advertisements that would require the identification of identifiable contributors, as defined.

This bill would also state the intent of the Legislature to enact legislation that would implement a California Disclose Act, with provisions similar to a specified bill from the 2013–14 Regular Session of the Legislature.

Because a violation of the act is punishable as a misdemeanor, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the  
2 following:
- 3 (a) Ever-increasing amounts of funds are raised and spent in  
4 support of and opposition to state and local ballot measures,  
5 especially in the form of advertisements. The outcomes of such  
6 elections are disproportionately impacted by campaign expenditures  
7 in support of and opposition to those measures.
- 8 (b) Ever-increasing amounts of funds are spent on campaigns  
9 by persons who do one or more of the following:
- 10 (1) Frequently use their wealth to fund local and state ballot  
11 measures designed to advance their own economic interests.
- 12 (2) Increasingly avoid having their identities disclosed in  
13 election-related advertisements by channeling funds through one  
14 or more persons before those funds are received by a committee,  
15 thereby undermining the purpose and intent of laws requiring  
16 disclosure on such advertisements.
- 17 (3) Spend extraordinary amounts of money running  
18 election-related advertisements while hiding behind dubious and  
19 misleading names, including, but not limited to, advertisements  
20 by primarily formed committees and general purpose committees.
- 21 (4) Increasingly evade disclosure by funding advertisements  
22 designed to persuade voters without expressly advocating support  
23 or opposition.

1 (c) The activities described in subdivision (b) cause the public  
2 to become increasingly disaffected with the democratic process,  
3 discouraging participation in elections and coloring public  
4 perceptions of the legitimacy and integrity of state and local  
5 government.

6 (d) The people of California and their government officials have  
7 a compelling interest in knowing the true and original source of  
8 committee funding and receiving clear information identifying the  
9 largest original contributors responsible for political advertisements  
10 funded by such committees.

11 (e) The disclosure of original contributors on advertisements  
12 serves the following important governmental and societal purposes:

13 (1) Providing the people and government officials current and  
14 easily accessible information regarding who is funding  
15 advertisements that are intended to influence their votes on ballot  
16 measures.

17 (2) Enabling the people and government officials to identify  
18 potential bias in advertisements to assist them in making more  
19 informed decisions and giving proper weight to different speakers  
20 and messages.

21 (3) Deterring actual corruption and avoiding the appearance of  
22 corruption by providing increased transparency of contributions  
23 and expenditures.

24 (4) Improving the people's confidence in the democratic process  
25 and increasing their motivation to actively participate in that  
26 process by regular voting and other forms of civic engagement.

27 (5) Promoting compliance with and detecting violations of the  
28 Political Reform Act of 1974 (Title 9 (commencing with Section  
29 81000) of the Government Code), while also addressing the  
30 problems and advancing the state interests described in that act.

31 SEC. 2. It is the intent of the Legislature to enact legislation  
32 that would implement a California Disclose Act consistent with  
33 the provisions of Senate Bill 52 of the 2013–14 Regular Session  
34 of the Legislature.

35 SEC. 3. Section 84503.1 is added to the Government Code, to  
36 read:

37 84503.1. (a) For purposes of this section, "identifiable  
38 contributor" means a person that is the original source of funds  
39 for contributions received by a committee that cumulatively total  
40 fifty thousand dollars (\$50,000) or more, notwithstanding the fact

1 that the contributions were transferred, in whole or in part, through  
2 one or more other committees or persons.

3 (b) A committee that is a candidate controlled committee as  
4 defined in Section 82016 or a political party committee as defined  
5 in Section 85205 is not subject to the disclosure statement  
6 requirements of this section.

7 (c) An advertisement regarding a ballot measure that is a radio  
8 advertisement or prerecorded telephonic message shall include a  
9 disclosure statement at the beginning or end of the advertisement  
10 read in a clearly spoken manner and in a pitch and tone  
11 substantially similar to the rest of the advertisement that reads as  
12 follows: "This ad has major funding from [state names in  
13 descending order of identifiable contributors who have made the  
14 two largest cumulative contributions to the committee that paid  
15 for the advertisement]. Paid for by [name of the committee that  
16 paid for the advertisement]."

17 (d) An advertisement regarding a ballot measure that is a  
18 television or video advertisement shall include a disclosure area  
19 with a solid black background on the entire bottom one-third of  
20 the television or video display screen at the beginning or end of  
21 the advertisement for a minimum of five seconds in the case of an  
22 advertisement that lasts 30 seconds or less or a minimum of 10  
23 seconds in the case of an advertisement that lasts longer than 30  
24 seconds. The disclosure area shall include the following text: "Paid  
25 for by [name of the committee that paid for the advertisement].  
26 This ad has major funding from [state names in descending order  
27 of identifiable contributors who have made the three largest  
28 cumulative contributions to the committee that paid for the  
29 advertisement]." The text shall be in a contrasting color in Arial  
30 Narrow equivalent font, and the type size shall be at least 4 percent  
31 of the height of the television or video display screen and shall be  
32 centered horizontally.

33 (e) The requirements of this section are in addition to any other  
34 requirements imposed by this article.

35 SEC. 4. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIIB of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

4 SEC. 5. The Legislature finds and declares that this bill furthers  
5 the purposes of the Political Reform Act of 1974 within the  
6 meaning of subdivision (a) of Section 81012 of the Government  
7 Code.

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AMENDED IN ASSEMBLY AUGUST 18, 2014

AMENDED IN ASSEMBLY AUGUST 4, 2014

AMENDED IN ASSEMBLY JULY 1, 2014

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE MAY 16, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE APRIL 1, 2013

**SENATE BILL**

**No. 52**

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**Introduced by Senators Leno and Hill**

**(Principal coauthors: Senators Correa and DeSaulnier)**

(Principal coauthor: Assembly Member Fong)

**(Coauthors: Senators *Beall, Block, Evans, Hancock, Lieu, and Wolk*)**

(Coauthors: Assembly Members *Alejo, Ammiano, Bonta, Buchanan, and Gatto, Gonzalez, Medina, Ting, Wieckowski, and Williams*)

December 20, 2012

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An act to amend Sections 84503, 84504, 84505, 84506, and 84511 of, to add Sections 84503.1, 84503.2, 84503.3, 84503.4, and 84503.5 to, and to repeal and add Sections 84501 and 84502 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 52, as amended, Leno. Political Reform Act of 1974: campaign disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would repeal and recast several definitions. The bill would modify a committee identification requirement and a disclosure statement requirement relating to advertisements for or against any ballot measure paid for by a committee. The bill would impose new disclosure statement requirements for political advertisements regarding a ballot measure that are radio advertisements, prerecorded telephonic messages, television or video advertisements, or mass mailing or print advertisements that would require the identification of identifiable contributors, ballot measures, and other funding details, as specified. By introducing new disclosure requirements, the violation of which would be a misdemeanor, the bill would create a new crime, thereby imposing a state-mandated local program.

Existing law creates the Fair Political Practices Commission, and gives it primary responsibility for the impartial, effective administration and implementation of the Political Reform Act of 1974.

The bill would require the Fair Political Practices Commission to promulgate regulations related to ~~the identifying and reporting and tracking of persons who are the original sources of funds transferred by an identifiable contributor to committees and persons through committees or other persons to determine identifiable contributors~~ by January 1, 2016. The bill would require the Commission to promulgate regulations prohibiting a recipient of funds transferred by an identifiable contributor from depositing the funds until required applicable reports have been received by the recipient.

*This bill would incorporate additional changes in Section 84511 of the Government Code proposed by A.B. 510, that would become operative only if A.B. 510 and this bill are both chaptered and become effective on or before January 1, 2015, and this bill is chaptered last.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the California Disclose  
2 Act.

3 SEC. 2. The Legislature finds and declares all of the following:

4 (a) Ever-increasing amounts of funds are raised and spent in  
5 support of and opposition to state and local ballot measures,  
6 especially in the form of advertisements. The outcomes of such  
7 elections are disproportionately impacted by campaign expenditures  
8 in support of and opposition to those measures.

9 (b) Ever-increasing amounts of funds are spent on campaigns  
10 by persons who do one or more of the following:

11 (1) Frequently use their wealth to fund local and state ballot  
12 measures designed to advance their own economic interests.

13 (2) Increasingly avoid having their identities disclosed in  
14 election-related advertisements by channeling funds through one  
15 or more persons before those funds are received by a committee,  
16 thereby undermining the purpose and intent of laws requiring  
17 disclosure on such advertisements.

18 (3) Spend extraordinary amounts of money running  
19 election-related advertisements while hiding behind dubious and  
20 misleading names, including, but not limited to, advertisements  
21 by primarily formed committees and general purpose committees.

22 (4) Increasingly evade disclosure by funding advertisements  
23 designed to persuade voters without expressly advocating support  
24 or opposition.

1 (c) The activities described in subdivision (b) cause the public  
2 to become increasingly disaffected with the democratic process,  
3 discouraging participation in elections and coloring public  
4 perceptions of the legitimacy and integrity of state and local  
5 government.

6 (d) The people of California and their government officials have  
7 a compelling interest in knowing the true and original source of  
8 committee funding and receiving clear information identifying the  
9 largest original contributors responsible for political advertisements  
10 funded by such committees.

11 (e) The disclosure of original contributors on advertisements  
12 serves the following important governmental and societal purposes:

13 (1) Providing the people and government officials current and  
14 easily accessible information regarding who is funding  
15 advertisements that are intended to influence their votes on ballot  
16 measures.

17 (2) Enabling the people and government officials to identify  
18 potential bias in advertisements to assist them in making more  
19 informed decisions and giving proper weight to different speakers  
20 and messages.

21 (3) Deterring actual corruption and avoiding the appearance of  
22 corruption by providing increased transparency of contributions  
23 and expenditures.

24 (4) Improving the people's confidence in the democratic process  
25 and increasing their motivation to actively participate in that  
26 process by regular voting and other forms of civic engagement.

27 (5) Promoting compliance with and detecting violations of the  
28 Political Reform Act of 1974 (Title 9 (commencing with Section  
29 81000) of the Government Code), while also addressing the  
30 problems and advancing the state interests described in that act.

31 SEC. 3. Section 84501 of the Government Code is repealed.

32 SEC. 4. Section 84501 is added to the Government Code, to  
33 read:

34 84501. For purposes of this article, the following terms have  
35 the following meanings:

36 (a) (1) "Advertisement" means any general or public  
37 communication that is either of the following:

38 (A) Authorized and paid for by a committee for the purpose of  
39 supporting or opposing a candidate for elective office or one or  
40 more ballot measures.

1 (B) A ballot measure advocacy communication that satisfies all  
2 of the following:

3 (i) It is disseminated, broadcast, or otherwise communicated  
4 within 45 days before an election.

5 (ii) It concerns a clearly referenced ballot measure that will  
6 appear on the ballot at the election.

7 (iii) A reasonable person would interpret the overall message  
8 of the communication as expressing support of or opposition to  
9 the ballot measure.

10 (2) "Advertisement" does not include any of the following:

11 (A) A communication from an organization, other than a  
12 political party, to its members.

13 (B) A campaign button smaller than 10 inches in diameter; a  
14 bumper sticker smaller than 60 square inches; or a small tangible  
15 promotional item, including, but not limited to, a pen, pin, or key  
16 chain, upon which the disclosures required by this article cannot  
17 be conveniently printed or displayed.

18 (C) Clothing apparel.

19 (D) Sky writing.

20 (E) An electronic media communication, if inclusion of the  
21 disclosures required by this article is impracticable or would  
22 severely interfere with the committee's ability to convey the  
23 intended message because of the nature of the technology used to  
24 make the communication.

25 (F) Any other communication as determined by regulations of  
26 the Commission.

27 (b) "Cumulative contributions" means the cumulative amount  
28 of contributions received by a committee beginning 12 months  
29 prior to the date the committee made its first expenditure for the  
30 purpose of supporting or opposing a candidate for elective office  
31 or for the purpose of qualification, passage, or defeat of a ballot  
32 measure, and ending seven days before the time the advertisement  
33 is disseminated or broadcast.

34 (c) "Identifiable contributor" means a person that is the original  
35 source of funds for contributions received by a committee that  
36 cumulatively total fifty thousand dollars (\$50,000) or more,  
37 notwithstanding the fact that the contributions were transferred,  
38 in whole or in part, through one or more other committees or  
39 persons.

40 SEC. 5. Section 84502 of the Government Code is repealed.

1 SEC. 6. Section 84502 is added to the Government Code, to  
2 read:

3 84502. (a) On or before January 1, 2016, the Commission  
4 shall promulgate regulations, in furtherance of the purposes of this  
5 article, related to ~~the identifying and reporting and tracking of~~  
6 ~~funds transferred by an identifiable contributor to committees and~~  
7 ~~other persons~~ *persons who are the original sources of funds*  
8 *transferred through committees or other persons, for the purpose*  
9 *of determining the identifiable contributors required to be disclosed*  
10 *on advertisements regarding ballot measures pursuant to Sections*  
11 *84503.1, 84503.2, and 84503.3.*

12 (b) The Commission shall promulgate regulations prohibiting  
13 a recipient of funds transferred by an identifiable contributor from  
14 depositing the funds until any applicable reports required by the  
15 regulations promulgated pursuant to subdivision (a) have been  
16 received by the recipient.

17 (c) In any action for a violation of this article brought by the  
18 Commission against a recipient of funds transferred by an  
19 identifiable contributor, it is a complete defense that information  
20 provided by the identifiable contributor was incorrect and the  
21 recipient did not know or did not have reason to know it was  
22 incorrect.

23 SEC. 7. Section 84503 of the Government Code is amended  
24 to read:

25 84503. (a) Except for advertisements described in Sections  
26 84503.1, 84503.2, and 84503.3, any advertisement for or against  
27 any ballot measure shall include a disclosure statement identifying  
28 any person whose cumulative contributions are fifty thousand  
29 dollars (\$50,000) or more.

30 (b) If there are more than two donors of fifty thousand dollars  
31 (\$50,000) or more, the committee is only required to disclose the  
32 highest and second highest in that order. In the event that more  
33 than two donors meet this disclosure threshold at identical  
34 contribution levels, the highest and second highest shall be selected  
35 according to chronological sequence.

36 SEC. 8. Section 84503.1 is added to the Government Code, to  
37 read:

38 84503.1. (a) An advertisement regarding a ballot measure,  
39 disseminated by a political party or candidate-controlled committee,  
40 that is a radio advertisement or prerecorded telephonic message

1 shall include a disclosure statement at the beginning or end of the  
2 advertisement read in a clearly spoken manner and in a pitch and  
3 tone substantially similar to the rest of the advertisement that reads  
4 as follows: "Paid for by [name of the committee that paid for the  
5 advertisement]."

6 (b) (1) An advertisement regarding a ballot measure,  
7 disseminated by a committee other than a political party or  
8 candidate-controlled committee, that is a radio advertisement or  
9 prerecorded telephonic message shall include a disclosure statement  
10 at the beginning or end of the advertisement read in a clearly  
11 spoken manner and in a pitch and tone substantially similar to the  
12 rest of the advertisement that reads as follows: "This ad has major  
13 funding from [state names in descending order of identifiable  
14 contributors who have made the two largest cumulative  
15 contributions to the committee that paid for the advertisement].  
16 Paid for by [name of the committee that paid for the  
17 advertisement]."

18 (2) If there is only one identifiable contributor or the  
19 advertisement lasts 15 seconds or less, the disclosure statement  
20 required by paragraph (1) shall be adjusted to read as follows:  
21 "This ad has major funding from [state name of identifiable  
22 contributor who made the largest cumulative contributions to the  
23 committee that paid for the advertisement]. Paid for by [name of  
24 the committee that paid for the advertisement]."

25 (3) If there are no identifiable contributors to the committee that  
26 paid for the advertisement, the advertisement may replace the  
27 disclosure statement required by paragraph (1) with the following:  
28 "Paid for by [name of the committee that paid for the  
29 advertisement]."

30 (4) If the content of the advertisement names each of the  
31 identifiable contributors required to be named pursuant to  
32 paragraphs (1) and (2) as top funders of the advertisement, it may  
33 replace the disclosure statement required by paragraph (1) with  
34 the following: "Paid for by [name of the committee that paid for  
35 the advertisement]."

36 SEC. 9. Section 84503.2 is added to the Government Code, to  
37 read:

38 84503.2. (a) An advertisement regarding a ballot measure,  
39 disseminated by a political party or candidate-controlled committee,  
40 that is a television or video advertisement shall include a disclosure

1 area with a solid black background on the entire bottom one-third  
2 of the television or video display screen at the beginning or end  
3 of the advertisement for a minimum of five seconds in the case of  
4 an advertisement that lasts 30 seconds or less or a minimum of 10  
5 seconds in the case of an advertisement that lasts longer than 30  
6 seconds. The disclosure area shall include the following text: "Paid  
7 for by [name of the committee that paid for the advertisement]."  
8 The text shall be in a contrasting color in Arial Narrow equivalent  
9 font, and the type size shall be at least 4 percent of the height of  
10 the television or video display screen and shall be centered  
11 horizontally.

12 (b) An advertisement regarding a ballot measure, disseminated  
13 by a committee other than a political party or candidate-controlled  
14 committee, that is a television or video advertisement shall include  
15 a disclosure area with a solid black background on the entire  
16 bottom one-third of the television or video display screen at the  
17 beginning or end of the advertisement for a minimum of five  
18 seconds in the case of an advertisement that lasts 30 seconds or  
19 less or a minimum of 10 seconds in the case of an advertisement  
20 that lasts longer than 30 seconds. The disclosure area shall include  
21 all of the following:

22 (1) The text "Ad Paid for by a Committee whose Top Funders  
23 are:". The text shall be located at the top of the disclosure area and  
24 centered horizontally, shall be in a contrasting color in Arial  
25 Narrow equivalent font, and the type size shall be equivalent to 3  
26 percent of the height of the television or video display screen.

27 (2) Immediately below the text described in paragraph (1), the  
28 names of the identifiable contributors who have made the three  
29 largest cumulative contributions to the committee that paid for the  
30 advertisement. The identifiable contributors shall each be disclosed  
31 on a separate horizontal line, in descending order, beginning with  
32 the identifiable contributor who made the largest cumulative  
33 contributions on the first line. The name of each of the identifiable  
34 contributors shall be centered horizontally in the disclosure area.  
35 The text shall be in a contrasting color in Arial Narrow equivalent  
36 font, and the type size shall be at least 4 percent of the height of  
37 the television or video display screen. If using a type size of 4  
38 percent of the height of the television or video display screen  
39 causes the name of any of the identifiable contributors to exceed  
40 the width of the screen, the type sizes of the names of all the



1 identifiable contributors shall be reduced until the names of the  
2 identifiable contributors fit on the width of the screen, but in no  
3 case shall the type size be smaller than 2.5 percent of the height  
4 of the screen.

5 (3) The text “Paid for by [name of the committee that paid for  
6 the advertisement].” The text shall be in a contrasting color in  
7 Arial Narrow equivalent font, and the type size shall be equivalent  
8 to 2 percent of the height of the television or video display screen.  
9 The text shall be left-aligned and located in a position that is  
10 vertically at least 2 percent of the height of the television or video  
11 display screen away from the bottom left of the television or video  
12 display screen.

13 (4) If there are fewer than three identifiable contributors to the  
14 committee that paid for the advertisement, the disclosure statement  
15 required by this subdivision shall be adjusted accordingly to  
16 disclose only those that qualify as identifiable contributors, if any.  
17 If the committee does not have any identifiable contributors, the  
18 text required by paragraph (1) shall be adjusted to read “Ad Paid  
19 for by” and the name of the committee shall be printed immediately  
20 below it, centered horizontally. The text shall be in a contrasting  
21 color in Arial Narrow equivalent font, and the type size shall be  
22 at least 4 percent of the height of the television or video display  
23 screen.

24 (5) In addition to the requirements specified in paragraphs (1)  
25 to (4), inclusive, committees subject to Section 84223 shall include  
26 the text “Funding Details At [insert Commission Internet Web site  
27 address with information required to be posted pursuant to Section  
28 84223].” The text shall be in a contrasting color in Arial Narrow  
29 equivalent font, and the type size shall be equivalent to 2.5 percent  
30 of the height of the television or video display screen. The text  
31 shall be right-aligned and located in a position that is at least 2.5  
32 percent of the height of the television or video display screen away  
33 from the bottom right of the television or video display screen.

34 SEC. 10. Section 84503.3 is added to the Government Code,  
35 to read:

36 84503.3. (a) An advertisement regarding a ballot measure,  
37 disseminated by a political party or candidate-controlled committee,  
38 that is a mass mailing or a print advertisement designed to be  
39 distributed personally shall include a disclosure area on the outside  
40 display surface of the mass mailing or print advertisement that

1 reads as follows: "Paid for by [name of the committee that paid  
2 for the advertisement]." The text shall be in an Arial Narrow  
3 equivalent font with a type size of at least 10-point in a color or  
4 print that contrasts with the background so that it is easily read.

5 (b) An advertisement regarding a ballot measure, disseminated  
6 by a committee other than a political party or candidate-controlled  
7 committee, that is a mass mailing or a print advertisement designed  
8 to be distributed personally shall include a disclosure area on the  
9 largest page of the mass mailing or print advertisement that satisfies  
10 all of the following requirements:

11 (1) The disclosure area shall have a solid white background so  
12 as to be easily legible, and shall be in a printed or drawn box on  
13 the bottom of the page that is set apart from any other printed  
14 matter. All text in the disclosure area shall be black in color. The  
15 text in the disclosure area shall be written in the same direction as  
16 the text or graphics on the majority of the page that has the  
17 disclosure.

18 (2) The text "Ad Paid for by a Committee whose Top Funders  
19 are:" shall be located at the top of the disclosure area and centered  
20 horizontally in the disclosure area. The text shall be in an Arial  
21 Narrow equivalent font with a type size of at least 12-point for  
22 advertisements smaller than 93 square inches and at least 14-point  
23 for advertisements that are equal to, or larger than, 93 square  
24 inches.

25 (3) Immediately below the text described in paragraph (2) shall  
26 be the names of the identifiable contributors who have made the  
27 three largest cumulative contributions to the committee that paid  
28 for the advertisement. The identifiable contributors shall each be  
29 disclosed on a separate horizontal line, in descending order,  
30 beginning with the identifiable contributor who made the largest  
31 cumulative contributions on the first line. The name of each of the  
32 identifiable contributors shall be centered horizontally in the  
33 disclosure area. The text shall identify each identifiable contributor  
34 in an Arial Narrow equivalent font with a type size of at least  
35 10-point for advertisements smaller than 93 square inches and at  
36 least 12-point for advertisements that are equal to, or larger than,  
37 93 square inches.

38 (A) If the advertisement is four inches tall or less, it need only  
39 show the names of the identifiable contributors who have made  
40 the two largest cumulative contributions.

1 (B) If the advertisement is three inches tall or less, it need only  
2 show the name of the identifiable contributor who made the largest  
3 cumulative contributions, and the text required by paragraph (2)  
4 shall read "Ad Paid for by a Committee whose Top Funder is."

5 (4) The text "Paid for by [name of the committee that paid for  
6 the advertisement]" shall be located at the bottom of the disclosure  
7 area and shall be in an Arial Narrow equivalent font with at least  
8 8-point type size for pages smaller than 93 square inches and at  
9 least 10-point type size for pages that are equal to, or larger than,  
10 93 square inches.

11 (5) If there are fewer than three identifiable contributors to the  
12 committee that paid for the advertisement, the disclosure shall be  
13 adjusted accordingly to disclose the qualifying identifiable  
14 contributors, if any. If the committee does not have any identifiable  
15 contributors, the disclosures described in paragraphs (2) and (3)  
16 are not required.

17 (6) In addition to the requirements specified in paragraphs (1)  
18 to (5), inclusive, committees subject to Section 84223 shall include,  
19 immediately below the text described in paragraph (3), the text  
20 "Funding Details At [insert Commission Internet Web site address  
21 with information required to be posted pursuant to Section 84223]."  
22 The text shall be in an Arial Narrow equivalent font with at least  
23 10-point type size for advertisements smaller than 93 square inches  
24 and at least 12-point type size for advertisements that are equal to,  
25 or larger than, 93 square inches. This text shall not be required if  
26 the advertisement is five inches tall or less.

27 SEC. 11. Section 84503.4 is added to the Government Code,  
28 to read:

29 84503.4. (a) The disclosure of the name of an identifiable  
30 contributor required by this article need not include such legal  
31 terms as "incorporated," "committee," "political action committee,"  
32 or "corporation," or their abbreviations, unless the term is part of  
33 the contributor's name in common usage or parlance.

34 (b) If this article requires the disclosure of the name of an  
35 identifiable contributor that is a sponsored committee that has a  
36 single sponsor, only the name of the committee's sponsoring  
37 organization shall be disclosed.

38 (c) If the identifiable contributor is the parent of a subsidiary  
39 corporation whose economic interest is more directly impacted  
40 than the parent by a measure that is the subject of the

1 advertisement, then the subsidiary's name shall be disclosed.  
2 Disclosure of the parent's name is optional, but shall not replace  
3 the required disclosure of other identifiable contributors otherwise  
4 required by this article.

5 (d) All disclosure text required by this article shall be displayed  
6 in the capitalization shown in this article, such as "Ad Paid for by  
7 a Committee whose Top Funders are:". Names of identifiable  
8 contributors and committees shall be displayed in title capitalization  
9 (e.g. "John Smith"), except for names that are acronyms (e.g.  
10 "ACME Hunting Supplies").

11 SEC. 12. Section 84503.5 is added to the Government Code,  
12 to read:

13 84503.5. If the order of the identifiable contributors required  
14 to be displayed in an advertisement pursuant to this article changes,  
15 the disclosure in the advertisement shall be updated as follows:

16 (a) A television, radio, or other electronic media advertisement  
17 shall be updated to reflect the new ordering of identifiable  
18 contributors within seven business days, or five business days if  
19 the change in the order of identifiable contributors occurs within  
20 30 days of an election.

21 (b) A print media advertisement, including nonelectronic  
22 billboards, shall be updated to reflect the new ordering of  
23 identifiable contributors prior to placing a new or modified order  
24 for additional printing of the advertisement.

25 SEC. 13. Section 84504 of the Government Code is amended  
26 to read:

27 84504. (a) Any committee that supports or opposes a ballot  
28 measure shall print or broadcast its name as provided in this article  
29 as part of any advertisement or other paid public statement.

30 (b) If candidates or their controlled committees, as a group or  
31 individually, meet the contribution thresholds for a person, they  
32 shall be identified by the controlling candidate's name.

33 SEC. 14. Section 84505 of the Government Code is amended  
34 to read:

35 84505. In addition to the requirements of Sections 84503,  
36 84503.1, 84503.2, and 84503.3, the committee paying for an  
37 advertisement or persons acting in concert with that committee  
38 shall be prohibited from creating or using a noncandidate-controlled  
39 committee or a nonsponsored committee to avoid, or that results  
40 in the avoidance of, the disclosure of any individual, industry,

1 business entity, controlled committee, or sponsored committee as  
2 a major funding source.

3 SEC. 15. Section 84506 of the Government Code is amended  
4 to read:

5 84506. (a) An advertisement supporting or opposing a  
6 candidate or a ballot measure and that is paid for by an independent  
7 expenditure shall include, except as provided in Sections 84503.1,  
8 84503.2, and 84503.3, a disclosure statement that identifies both  
9 of the following:

10 (1) The name of the committee making the independent  
11 expenditure.

12 (2) The names of the persons from whom the committee making  
13 the independent expenditure has received its two highest  
14 cumulative contributions of fifty thousand dollars (\$50,000) or  
15 more during the 12-month period prior to the expenditure. If the  
16 committee can show, on the basis that contributions are spent in  
17 the order they are received, that contributions received from the  
18 two highest contributors have been used for expenditures unrelated  
19 to the candidate or ballot measure featured in the communication,  
20 the committee shall disclose the contributors making the next  
21 largest cumulative contributions of fifty thousand dollars (\$50,000)  
22 or more.

23 (b) If an acronym is used to identify any committee names  
24 required by this section, the names of any sponsoring organization  
25 of the committee shall be printed on print advertisements or spoken  
26 in broadcast advertisements.

27 SEC. 16. Section 84511 of the Government Code is amended  
28 to read:

29 84511. (a) A committee that makes an expenditure of five  
30 thousand dollars (\$5,000) or more to an individual for his or her  
31 appearance in an advertisement to support or oppose the  
32 qualification, passage or defeat of a ballot measure shall file a  
33 report within 10 days of the expenditure. The report shall identify  
34 the measure, the date of the expenditure, the name of the recipient,  
35 and the amount expended.

36 (b) The advertisement shall include the statement  
37 "(spokesperson's name) is being paid by this campaign or its  
38 donors" in highly visible roman font shown continuously if the  
39 advertisement consists of printed material, or spoken in a clearly  
40 audible format if the advertisement is a radio broadcast or telephone

1 message. If the advertisement is a television or video  
2 advertisement, the statement shall be shown continuously, except  
3 when the disclosure statement required by Section 84503.2 is being  
4 shown.

5 *SEC. 16.5. Section 84511 of the Government Code is amended*  
6 *to read:*

7 ~~84511. (a) A committee that makes an expenditure of five~~  
8 ~~thousand dollars (\$5,000) or more to an individual for his or her~~  
9 ~~appearance in an advertisement to support or oppose the~~  
10 ~~qualification, passage or defeat of a ballot measure shall file a~~  
11 ~~report within 10 days of the expenditure. The report shall identify~~  
12 ~~the measure, the date of the expenditure, the name of the recipient,~~  
13 ~~and the amount expended.~~

14 ~~(b) The advertisement shall include the statement~~  
15 ~~“(spokesperson’s name) is being paid by this campaign or its~~  
16 ~~donors” in highly visible roman font shown continuously if the~~  
17 ~~advertisement consists of printed or televised material, or spoken~~  
18 ~~in a clearly audible format if the advertisement is a radio broadcast~~  
19 ~~or telephone message.~~

20 *84511. (a) This section applies to a committee that does either*  
21 *of the following:*

22 *(1) Makes an expenditure of five thousand dollars (\$5,000) or*  
23 *more to an individual for his or her appearance in an*  
24 *advertisement that supports or opposes the qualification, passage,*  
25 *or defeat of a ballot measure.*

26 *(2) Makes an expenditure of any amount to an individual for*  
27 *his or her appearance in an advertisement that supports or opposes*  
28 *the qualification, passage, or defeat of a ballot measure and that*  
29 *states or suggests that the individual is a member of an occupation*  
30 *that requires licensure, certification, or other specialized,*  
31 *documented training as a prerequisite to engage in that occupation.*

32 *(b) A committee described in subdivision (a) shall file, within*  
33 *10 days of the expenditure, a report that includes all of the*  
34 *following:*

35 *(1) An identification of the measure that is the subject of the*  
36 *advertisement.*

37 *(2) The date of the expenditure.*

38 *(3) The amount of the expenditure.*

39 *(4) The name of the recipient of the expenditure.*

1 (5) For a committee described in paragraph (2) of subdivision  
2 (a), the occupation of the recipient of the expenditure.

3 (c) An advertisement paid for by a committee described in  
4 paragraph (1) of subdivision (a) shall include a disclosure  
5 statement stating "(spokesperson's name) is being paid by this  
6 campaign or its donors" in highly visible roman font shown  
7 continuously if the advertisement consists of printed material, or  
8 spoken in a clearly audible format if the advertisement is a radio  
9 broadcast or telephonic message. If the advertisement is a  
10 television or video advertisement, the statement shall be shown  
11 continuously, except when the disclosure statement required by  
12 Section 84503.2 is being shown.

13 (d) (1) An advertisement paid for by a committee described in  
14 paragraph (2) of subdivision (a) shall include a disclosure  
15 statement stating "Persons portraying members of an occupation  
16 in this advertisement are compensated spokespersons not  
17 necessarily employed in those occupations" in highly visible roman  
18 font shown continuously if the advertisement consists of printed  
19 or televised material, or spoken in a clearly audible format if the  
20 advertisement is a radio broadcast or telephonic message.

21 (2) A committee may omit the disclosure statement required by  
22 this subdivision if all of the following are satisfied with respect to  
23 each individual identified in the report filed pursuant to subdivision  
24 (b) for that advertisement:

25 (A) The occupation identified in the report is substantially  
26 similar to the occupation portrayed in the advertisement.

27 (B) The committee maintains credible documentation of the  
28 appropriate license, certification, or other training as evidence  
29 that the individual may engage in the occupation identified in the  
30 report and portrayed in the advertisement and makes that  
31 documentation immediately available to the Commission upon  
32 request.

33 SEC. 17. Section 16.5 of this bill incorporates amendments to  
34 Section 84511 of the Government Code proposed by both this bill  
35 and Assembly Bill 510. It shall only become operative if (1) both  
36 bills are enacted and become effective on or before January 1,  
37 2015, (2) each bill amends Section 84511 of the Government Code,  
38 and (3) this bill is enacted after Assembly Bill 510, in which case  
39 Section 16 of this bill shall not become operative.

1     ~~SEC. 17.~~

2     *SEC. 18.* No reimbursement is required by this act pursuant to  
3 Section 6 of Article XIII B of the California Constitution because  
4 the only costs that may be incurred by a local agency or school  
5 district will be incurred because this act creates a new crime or  
6 infraction, eliminates a crime or infraction, or changes the penalty  
7 for a crime or infraction, within the meaning of Section 17556 of  
8 the Government Code, or changes the definition of a crime within  
9 the meaning of Section 6 of Article XIII B of the California  
10 Constitution.

11     ~~SEC. 18.~~

12     *SEC. 19.* The Legislature finds and declares that this bill  
13 furthers the purposes of the Political Reform Act of 1974 within  
14 the meaning of subdivision (a) of Section 81012 of the Government  
15 Code.

O



# AB 700, the California DISCLOSE Act

*Disclose funders of ballot measure where it counts most — On their ads*

AB 700, the California DISCLOSE Act, would fight back against unlimited hidden spending on campaigns by telling voters who's REALLY paying for ballot measure ads — on the ads themselves. AB 700 is authored by Assemblymembers Jimmy Gomez and Marc Levine and sponsored by the California Clean Money Campaign. AB 700 builds on the progress of last year's bill, SB 52 (Leno-Hill), and will address stakeholder concerns with SB 52's implementation of its follow-the-money rules.

## Why California Needs the California DISCLOSE Act

- **The Supreme Court's 5-4 *Citizens United* decision opened the floodgates of anonymous spending** on campaigns by ruling there could be *no limits* on outside spending by corporations, unions, or individuals.
- **Over \$640 million was spent on CA ballot measures in 2012 and 2014**, almost all by donors hiding behind misleading names like "*Stop Special Interest Money Now*" or "*Californians Against Higher Health Care Costs*".
- **Government-changing measures are passed by hidden special interests** spending millions on deceptive ads.

## What the California DISCLOSE Act Will Do

- **Require the three largest funders of ballot measure ads (two largest on radio ads) to be shown clearly and unambiguously** — on the ads themselves -- so viewers see right then who's actually paying for them.
- **Apply to television ads, radio ads, print ads, mass mailers, and robocalls** for or against state and local ballot measures. It applies whether ads are paid for by corporations, unions, or millionaires.
- **Follow-the-Money rules** require funders disclosed on ballot measure ads to be the original sources of the contributions to the committee that paid for the ad, even if they try to hide behind multiple layers of organizations.

## How the California DISCLOSE Act Would Stop Hidden Special Interests

- **BEFORE:** In 2010, despite near-universal opposition from editorial boards and trailing badly in the polls, Proposition 26 passed -- after \$18 million in ads by "*Stop Hidden Taxes*". Since then, Prop 26 has had huge effects by preventing state and local governments from raising fees --even on polluters-- without a 2/3 vote.
- **AFTER:** With AB 700, voters would have clearly seen that the three largest funders of Prop 26 were Chevron, Philip Morris, and Anheuser-Busch.

**Prop 26 passed with 52.5% of the vote. Might 3% have voted differently if they knew who really paid?**

*AB 700's Proposed Clear Disclosure. Bottom 1/3 of screen for 5 seconds — Applied to Prop 26.*

Ad Paid for by a Committee whose Top Funders are

**Chevron**

**Philip Morris USA**

**Anheuser-Busch Companies**

Paid for by Stop Hidden Taxes – No on 25/Yes on 26 Funding Details at [www.No25Yes26.com](http://www.No25Yes26.com)

## Examples of Popular Initiatives Affected by Anonymous Spending

- **Prop 87 (2006).** An oil severance tax to pay for alternative energy was favored by voters by nearly three-to-one. It lost after \$94 million in ads by *"Californians against Higher Taxes"*. Most voters never knew the largest funders were Chevron, Aera Energy, and Occidental Oil and Gas.
- **Prop 29 (2012).** Increased cigarette taxes for cancer research led in the polls by two-to-one. It was defeated by \$66 million in ads with largest funders Philip Morris and RJ Reynolds Tobacco. But voters saw the Orwellian *"Paid for by Californians Against Out of Control Taxes and Spending"*.
- **Prop 37 (2012).** Mandatory labeling of genetically engineered foods led by more than two-to-one. It was defeated after \$44 million in ads by *"Coalition against the Costly Food Labeling Proposition"*. The largest funders were actually Monsanto, Dupont, and Pepsico.
- **Prop 19 (2010).** George Soros spent \$1 million, the initiative to legalize marijuana in California. What voters saw in fine print was *"Paid for by the Drug Policy Action Committee to Tax and Regulate Marijuana..."*

## The California DISCLOSE Act is Constitutional and Reasonable

- **8 out of 9 justices in the Supreme Court's Citizens United decision** noted the problems when groups run ads *"while hiding behind dubious and misleading names"*. They said we need transparent disclosure for voters *"to make informed decisions and give proper weight to different speakers and messages."*
- **The new TV ad disclosures use the same time and space** as current law — yet are much more effective. The new radio ad disclosures are actually significantly shorter than currently — but get rid of the speed readers.
- The Brennan Center for Justice concluded about the last version (SB 52): ***"The California DISCLOSE Act, SB 52, stands on a firm constitutional bedrock and is worthy of support."***

## The California DISCLOSE Act has Overwhelming Support

- **84% of California voters** said they favored legislation to increase public disclosure of funding sources in initiative campaigns in an October 2013 poll by the Public Policy Institute of California. Support was across the board, including 85% of Independents, 81% of Democrats, and 80% of Republicans.
- **Over 100,000 Californians have signed** petitions urging the legislature to pass the *California DISCLOSE Act*.
- **Last year's version, SB 52 (Leno-Hill) was endorsed by more than 400 organizations and leaders** including: *League of Women Voters of CA, CA Broadcasters Association, CA Church IMPACT, CA Clean Money Campaign, CA Common Cause, CA Forward Action Fund, CA National Organization for Women, CALPIRG, Greenlining Institute, Lutheran Office of Public Policy - CA, Maplight, Progressives United, Public Citizen, Redwood Empire Business Association, Sierra Club CA, and Southwest Voter Education Project.*
- **18 newspapers editorialized in favor of SB 52**, including the *Sacramento Bee, San Francisco Chronicle, Fresno Bee, Long Beach Press-Telegram, Los Angeles Daily News, Oakland Tribune, Pasadena Star-News, San Jose Mercury News, San Gabriel Valley Tribune, and the San Bernardino Sun.*

## How is AB 700 Different From Last Year's Bill, SB 52 (Leno-Hill)?

- **Details of AB 700 are being discussed with stakeholders, so it currently says** "It is the intent of the Legislature to enact legislation that would implement a California Disclose Act consistent with Senate Bill 52".
- **Proposed language addresses stakeholders' concerns** by replacing SB 52's reliance on the FPPC to create follow-the-money rules with specific, reasonable tracking and reporting requirements ensuring that committees always disclose the largest original sources of their contributions, not misleading committee names.



420 CAPITOLA AVENUE  
CAPITOLA, CALIFORNIA 95010  
TELEPHONE (831) 475-7300  
FAX (831) 479-8879

May 15, 2015

Assemblymember Marc Levine  
State Capitol  
P.O. Box 942849  
Room 2137  
Sacramento, CA 94249-0010

Assemblymember Jimmy Gomez  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0051

RE: SUPPORTING THE PASSAGE OF ASSEMBLY BILL 700

The City of Capitola, California unanimously supports Assembly Bill 700, authored by Assemblymember Jimmy Gomez and Assemblymember Marc Levine.

In California, as in many other states, we are seeing unprecedented amounts of money spent on political campaigns for candidates and ballot measures. When elections are bought, democracy is compromised, people become discouraged because they think their vote does not count, voting rates drop, and public satisfaction and participation drop.

We have been spared this for the most part in Capitola, but have the opportunity to support important legislation which would be a significant improvement in the political situation in California, and therefore, Santa Cruz County, and Capitola.

We have limits on campaign contributions as there are in other local jurisdictions. Several years ago, the City of Watsonville did not have a limit, and donors were able to contribute thousands of dollars to a candidate, creating a great disadvantage for anyone unable to raise such large sums of money. They did not have a limit on campaign contributions, and they discussed the appropriateness of an individual contribution of \$5,000 to a person running for City Council. They now have the same ordinance as the County: \$400 contribution allowed per individual and \$1,000 contribution per committee.

We now have the issue of committees that do not disclose who they are, who their members/contributors are, what their purpose is, etc. The U.S. Supreme Court's 5-4 decision "Citizen United", allowed unlimited spending by corporations, unions, and individuals. Over \$640 million was spent on California ballot measures in 2012 and 2014. This is an obscene amount of money to spend on elections rather than services for the people in the State, but most of it cannot be traced to individual donors.

People have a right to know who is paying for election costs, and AB 700 addresses this.

AB 700 (Assembly Members Jimmy Gomez, Northeast L.A. and Mark Levine San Rafael) currently says, "It is the intent of the Legislature to enact legislation that would implement a California Disclose Act consistent with Senate Bill 52". SB 52 was a bill authored by Senators Mark Leno (San Francisco) and Senator Hill that is currently in the inactive file.

AB 700 would add language to the Political Reform Act of 1974 regarding advertisement disclosures. It would allow people to know who the largest donors are, and decide whether the message is biased and in what direction.

As currently worded, it would require that the ad disclose at the beginning or end in a clearly spoken manner and "in a pitch and tone substantially similar to the rest of the advertisement . . . ". The TV or video ad would have to include a disclosure area on the entire bottom one-third of the screen at the beginning or end of the ad with a specified time requirement so it could actually be seen and read. It would require the three largest funders of TV ads and the two largest on radio ads be shown/spoken/disclosed.

Proposition 37 (2012) would have required the mandatory labeling of genetically engineered foods. However you feel about this food, you have a right to know about it. The measure was defeated after \$44 million in ads were run by a group that included Monsanto, Dupont, and Pepsico, a fact not known by many. Proposition 29 (2012) would have increased the cigarette tax. The main group that opposed it was "Californians Against Out of Control Taxes and Spending". Who would have thought it was tobacco companies, not anti-tax people? Groups call themselves the opposite of their goal to confuse voters and it works.

The public deserves a fair fight. That is hard to do when one side does not tell you who they are or who they represent.

If you should have any questions or need additional information please contact me at (831)475-7300.

Sincerely,

Denise Norton, Mayor  
City of Capitola

cc: The Honorable State Senator Bill Monning  
The Honorable Assembly Member Mark Stone  
California Clean Money Campaign



## CITY COUNCIL AGENDA REPORT

MEETING OF MAY 14, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONSIDER SIDE LETTERS TO THE ASSOCIATION OF CAPITOLA EMPLOYEES, CAPITOLA POLICE OFFICERS ASSOCIATION, MID-MANAGEMENT, CONFIDENTIAL AND CAPTAINS' MEMORANDUM OF UNDERSTANDING, THE MANAGEMENT COMPENSATION PLAN, AND THE CITY MANAGER CONTRACT

---

### **RECOMMENDED ACTION:**

- 1) Approve the side letters to existing Memoranda of Understanding for the following:
  - a) Association of Capitola Employees Bargaining Unit (ACE);
  - b) Mid-Management Employees' Bargaining Unit;
  - c) Confidential Employees' Bargaining Unit;
  - d) Capitola Police Officers Association (CPOA);
  - e) Captains' Employees' Bargaining Unit (Captain).
- 2) Approve changes to the Management Compensation Plan.
- 3) Approve changes to City Manager Employee Contract.

**BACKGROUND:** The City of Capitola participates in the California Public Employees' Retirement System (CalPERS). In 2008, Capitola instituted a cap on the amount the City would contribute toward employee retirement costs at 28.291% for Safety and 16.488% for Miscellaneous. During 2012, collective bargaining sessions, employee groups agreed to reduce the City's cap by 5% on new hires during their first five years of employment. The new hires are considered Classic II and existing employees are considered Classic 1 employees.

In 2013, the Public Employees' Pension Reform Act (PEPRA) was passed by the California Legislature. Among its impacts was the creation of two groups of employees within the retirement system. All new employees to the CalPERS system are now offered new lower cost plans, while employees already in the CalPERS system keep their existing plan and are considered "Classic" employees. The contributions from these two groups are kept separate by CalPERS.

In 2014, CalPERS changed the risk pooling methodology and the unfunded liability calculations for Classic employees in its member agencies. The changes were intended to ensure the system remained well funded as the new rules were implemented and minimize impacts on members. For most cities around the State the changes were relatively minor, in some cases resulting in slight decreases in required contributions and in other cases minor increases.

## Item #: 10.C. Staff Report.pdf

May 14, 2015, City Council Meeting

SUBJECT: Side Letters to Existing MOUs and Compensation Plans

Unfortunately due to its small workforce and other demographic issues, Capitola is one of the member agencies that will experience significant rate increases over the next few years. According to CalPERS, only a few other cities Statewide were impacted as significantly as Capitola.

**DISCUSSION:** City staff has met with CalPERS staff regarding options to mitigate those impacts. To date no solution has been identified, however staff will continue to meet to examine possible solutions. It should be noted that those options would not return the City to the formulas used prior to this year, but at best only blunt the overall impact of the pooling changes.

The current employee contracts call for employees to pick up all CalPERS rate increases. Using data from the most recent actuarial report, City staff has estimated the projected employee CalPERS contributions rates for the next three years if no changes are made to the existing MOUs.

	FY 14/15	FY 15/16	FY 16/17	FY 17/18
Miscellaneous	10.292%	16.67%	18.75%	20.41%
Safety - Sworn	11.874%	15.21%	18.76%	21.24%

City administration believes that without modifications to the existing employee contracts the projected employee CalPERS contribution rates are too large and extend too far into the future to maintain an effective workforce unless changes are made to the employee's contribution formula.

In Fiscal Year 2014/2015 CalPERS Classic Tier I and Tier II Safety employees contributed 11.874% and 16.874%, to CalPERS respectively. For the Miscellaneous Group, Classic Tier I and Tier II employees contributed 10.292% and 15.292%, respectively.

Currently the CalPERS standard employee contribution rate is 8% for Miscellaneous Classic Members and 9% for Public Safety Classic Members. CalPERS considers the remainder of the rate to be an employer cost.

The proposed amendments to employee contracts call for employees to contribute an additional 1-1.5% each year toward their pension plan for the remaining three years of their existing contracts. At the end of the existing contracts the Classic Miscellaneous rate would be at least 13.292% while the Classic Safety rate would be at least 14.874%. In addition, Classic Miscellaneous employees hired after July 1, 2012, will pay 15.292% in CalPERS contributions during Fiscal Year 2015/2016. Classic Safety employees hired after July 1, 2012, will pay 16.874% in CalPERS contributions during Fiscal Year 2015/2016. Beginning in July 2016, all Classic Employees will contribute the same amount to CalPERS.

One secondary result of the changes in risk pooling by CalPERS is that the City's unfunded liability is now determined as a fixed dollar amount rather than a percentage of payroll. This liability will remain with the City regardless of the number of employees in the Classic Groups. As a result, even if all City staff were to turn over and be replaced with employees on the new PEPRA plan, the City would remain liable for the same unfunded liability payment increasing the overall amount the City itself would pay.

The proposed MOU side-letter only changes the Employee CalPERS contribution rates and do not affect any other terms of the existing MOUs.

May 14, 2015, City Council Meeting

SUBJECT: Side Letters to Existing MOUs and Compensation Plans

**Management Compensation Plan**

The proposed amendment to the Management Compensation Plan includes the same employee CalPERS contribution rates changes proposed in the MOUs.

In addition, based on a recent performance evaluation for the Police Chief it was determined the current Chief's salary is lower than other comparable cities, and in fact lower than the City's Police Chief salary was in 2007. The proposed amendment would allow the City to make an 8.267% contribution to a tax-deferred retirement account on behalf of the employee. This contribution is not reported to CalPERS as special compensation, and will not impact the retirement calculations.

**City Manager Contract**

The proposed amendment to the City Manager contract includes the same Employee CalPERS contribution rates changes proposed in the MOUs.

**FISCAL IMPACT:** The estimated fiscal cost will be \$217,000 in Fiscal Year 2015/2016, \$141,000 in Fiscal Year 2016/2017, and \$111,000 in Fiscal Year 2017/2018.

**ATTACHMENTS:**

1. Association of Capitola Employees Bargaining Unit (ACE) Side Letter;
2. Mid-Management Employees' Bargaining Unit Side Letter;
3. Confidential Employees' Bargaining Unit Side Letter;
4. Management Compensation Plan ;
5. City Manager Employee Contract Second Amendment;
6. Capitola Police Officers Association (CPOA) Side Letter;
7. Captains' Employees' Bargaining Unit Side Letter.

**Report Prepared By:** Larry Laurent  
Assistant to the City Manager

**Reviewed and Forwarded  
by City Manager:** 

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
THE ASSOCIATION OF CAPITOLA EMPLOYEES**

WHEREAS, the City of Capitola (City) and Association of Capitola Employees (ACE), have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Union have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Employees' Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the rate increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: Section XIV shall be amended to read:

**XIV. RETIREMENT BENEFITS**

**A. PERS**

The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications, depending upon the plan. For all employees hired prior to July 1, 2012, the City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage tied to the Wage Increase defined in Section II of the ACE MOU. If the Wage Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Wage Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Wage Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Wage Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Non-Sworn employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage tied to the Wage Increase defined in Section II of the ACE MOU. If the Wage Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Wage Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible Non-sworn employees hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21 2015, eligible Non-Sworn employees hired on or after July 1, 2012 will contribute 15.292% of their reportable salary to PERS.

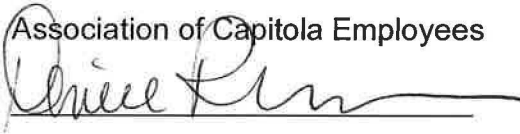
Effective the first full pay period in July 2016, eligible Non-Sworn employees hired on or after July 1, 2012 will contribute the same percentage of their reportable salary as those hired prior to July 1, 2012.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal Classic Miscellaneous employee member's contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes. Deductions made by employees on the employer rate will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by PERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by PERS, PERS has by statute implemented a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.

Association of Capitola Employees

City of Capitola



Jamie Goldstein, City Manager



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

Robert De la Torre

Dated: 5/7/15

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
THE CAPITOLA MID-MANAGEMENT EMPLOYEES**

WHEREAS, the City of Capitola (City) and Mid-Management employees have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Mid-Management Employees have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Employees' Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the rate increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: Section III.2 of the Mid-Management Employees MOU shall be amended to read:

PERS

The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications, depending upon the plan. For all employees hired prior to July 1, 2012, the City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage tied to the Wage Increase defined in Section I of the Mid-Management MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Wage Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Wage Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Miscellaneous employees will contribute to PERS the amount effective June 30, 2017 plus an additional percentage tied to the Wage Increase defined in Section I of the Mid-Management MOU. If the Wage Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible Miscellaneous employees hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees hired on or after July 1, 2012, will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees hired on or after July 1, 2012 will contribute the same percentage of their reportable salary as those hired prior to July 1, 2012.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal Classic Miscellaneous member's contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes. Deductions made by employees on the employer rate will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516.

For new Miscellaneous employees hired by the City of Capitola on or after January 1, 2013, and who do not qualify as classic members as defined by PERS, PERS has by statute implemented a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.

Mid Management Employees

City of Capitola

Mark Sullivan

Jamie Goldstein, City Manager

[Signature]

Kate Carter

[Signature]

[Signature]

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

Dated: 5/8/2015

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
CONFIDENTIAL EMPLOYEES GROUP**

WHEREAS, the City of Capitola (City) and Confidential Employees, have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Confidential Employees have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Employees' Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the rate increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: SECTION III.2 of the Confidential Employees MOU shall be amended to read:

PERS

The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications, depending upon the plan. For all employees hired prior to July 1, 2012, the City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage tied to the Wage Increase defined in Section I of the Confidential MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Wage Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Wage Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Miscellaneous employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage tied to the Wage Increase defined in Section I of the Confidential employees MOU. If the Wage Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible Miscellaneous employees hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees hired on or after July 1, 2012 will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees hired on or after July 1, 2012, will contribute the same percentage of their reportable salary as those hired prior to July 1, 2012.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal Classic Miscellaneous member's contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes. Deductions made by employees on the employer rate will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013, and do not qualify as Classic members as determined by PERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013, and who do not qualify as classic members as defined by PERS, PERS has by statute implement a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.

Confidential Employees

Jim Nichols

Susan Sheldon

CR

Dated: 5/7-2015

City of Capitola

Jamie Goldstein, City Manager

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

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# City of Capitola

## Department Head's and Chief of Police Compensation and Benefits Plan

Effective July 1, 2015

### Purpose and Intent

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Department Heads and the Chief of Police. The City Manager has the authority to hire Department Heads and the Chief of Police, and to adjust their compensation consistent with this Plan. Department Heads and Chief of Police are exempt from the Fair Labor Standards Act (FLSA), are at will employees, serve at the pleasure of the City Manager and can be terminated with or without notice or cause and with no rights of appeal.

#### 1) SALARY SCHEDULE

- a) This Plan covers positions in the job classes and salary schedule set forth in Attachment A, incorporated in and made a part of this document.
- b) Longevity: 5% base pay increase following 12 full years of employment. (Does not apply to Chief of Police)

#### 2) SEVERANCE PAY

If a Department Head is terminated by the City Manager, the City will pay the Department Head an amount equal to four months salary and four months Flexible Spending Arrangement Contribution benefits. Additionally, the Department Head will receive payment for all vacation leave accrued to the date of separation. The same terms apply to the Chief of Police with the exception of six months' salary and Flexible Spending Arrangement Contribution. However, if an employee is terminated because of conviction of any criminal offense or "for cause", the City shall have no obligation to continue the employment of the Department Head or pay severance pay.

#### 3) ADMINISTRATIVE LEAVE ACCRUAL

80 hours per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

#### 4) PERSONAL HOLIDAYS

Three personal holidays per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

#### 5) VACATION

##### a) Vacation Accrual:

Years of Employment	Vacation Days
1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

- b) The City Manager has the authority to place a new Department Head or Police Chief at a specific accrual rate.

- c) Upon termination, payment will be made for all accumulated vacation to the separation date, at a rate equal to 100% of the current hourly pay rate.
- d) Vacation Cap: All hours in excess of 360 hours on the last pay period of April of any year will be cashed out. Exception will be for any employee under a previous agreement who has accumulated more than 360 hours as of January 1, 2011; employee may maintain that level of 504 hours provided however if that if accumulated vacation falls below 504 at anytime during the year, then that will be the new allowable level until employee reaches 360 hours.
- e) Optional Vacation Cash Out: In any calendar year, Department Head or Police Chief may cash out up to 80 hours of accumulated vacation.

6) SICK LEAVE

Sick leave will accrue at a rate of 12 days per year. Unlimited accumulation and may not be converted to cash.

7) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a) Employees are eligible to enroll in a CalPERS medical plan, Dental and Vision Plan. The City makes a contribution on behalf of each qualified employee (Attachment A).
- b) Cash Out: Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental and vision) coverage or take this amount in cash for the "Employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan)

8) FLEXIBLE SPENDING ACCOUNTS

The City offers a Healthcare Spending Account with an annual election limit of \$2,500 and a Dependent Care Spending Account with annual election limit of \$5,000.

9) RETIREMENT

a) CalPERS Retirement Benefits for Classic Members:

- i) Tier 1 Non-Sworn: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for non-sworn employees in the Unit and the single-highest-year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to

PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Non-Sworn employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

- ii) Tier 2 Non-sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012, will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012 will contribute the same percentage of their reportable salary as applicable to those hired prior to July 1, 2012.

- iii) Tier 1 Sworn: The City participates in the California Public Employees Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for Safety employees in the Unit and the single-highest-year option.

For all eligible Sworn employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Sworn employees will contribute 12.874% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Sworn employees will contribute 12.874% of their reportable salary to PERS plus an additional percentage tied to the Pay Increase defined in. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Sworn employees would contribute 13.874% (12.874% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 14.074% (12.874% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Sworn employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the

employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

- iv) Tier 2 Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, will contribute 16.494% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, will contribute the same percentage of their reportable salary as applicable to those hired prior to July 1, 2012.

- b) CalPERS NEW Members:

- i) Individuals that have never been a member of any public retirement system prior to January 1, 2013, or
- ii) Individuals who moved between retirement systems with more than a six month break in service; and
- iii) In compliance with the California Public Employees' Pension Reform Act of 2013, (PEPRA), new members will receive a Local Miscellaneous benefit formula of 2% @ 62, Sworn will receive a benefit of 2.7% @ 55. Employees will contribute 50% of the normal cost as determined by CalPERS. The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2). Final compensation, for purposes of calculating the retirement benefit, is calculated on the highest average pensionable compensation earned by a member during a period of 36-consecutive months. This is also referred to as the 3-year average.

#### 10) HOLIDAYS

12 Holidays per calendar year, as follows: New Year's Day, Martin Luther King, Lincoln's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Day. In addition, City Hall will be closed for one week during the Christmas holidays during which employees are permitted to use vacation, personal holiday or sick leave in order not to lose compensation.

#### 11) INSURANCE

The City provides short-term disability for non-sworn and long-term disability insurance for both as well as term life insurance in the amount of \$50,000

#### 12) VEHICLE USE

The Chief of Police is entitled to use a spare Captain's vehicle for commuting to and from work within Santa Cruz County and for business purposes.

#### 13) UNIFORM

Chief of Police: City will purchase the initial uniform at a cost not to exceed \$2,500. City will pay for reasonable cleaning of the uniform at a cost not to exceed \$250/yr.



## 14) POLICE CHIEF DEFFERED COMPENSATION

The City may make contributions to a 457 Deferred Compensation Account (or equivalent account as determined by the City Manager) up to 8.267% of employee's regular salary (not including Flex Credit, cell phone allowance, or other compensation.). These contributions shall not be considered pay rate or special compensation and are not to be reported to PERS as such.

## 15) POLICE CHIEF RECRUITMENT

The City Council shall approve the recruitment process for the Police Chief at a City Council meeting as recommended by the City Manager.

Attachment: Exhibit A – Job Classes and Salary Schedule

## DEPARTMENT HEADS AND CHIEF OF POLICE JOB CLASSES AND SALARY SCHEDULE

EFFECTIVE AUGUST 15, 2014

### Positions covered by Plan

Chief of Police  
Director of Public Works  
Director of Finance  
Community Development Director  
Administrative Services Director

### Salary Schedule

<b>POSITION</b>	<b>Minimum</b>	<b>Maximum</b>
Chief of Police	\$ 10,075	\$ 12,246
Department Heads	\$ 6,258	\$ 11,237

### Salary: Cost of Living Adjustment (COLA)

a) COLA: Cost of Living Adjustment shall be as follows:

Effective the first full pay period in January 2014, through the pay period ending July 5, 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.

i) Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

- ii) Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
- iii) Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.
- iv) Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

**Flexible Spending Arrangement Contribution:**

The contribution for full-time regular employees is:

Effective 7/1/2014

Employee Only	\$718
Employee + 1	\$921
Employee +2 or more	\$1,126

Effective 7/1/2015

Employee Only	\$735
Employee + 1	\$945
Employee +2 or more	\$1,155

Effective 7/1/2016

Employee Only	\$745
Employee + 1	\$968
Employee +2 or more	\$1,184

Effective 7/1/2017

Employee Only	\$773
Employee + 1	\$992
Employee +2 or more	\$1,213

## SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

This second Amendment to City Manager Employment Agreement is entered into on May 14, 2015 with an effective date of June 21, 2015, by and between the City of Capitola, a municipal corporation (hereinafter referred to as "City"), and Jamie Goldstein, an individual (hereinafter referred to as "Employee"), and is intended to amend that particular City Manager Employment Agreement dated February 12, 2010 subsequently modified by an undated "First Waiver" that went into effect as of June 4, 2010 (hereinafter collectively referred to as the "Original Agreement").

1. Section 9.A of the Original Agreement is hereby amended to read as follows:

A. The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for the Employee

Effective June 21, 2015, the Employee will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, the Employee will contribute 11.292% of their reportable salary to PERS plus an additional percentage as outlined below. If the Pay Increase specified in Section 6.D of the Original Agreement is 3.0% or less, the Employee will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% the employee will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Employee would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Employee would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, the Employee will contribute to PERS the amount effective June 30, 2017, plus an additional percentage as outlined below. If the Pay Increase specified in Section 6.D of the Original Agreement is 3.0% or less, the Employee will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0%, the employee will contribute an additional 1% plus the amount greater than 3.0% to PERS.

The Employee

City of Capitola

  
\_\_\_\_\_  
Jamie Goldstein, City Manager

\_\_\_\_\_  
Dennis Norton, Mayor

Dated: 5/8/15

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

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
CAPITOLA POLICE OFFICERS ASSOCIATION**

WHEREAS, the City of Capitola (City) and Capitola Police Officers Association (CPOA), have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Union have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: Article 27.00 shall be amended to read:

- 27.01 Non-Sworn: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for non-sworn employees in the Unit and the single-highest-year option subject to Section 27.08.

For all eligible employees hired prior to August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Non-Sworn employees will contribute to PERS the amount effective June 30, 2017 plus an additional percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is

greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible Non-sworn employees defined by PEPRA as "classic employees" hired on or after August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees defined by PEPRA as "classic employees" hired on or after August 5, 2012 will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees defined by PEPRA as "classic employees" hired on or after August 5, 2012 will contribute the same percentage of their reportable salary as applicable to those hired prior to August 5, 2012.

27.02 Sworn: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for Safety employees in the Unit and the single-highest-year option subject to Section 27.07. Employer Paid Members Contribution (EPMC), if any, and the Value of EPMC, if any, will be the same for employees hired after August 5, 2012, as employees hired prior to that date, unless otherwise determined by PERS.

For all eligible Sworn employees hired prior to August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Sworn employees will contribute 12.874% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Sworn employees will contribute 12.874% of their reportable salary to PERS plus an additional percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Sworn employees would contribute 13.874% (12.874% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 14.074% (12.874% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Sworn employees will contribute to PERS the amount effective June 30, 2017 plus an additional percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible employees defined by PEPRA as "classic employees" hired on or after August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after August 5, 2012 will contribute 16.494% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after August 5, 2012 will contribute the same percentage of their reportable salary as applicable to those hired prior to August 5, 2012.

- 27.03 The City shall expeditiously implement the PERS Credit for Unused Sick Leave and employee paid Military Service Credit options.
- 27.04 Public Employees Pension Reform Act for Safety Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by PERS: For new safety employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by PERS, PERS has by statute implement a 2.7% @ 55 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.
- 27.05 Deductions will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516

Capitola Police Officers Association

City of Capitola

  
\_\_\_\_\_

\_\_\_\_\_  
Jamie Goldstein, City Manager

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

\_\_\_\_\_

\_\_\_\_\_  
Dated: 5/7/15

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**SIDE LETTER  
BETWEEN CITY OF CAPITOLA AND  
POLICE CAPTAIN**

WHEREAS, the City of Capitola (City) and Association of Capitola Employees (ACE), have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Confidential Employees have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Employees' Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the rate increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: SECTION 11 of the Police Captain MOU shall be amended to read:

Retirement Program

The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for Safety employees in the Unit and the single-highest-year option subject to Section 27.07.

For all eligible Sworn employees hired prior to August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Sworn employees will contribute 12.874% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Sworn employees will contribute 12.874 % of their reportable salary to PERS plus an additional percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Sworn employees would contribute 13.874% (12.874% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 14.074% (12.874% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Sworn employees will contribute to PERS the amount effective June 30, 2017 plus an additional

percentage tied to the Pay Increase defined in Article 24.08 of the POA MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible employees hire on or after August 5, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Sworn employees, defined by PEPRA as "classic employees", hired on or after August 5, 2012 will contribute 16.494% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Sworn employees, defined by PEPRA as "classic employees", hired on or after August 5, 2012 will contribute the same percentage of their reportable salary as those hired prior to August 5, 2012.

Public Employees Pension Reform Act for Safety Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by PERS: For new safety employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by PERS, PERS has by statute implement a 2.7% @ 57 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.

Deductions will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516

Police Captain

THED #303

City of Capitola

Jamie Goldstein, City Manager

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

Dated: 5/8/15



## CITY COUNCIL AGENDA REPORT

### MEETING OF MAY 14, 2015

FROM: OFFICE OF THE CITY CLERK  
SUBJECT: CONSIDER LETTER OF SUPPORT FOR REDWOOD/COAST DAIRIES  
NATIONAL MONUMENT

**RECOMMENDED ACTION:** Consider authorizing the Mayor to send a letter on behalf of the City in support the Coast Dairies/Redwood National Monument.

**BACKGROUND/DISCUSSION:** At Mayor Norton's request this item is agendized for the City Council to consider sending a letter of support the Coast Dairies/Redwood National Monument.

Last year the Trust for Public Land (TPL) conveyed over 5,000 acres of land on the North Coast of Santa Cruz County, known as the Coast Dairies property, in the Bureau of Land Management (BLM). Coast Dairies is one of many properties owned by the BLM.

Subsequent to the transfer, a campaign was organized to designate the project as a National Monument. The unparalleled beauty of the flora and fauna that thrive on the property, coupled with the historic significance to California native peoples and as a working ranch and dairy for over 100 years, clearly warrant national recognition of this magnificent property. Designating these lands as a National Monument will ensure that the property had strong deed restrictions which protect the property in perpetuity from development, off-road vehicles, resource extraction, and other intensive uses. National Monument designation will permanently protect critical wildlife corridors, habitat for endangered and rare species, as well as vast and diverse terrain.

The transfer of the property into public ownership was indeed a major accomplishment by all those involved and represents a significant contribution to open space on the North Coast of Santa Cruz County. National Monument designation grants the property one of the highest levels of permanent federal protection. It places the land in the special class of federal properties known as National Conservation Lands, which are protected and managed for conservation above all else. Collaboration, public involvement and youth engagement are also explicit priorities for National Conservation Lands. In addition, BLM lands that have a special designation such as a National Monument are eligible for additional federal funds to steward and manage the property.

Attached is a map of the proposed National Monument (Attachment 1) and a Fact Sheet.

#### **ATTACHMENTS:**

1. Map of the proposed National Monument
2. National Monument Fact Sheet
3. Draft letter of support

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager: 

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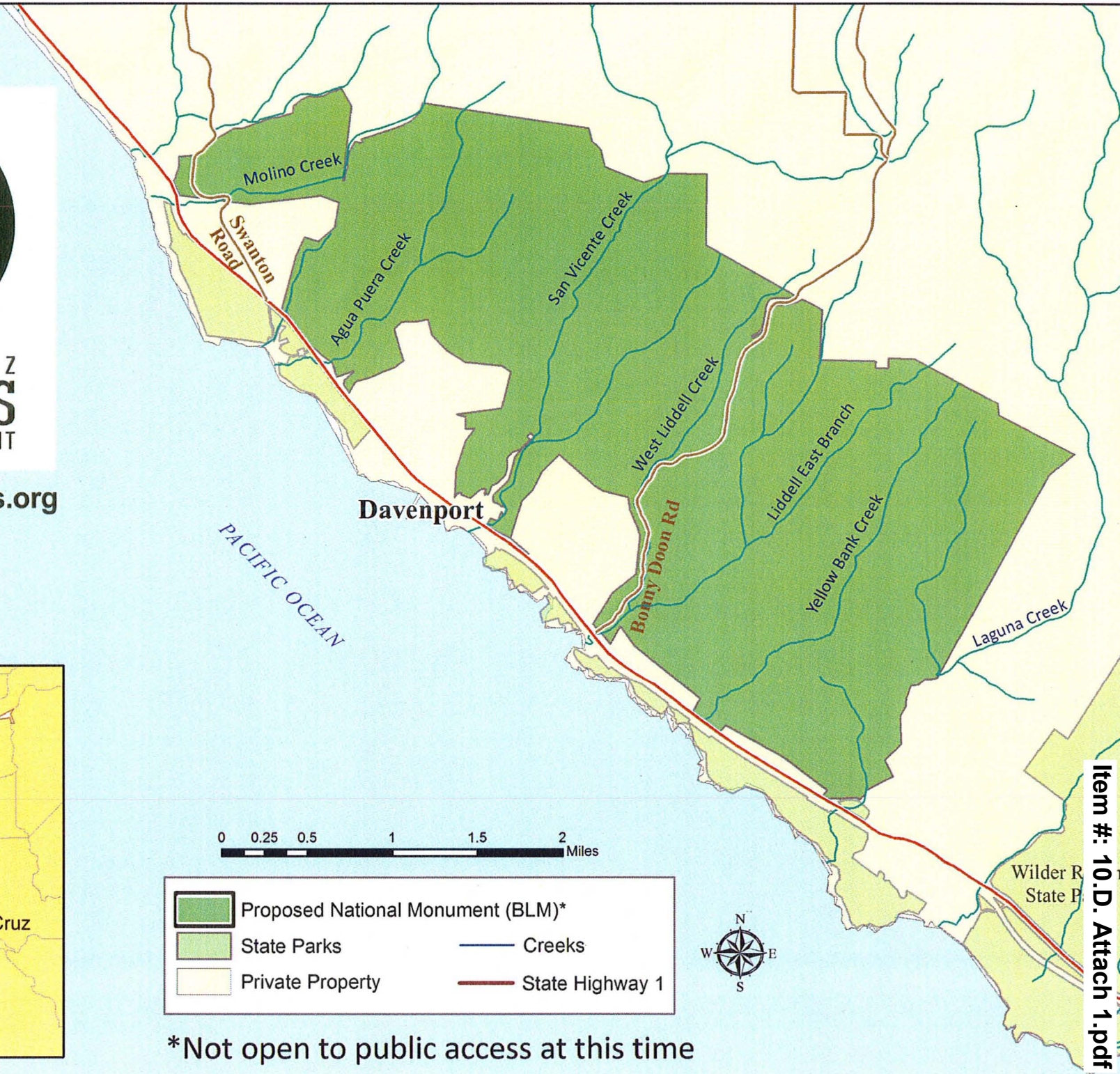


SANTA CRUZ  
**REDWOODS**  
NATIONAL MONUMENT

[santacruzredwoods.org](http://santacruzredwoods.org)



-113-



\*Not open to public access at this time

Item #: 10.D. Attach 1.pdf

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## Talking Points in Support of National Monument Designation for Coast Dairies

*Last updated 4.16.15*

- a. National Monument designation for Coast Dairies grants the property one of the highest levels of permanent federal protection. It places the land in the special class of federal properties known as National Conservation Lands, which are protected and managed for conservation above all else. Collaboration, public involvement and youth engagement are also explicit priorities for National Conservation Lands.
- b. Coast Dairies is one of many properties owned by the Bureau of Land Management (BLM). As a National Monument, Coast Dairies will have priority status over the millions of acres of other land holdings in the BLM's portfolio that do not enjoy this distinction. Without Monument designation, resources for the BLM to manage and operate the property for public and environmental benefit are scarcer, and a lower priority.
- c. As a National Monument, Coast Dairies will never be sold off or traded as surplus land. Other BLM properties don't enjoy this same protection. As an example, the BLM sold two 40-acre surplus parcels in the Santa Cruz Mountains a few years ago. Sempervirens Fund stepped in and purchased those parcels for conservation, but they could have been sold for other uses.
- d. There's a movement afoot to push the Federal Government to sell or give away all federal lands ***other than the national parks and monuments***. At the end of March 2015, the United States Senate voted 51 to 49 to support an amendment to a nonbinding budget resolution that would put all other federal lands at risk. National Monument status for Coast Dairies will permanently preserve the land in public trust for the benefit of people and wildlife, even as changes in Washington DC threaten to unravel other conservation protections that our country has depended on for decades.
- e. National Monument designation for Coast Dairies will permanently protect the six watersheds that provide clean drinking water, agricultural water and aquifer recharge to our ecosystem.
- f. National Monument designation for Coast Dairies will permanently protect critical wildlife corridors, habitat for endangered and rare species such as the American peregrine falcon and coho salmon, and important native plant communities.
- g. National Monument designation will protect the property's cultural and historical resources and provide opportunities for studying and interpreting how native people once lived on the land.
- h. This National Monument will permanently protect vast and diverse terrain including steep canyons, deep riparian corridors, rolling hills and grasslands. Awe-inspiring views of the Monterey Bay National Marine Sanctuary abound, while redwood groves and stands of California Live Oaks provide inspiration and solitude.
- i. Visitors to national monuments generate revenues for local businesses and support job creation in eco-tourism and related fields.
- j. Monuments are cherished by locals and visitors alike for the free access to scenic natural beauty and recreational opportunities and the guarantees of permanent

protections for unique and spectacular landscapes. Monuments are treasured assets of the United States and are protected and managed for everyone to experience and enjoy.

- k. Monuments are enjoyed nationwide by people of all walks of life. They are open to every social and economic group, including those who have been historically underserved by parks. People with physical disabilities, families with young children, and school groups are all welcome, as are a wide range of recreationists such as hikers, equestrians, bicyclists, photographers, bird-watchers, and native plant enthusiasts.
- l. Monument designation would allow California BLM to request funding for Coast Dairies from the National Conservation Lands Office in Washington DC, a source of funds only available to National Conservation Lands. California BLM would be able to request funds for additional staff to conduct planning and to manage the property. Without monument designation, Coast Dairies would not have access to this exclusive funding source.
- m. Philanthropic foundations and public agencies have generously supported conservation priorities in the Santa Cruz Mountains over the years, including the gift of \$45M by the David and Lucile Packard Foundation that made it possible for the Trust for Public Land to purchase Coast Dairies. Today, many foundations are increasingly focused on international conservation, where their dollars go further. A Monument designation for Coast Dairies will send a strong signal to foundations, individual philanthropists and public funding agencies that the region's natural and cultural resources are of statewide, national and even global importance and worthy of continued investment to ensure the best possible stewardship.
- n. National monuments also enjoy support from the Conservation Lands Foundation, which advocates for improved BLM policies and supports a network of Friends groups around the country.
- o. The conservation organizations who are sponsoring the monument campaign (Sempervirens Fund, The Land Trust of Santa Cruz County, Peninsula Open Space Trust, The Nature Conservancy and Save the Redwoods League) are working to raise \$50,000 in seed funding to establish a Friends group that would support careful ongoing stewardship of the property once this monument is designated. \$20,000 has been pledged for this purpose to date.
- p. Coast Dairies is surrounded by a variety of public and private conservation lands and working lands, presenting a unique opportunity for collaborative land stewardship among Federal, state, local government and private landowners in the region.
- q. The north coast is a well-known and highly desirable recreation destination for Santa Cruz locals and residents of the greater Bay Area. The region gets jammed on weekends, and services and amenities provided by the County and State are barely adequate to accommodate traffic and other impacts of heavy visitation that pose ongoing challenges for the local community, and particularly Davenport. The Monument movement is focusing the attention of local government and agencies, including the Sherriff, California Highway Patrol, Cal-Trans, Cal-Fire, County Public Works, State Parks, and a variety of community service NGOs (such as Save Our



Shores) to seek ways to manage the backlog of resource needs and help mitigate impacts from visitation. With monument designation at Coast Dairies, the BLM may be able to bring additional resources to bear that could help address these existing concerns.

\* A note regarding mineral extraction: As a multi-use agency, the BLM can and does extract oil, gas and other minerals from some of its landholdings. In general, national monument status provides protections against mineral extraction. In the specific case of Coast Dairies, the Coast Dairies & Land Company (an affiliate of The Trust for Public Land) severed and retained all mineral rights prior to transferring the land to the BLM, in order to safeguard the property from mineral extraction. In addition, the community was instrumental in crafting deed restrictions to prevent other uses that could degrade the land, including commercial harvesting of the property's redwoods forests and use of recreational off-road vehicles.

**Additional resources to share:**

1. *NY Times article April 2, 2015.* <http://www.nytimes.com/2015/04/02/opinion/our-land-up-for-grabs.html?ref=opinion>.

This NY Times opinion piece by Will Rogers, president of The Trust for Public Land, expresses consternation at what's happening in the federal House and Senate: there's a movement afoot to push for the Federal Government to sell or give away all federal lands, **other than national parks and monuments**.

2. The National Landscape Conservation System (NLCS) 15-Year Strategy 2010–2025.

This document can be viewed on the BLM website at:

[http://www.blm.gov/wo/st/en/info/newsroom/2011/september/NR\\_09\\_30\\_2011.html](http://www.blm.gov/wo/st/en/info/newsroom/2011/september/NR_09_30_2011.html)

3. BLM's 5 year strategy for National Conservation Lands in California:

[http://www.blm.gov/pgdata/etc/medialib/blm/ca/pdf/pa/nlcs.Par.77389.File.dat/CA\\_ConservationLands\\_Strategy\\_2012\\_web.pdf](http://www.blm.gov/pgdata/etc/medialib/blm/ca/pdf/pa/nlcs.Par.77389.File.dat/CA_ConservationLands_Strategy_2012_web.pdf)

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420 CAPITOLA AVENUE  
CAPITOLA, CALIFORNIA 95010  
TELEPHONE (831) 475-7300  
FAX (831) 479-8879

May 15, 2015

Santa Cruz Redwoods National Monument Campaign  
Stephen Reed, Campaign Manager c/o Sempervirens Fund  
419 South San Antonio Rd., Suite 211  
Los Altos, CA 94022-3640

RE: SUPPORTING THE NATIONAL MONUMENT FOR COAST DAIRIES

The City of Capitola, unanimously supports the National Monument designation for the Coast Dairies Ranch owned by the Bureau of Land Management (BLM). Without Monument designation, resources for the BLM to manage and operate the property for public and environmental benefit are scarcer, and a lower priority. Coast Dairies Ranch was a renowned part of the agricultural industry in Santa Cruz County and has significant cultural and historical value.

The Monument designation for Coast Dairies will permanently protect the following:

- Six watersheds that provide clean drinking water, agricultural water and aquifer that recharge our ecosystem;
- Critical wildlife corridors, habitat for endangered and rare species such as the American peregrine falcon and coho salmon, and important native plant communities;
- The property's cultural and historical resources and provide opportunities for studying and interpreting how native people once lived on the land;
- The vast and diverse terrain including steep canyons, deep riparian corridors, rolling hills and grasslands;

There has been a movement to push the Federal Government to sell or give away all federal lands other than the national parks and monuments. The Capitola City Council wants to permanently preserve the Coast Dairies Ranch in public trust for the benefit of people and wildlife.

We appreciate support provided by the Sempervirens Fund, The Land Trust of Santa Cruz County, Peninsula Open Space Trust, The Nature Conservancy, and Save the Redwoods League in their involvement in protecting this property in perpetuity.

Keep the beauty and recreational opportunities and the guarantees of permanent protection for unique and spectacular landscapes.

If you should have any questions or need additional information please contact me at (831)475-7300.

Sincerely,

Denise Norton, Mayor  
City of Capitola

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## CITY COUNCIL AGENDA REPORT

MEETING OF MARCH 12, 2015

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: SUMMER BEACH SHUTTLE REPORT  
CONSIDERATION OF REVERSING THE ROUTE

**RECOMMENDED ACTION:** Accept this report on the 2014 Summer Beach Shuttle and approve reversing the shuttle route for 2015.

**BACKGROUND:** In 2014 the City operated the Summer Beach Shuttle out of the new Beach and Village Parking Lot No. 2 (lower lot) for the first time. As part of the changes that accompanied this new location, the direction of the route was changed to a clockwise rotation through the Village with the shuttle stop in the Village being relocated to the western side of Monterey Avenue. The following table shows the ridership data from the past three years:

Year	Total Riders	Shuttle Operation Cost	Parking Lot Lease Cost	Cost per Rider	Number of Stops/Day (avg)
2012	16026	\$19,292	\$4,778	\$1.50	68
2013	15928	\$21,856	\$4,892	\$1.68	60
2014	14721	\$23,389	0	\$1.59	84

In 2012 and 2013 the City leased a parking lot in the Crossroads Center; the lease costs went away with the change to the new City owned lot. The decrease in ridership in 2014 is most likely due to the ability to walk between the new lot and the Village thus reducing the dependency on the shuttle. The data also shows that the number of times the shuttle stopped increased by 25% in 2014, meaning the typical wait time for the shuttle decreased from 10 minutes to 6 minutes.

**DISCUSSION:** With the clockwise route used in 2014, the shuttle traveled down Monterey Avenue and utilized a temporary stop between 211 and 213 Monterey Avenue. These two spaces are designated yellow zones. Both 211 and 213 Monterey Avenue are residential properties and there is no real waiting area in close proximity to the stop. The City received several complaints about this new stop location from both riders and residents in the residential units. In the past the shuttle stop was located adjacent the public seating area at the intersection of Monterey Avenue and Capitola Avenue.

Staff is recommending reversing the route for 2015 and using the previously utilized shuttle stop. This change will require the shuttle to make a left hand turn off of Bay Avenue into the lower parking lot and relocating the shuttle stops within the lot. In discussions with MV Transportation, the shuttle operator, these changes are not expected to cause unreasonable delays or congestion. Staff will again review the operations following the 2015 season to see if these changes were effective.

**FISCAL IMPACT:** None

**ATTACHMENT:**

1. Proposed 2015 Shuttle Route map

Report Prepared By: Steven Jesberg  
Public Works Director

Reviewed and Forwarded  
By City Manager:

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## CITY COUNCIL AGENDA REPORT

MEETING OF MAY 14, 2015

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: CONSIDERATION OF SENDING A LETTER IN SUPPORT OF SENATE BILL 16  
SENATE TRANSPORTATION FUNDING PROPOSAL FOR CALIFORNIA'S LOCAL  
STREETS AND ROADS

**RECOMMENDED ACTION:** Direct the Mayor to send a letter in support of passage of Senate Bill 16 (Beall) to provide 5-years of funding for local streets.

**BACKGROUND:** Senate Bill (SB) 16 has been proposed by State Senator Jim Beall from the San Jose area. The purpose of the bill is to provide a 5-year funding cycle for State and local agencies for the purpose of roadway maintenance. A fact sheet on the bill is included as Attachment 2.

The Senate plan proposes to raise revenues through:

- A 10 cent increase in the excise tax on gasoline and diesel;
- \$35 Vehicle Registration Fee (VRF) increase for all vehicles;
- A \$100 VRF increase for zero-emission vehicles;
- Payback of outstanding transportation loans over a three-year period; and
- Truck Weight Fees would be returned to the transportation fund over a five-year period (20 percent annually). The general fund would be backfilled by a 0.35 percent increase in the VLF over the five-year period (raised in 0.07 percent increments over the five-year period).

The League of California Cities has been involved in the development of this bill and has expressed its support.

**DISCUSSION:** Based on the projections compiled by the League of California Cities, the City of Capitola would receive between \$200,000 and \$265,000 annually if SB 16 is approved. The most recent update to the City's Pavement Management Plan calculated the overall Pavement Condition Index was 59 out of 100. In order to maintain this condition the City would need to spend \$640,000 annually and another \$800,000 annually to increase the overall condition to the target goal of 70 after 5 years.

**FISCAL IMPACT:** Projected increase of dedicated revenue for street maintenance of \$200,000 to \$265,000 annually.

**ATTACHMENTS:**

1. Draft letter
2. SB 16 fact sheet

Report Prepared By: Steven Jesberg  
Public Works Director

Reviewed and Forwarded  
By City Manager: 

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Capitola, California 95010  
Telephone: (831) 475-7300  
FAX: (831) 479-8879  
Website: [www.cityofcapitola.org](http://www.cityofcapitola.org)

May 15, 2015

Honorable Jim Beall  
Member, California State Senate  
State Capitol, Room 5066  
Sacramento, CA 95814  
Via FAX: (916) 651-4915

RE: **SB 16 (Beall). Transportation Funding.** *(as amended April 15, 2015)*  
**Notice of Support**

Dear Senator Beall:

The City of Capitola supports SB 16, which would provide much needed funding to the state and local roadway system over a period of five years to address the overwhelming backlog of preservation and maintenance.

Our local streets and roads we all rely on are literally crumbling beneath our feet. The conditions are getting so bad that if California doesn't commit to prioritizing funding to fix them, we could be facing a catastrophe. Without this additional funding, 25% of local streets and roads will be in failed condition in a very short 10 years.

If regular maintenance is neglected, the costs of repairs increase exponentially. Senate Bill 16 would expressly address the backlog of maintenance needs, and is estimated to generate between \$2.8 and \$3.6 billion annually. In addition, five percent of the revenues would be set aside to incentivize counties currently without a local transportation funding measure to approve such a measure.

The 26 miles of streets in the City of Capitola currently have an overall Pavement Condition Index of 59 out of a possible 100. The cost to just maintain our streets in this condition is approximately \$640,000 per year. An additional \$800,000 annually is necessary to raise the condition of the City's streets to a minimally acceptable Pavement Condition Level of 70.

We cannot stress enough the importance of acting on the transportation funding shortfall. Thank you for your leadership on this critical issue. For these reasons, the City of Capitola supports SB 16 (Beall).

Sincerely,

Dennis Norton  
Mayor  
City of Capitola

cc: Honorable State Senator Bill Mooning  
Honorable Assemblymember Mark Stone  
Deanna Sessums, Monterey Bay Regional Public Affairs Manager  
Meg Desmond, League of California Cities

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## Senate Transportation Funding Proposal Contains Important Revenues for California's Local Streets and Roads

The proposal announced today by Sen. Jim Beall to create a five-year temporary funding source for California's transportation system would provide much-needed funding to maintain and preserve local roadways, which comprise more than 80 percent of the state's system. Infrastructure investment is one of the League's top priorities for 2015. The proposal is supported by the League of California Cities.

"The success of our cities and economy depends on our ability to successfully move goods and people from one place to another. We put our economic future and public safety at risk by failing to adequately maintain our existing system of streets, roads, and highways," said Stephany Aguilar, president of the League of California Cities and council member, city of Scotts Valley. "Many of our city streets are on the verge of failing, and without increased investment their condition will rapidly decline. With a focus on preservation and maintenance of the existing system, Sen. Beall's proposal will make important strides in preventing such losses in these critical public assets. That's a goal we can all agree on."

Sen. Jim Beall's plan, SB 16, would expressly address the backlog of maintenance needs, and is estimated to generate between \$2.8 and \$3.6 billion annually and with the funds being directed to maintenance and preservation of local streets and roads and the state highway system. In addition, five percent of the revenues would be set aside to incentivize counties currently without a local transportation funding measure to approve such a measure.

The League has developed preliminary estimates of the revenues that cities could receive under the proposal. Cities should approach these numbers with caution as there are likely to be adjustments to the proposal as it moves through the legislative process.

The Senate plan proposes to raise revenues through:

- A 10 cent increase in the excise tax on gasoline and diesel;
- \$35 Vehicle Registration Fee (VRF) increase for all vehicles;
- A \$100 VRF increase for zero-emission vehicles;
- Payback of outstanding transportation loans over a three-year period; and
- Truck Weight Fees would be returned to the transportation fund over a five- year period (20 percent annually). The general fund would be backfilled by a 0.35 percent increase in the VLF over the five-year period (raised in 0.07 percent increments over the five-year period).

The League has been at the table along with other transportation stakeholders to consult with the Senate on the core provisions in the proposal. The League board of directors on April 3 met to discuss and take action on the proposal in anticipation of its official public release this week.

California's local streets and roads are literally facing the tipping point. Pavement conditions, according to the 2014 Local Streets and Roads Needs Assessment, are at 66 out of 100. The cost of repairing roads that slip any lower grows exponentially and transportation experts have been warning that without immediate investments, the system will literally crumble beneath our feet. Currently local agencies receive just half of the revenues to maintain the local system.

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