

# City of Capitola

## Council/Successor Agency Meeting Agenda



Mayor: Yvette Brooks  
Vice Mayor: Sam Storey  
Council Members: Jacques Bertrand  
Margaux Keiser  
Kristen Petersen

**WEDNESDAY, MAY 5, 2021**

**SPECIAL MEETING - 6 PM**

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

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

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

Council Members Kristen Petersen, Jacques Bertrand, Margaux Keiser, Sam Storey, and Mayor Yvette Brooks

**2. ADDITIONAL MATERIALS**

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

**3. ADDITIONS AND DELETIONS TO THE AGENDA**

**4. PUBLIC COMMENT**

*Please review the Notice of Remote Access for instructions.*

**5. CITY COUNCIL / STAFF COMMENTS**

**6. 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 City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government. Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.*

- A. Consider the May 21, 2020, City Council as Successor Agency Special Meeting Minutes  
RECOMMENDED ACTION: Approve the minutes.

## 7. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Presentation of the Proposed 2021/2022 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency  
RECOMMENDED ACTION: Acting as the City Council and Successor Agency, receive the proposed budget, provide staff direction, and continue budget deliberations to the next joint budget hearing scheduled on May 20.

## 8. ADJOURNMENT

### NOTICE OF REMOTE ACCESS

In accordance with Executive Order N-29-20 from the Executive Department of the State of California, the City Council meeting is not physically open to the public and in person attendance cannot be accommodated.

#### To watch:

- Online <http://capitolaca.igq2.com/Citizens/Default.aspx>
- Spectrum Cable Television channel 8

#### To join Zoom:

- Join the Zoom Meeting with the following link:  
<https://us02web.zoom.us/j/87281123379?pwd=MHlyUVQwQ0JOR0Fxb2lsWlVjTzNnZz09>
  - If prompted for a passcode, enter **265487**
- **-OR-** With a landline or mobile phone, call one of the following numbers:
  - **1 669 900 6833**
  - 1 408 638 0968**
  - 1 346 248 7799**
- Enter the meeting ID number: **872 8112 3379**
- When prompted for a Participant ID, press #

#### To submit public comment:

When submitting public comment, one comment (via phone **or** email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

1. Zoom Meeting (Via Computer or Phone) Link:
  - A. IF USING COMPUTER:
    - § Use participant option to "raise hand" during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak
  - A. IF CALLED IN OVER THE PHONE:
    - § Press \*9 on your phone to "raise your hand" when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak
1. Send Email:
  - A. During the meeting, send comments via email to [publiccomment@ci.capitola.ca.us](mailto:publiccomment@ci.capitola.ca.us)

CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA  
May 5, 2021

- § Emailed comments on items will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.
- § Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.
- § Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.
- § Emails received by [publiccomment@ci.capitola.ca.us](mailto:publiccomment@ci.capitola.ca.us) outside of the comment period outlined above will not be included in the record.

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

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

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

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

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

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



# CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA REPORT

**MEETING OF MAY 5, 2021**

FROM: City Manager Department

SUBJECT: Consider the May 21, 2020, City Council as Successor Agency Special Meeting Minutes

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RECOMMENDED ACTION: Approve the minutes.

ATTACHMENTS:

1. 5-21-20 budget draft

Report Prepared By: Chloe Woodmansee  
City Clerk

**Reviewed and Forwarded by:**

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

Jamie Goldstein, City Manager

4/30/2021

**CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY  
JOINT BUDGET STUDY SESSION  
DRAFT MINUTES  
THURSDAY, MAY 21, 2020 - 6 PM**

**JOINT BUDGET STUDY SESSION OF THE CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY**

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

Council Member Ed Bottorff: Remote, Council Member Jacques Bertrand: Remote, Council Member Sam Storey: Remote, Mayor Kristen Petersen: Remote, Vice Mayor Yvette Brooks: Remote.

**2. ADDITIONAL MATERIALS**

A. Item 6.A – two public comment emails

**3. ADDITIONS AND DELETIONS TO THE AGENDA – NONE**

**4. CITY COUNCIL / SUCCESSOR AGENCY / CITY TREASURER / STAFF COMMENTS**

Council Member Storey noted some issues with the Zoom meeting.

Council Member Bertrand asked about the Business Recovery Committee; staff suggested a brief presentation during the COVID-19 update at the next regular City Council meeting.

Mayor Petersen asked that the meeting be held in honor of Ben Kelly, who was an important member of the BIA and who was recently killed.

**5. CONSENT CALENDAR**

A. Consider the May 6, 2020, Capitola City Council /Successor Agency Joint Budget Study Session Special Meeting Minutes  
RECOMMENDED ACTION: Approve the minutes.

<b>MOTION:</b>	<b>APPROVE THE MINUTES</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff
<b>SECONDER:</b>	Jacques Bertrand
<b>AYES:</b>	Bottorff, Bertrand, Storey, Petersen, Brooks

**6. GENERAL GOVERNMENT / PUBLIC HEARINGS**

A. Presentation of the Proposed 2020/2021 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency  
RECOMMENDED ACTION: Receive the proposed budgets, provide staff direction, and continue budget deliberations to the next scheduled joint budget hearing on June 3, 2020.

City Manager Goldstein introduced the revised budget proposal and Finance Director

Attachment: 5-21-20 budget draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL /SUCCESSOR AGENCY JOINT BUDGET STUDY  
SESSIONMINUTES

May 21, 2020

Malberg presented the staff report. Staff explained that the budget recommends significant cuts and maintains only what is legally required and necessary to continue providing city services for the fiscal year ahead.

Council confirmed with Director Malberg that there is some flexibility in how CDGB funds are allocated, and that the TOT Childhood Development Fund can be reallocated to provide for Recreation Division programs upon staff discretion.

Council Members Bertrand and Storey confirmed with Director Jesberg that any unused funds from the Library Project would go back into the general fund.

<b>MOTION:</b>	<b>ADOPT THE FULL YEAR 2020-21 BUDGET WITH STAFF RECOMMENDATIONS</b>
<b>MOVER:</b>	Ed Bottorff
<b>RESULT:</b>	<b>DIED FOR LACK OF SECOND</b>

<b>MOTION:</b>	<b>ADOPT THE FULL YEAR 2020-21 BUDGET WITH STAFF RECOMMENDATIONS; AGENDIZE COMMUNITY GRANT PROGRAM TO ASSESS FUDNING POSSIBILITIES AT A FUTURE COUNCIL MEETING</b>
<b>MOVER:</b>	Jacques Bertrand
<b>RESULT:</b>	<b>DIED FOR LACK OF SECOND</b>

Council discussed the significance of the community grant program and when to bring this item to a Council Meeting for discussion on providing potential funding for grantees in the 2020-2021 year.

Council Member Brooks confirmed with staff that a mid-budget review is typical, and that more frequent budget adjustments and reviews will take place through the calendar year due to the current unusual financial circumstances.

Mayor Petersen asked that the community grants program continue to be revised and considered once the economic situation settles and the pandemic's effects become clearer.

<b>MOTION:</b>	<b>CANCEL THE JUNE 3, 2020 BUDGET HEARING, DIRECT STAFF TO BRING FORWARD THE FULL YEAR 2020-21 BUDGET FOR COUNCIL ADOPTION AT THE NEXT REGULAR CITY COUNCIL MEETING ON JUNE 11, 2020.</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Yvette Brooks
<b>SECONDER:</b>	Ed Bottorff
<b>AYES:</b>	Bottorff, Bertrand, Storey, Petersen, Brooks

## 7. ADJOURNMENT

The meeting was closed at 7:33 PM.

Attachment: 5-21-20 budget draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL /SUCCESSOR AGENCY JOINT BUDGET STUDY  
SESSIONMINUTES  
May 21, 2020

\_\_\_\_\_  
Kristen Petersen, Mayor

ATTEST:

\_\_\_\_\_  
Chloé Woodmansee, Interim City Clerk

Attachment: 5-21-20 budget draft (Approve Council Minutes)



## CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA REPORT

**MEETING OF MAY 5, 2021**

FROM: Finance Department

SUBJECT: Presentation of the Proposed 2021/2022 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency

**RECOMMENDED ACTION:** Acting as the City Council and Successor Agency, receive the proposed budget, provide staff direction, and continue budget deliberations to the next joint budget hearing scheduled on May 20.

**DISCUSSION:** The City of Capitola proposed Fiscal Year (FY) 2021-22 and FY 2022-23 General Fund Budget is a two-year financial plan. This year, the plan incorporates the City's approach to recovering from the fiscal impacts as result of the COVID-19 pandemic. The proposed budget was prepared based on a combination of known factors, such as increases in CalPERS (Public Employees' Retirement System) costs, and conservative estimates for both revenues and expenditures.

The budget is the City's operating plan and a primary mechanism by which the Council's goals and vision for the City are transmitted to staff for implementation.

The document is organized to present information in several ways. General Fund revenues and expenditures are shown to provide information about longer-term patterns and overall fiscal stability, then revenues and expenditures for the City's various departments are shown to provide additional detail and information about the City's programs and projects.

Overall, the FY 2021-22 proposed General Fund budget reflects a local economy that is recovering from the fiscal impacts associated with the COVID-19 pandemic. The budget maintains services for residents of Capitola while simultaneously returning essential expenditures as much as possible. Nevertheless, the City must also remain focused on the long-term budget picture, which includes dramatically increasing CalPERS costs, and a challenging economy in coming years.

While staff is presenting a Proposed FY 2021-22 Budget that is structurally balanced, during this first budget hearing some of the key discussion points are as follows:

- The proposed budget does not address any of the 6.5 vacant positions that were frozen at the onset of the pandemic. While staff has been able to continue to provide a high level of services with these positions frozen, it may not be sustainable over the long-term to keep all the positions frozen for multiple fiscal years.



Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget  
May 5, 2021

- Staff seeks direction regarding the total amount of funding to be allocated to the Community Grant Program. The proposed budget includes approximately \$49,000 of Transient Occupancy Tax (TOT) revenue that is restricted for Early Childhood and Youth programming, of which \$30,000 is proposed to be set aside for the Community Grant program in addition to \$125,000 of general fund money. Additionally, staff is proposing the City move the \$1,500 of annual funding for the Community Action Board (CAB) from the Community Grant Program into the City Council budget within the City Manager's department. This change was suggested at a City Council meeting this spring.
- Staff estimates the General Fund balance on June 30, 2021 will be approximately \$1.4 million. In addition, the \$600,000 set aside by Council as a stabilization account to navigate the fiscal impacts of COVID-19 remains available for future uses. As we begin to see the economy recover it may be prudent to release all or a portion of the \$600,000, and to spend down some of the estimated fund balance, on one-time expenditures such as the Wharf capital improvement project or pavement management program.
- This first draft of the proposed budget does not include the Capital Improvement Program (CIP) fund. Staff plans on presenting the CIP proposed budget during the May 20<sup>th</sup> budget hearing, which will include discussions around the anticipated \$1.8 million of Federal American Rescue & Recovery Act (ARRA) funding, the estimated \$960,000 of Measure F revenues, and utilization of existing general fund balance, if any.

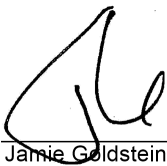
The draft budget has been distributed and is available for public review in the City Hall lobby, as well as on the City's website.

ATTACHMENTS:

1. 2022 Budget - Proposed Budget

Report Prepared By: Jim Malberg  
Finance Director

**Reviewed and Forwarded by:**



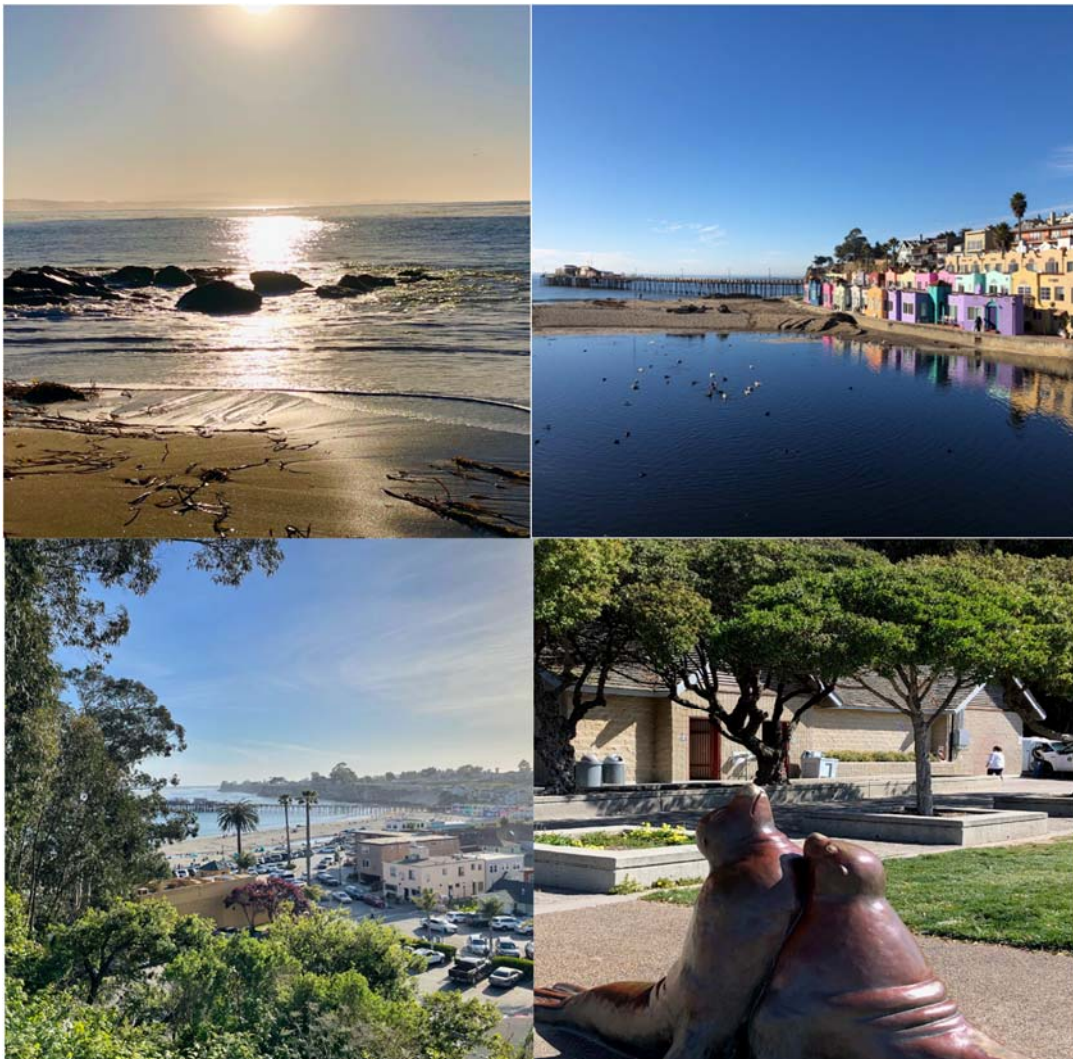
Jamie Goldstein, City Manager

4/30/2021



# PROPOSED BUDGET

## FISCAL YEAR 2020-21



CITY OF CAPITOLA  
& CAPITOLA SUCCESSOR AGENCY  
Capitola, California

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**CITY COUNCIL**

**Yvette Brooks, Mayor**  
**Sam Storey, Vice Mayor**  
**Jacques Bertrand**  
**Margaux Keiser**  
**Kristen Petersen**

Jamie Goldstein, City Manager

Terry McManus, Chief of Police  
Steve Jesberg, Public Works Director  
Jim Malberg, Finance Director / Treasurer  
Katie Herlihy, Community Development Director  
Larry Laurent, Assistant to the City Manager  
Chloe Woodmansee, Interim City Clerk

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# MISSION STATEMENT

## MISSION

Our mission, as the employees of the City of Capitola, is to provide high quality service for our residents, visitors, businesses & employees.

## VISION

Our vision is to be recognized as a model organization that provides excellent and responsive public service that values the people it employs and the community we serve and to always perpetuate a strong work ethic that fosters pride in the work that we do. We will maintain the highest trust and confidence of our City Council and our Community.

## VALUES

- We believe in being open, honest and ethical.
- We believe in treating everyone with respect, courtesy and dignity.
- We believe in being responsive to all the people we work with and serve, and to act in a timely and sensitive manner.
- We believe in participatory management and teamwork. We are united in our belief to support, respect and encourage individual talents and contributions.
- We value innovation and creativity and believe in taking reasonable risks.
- We believe in a philosophy of constantly improving the services we provide.
- We believe in working with our residents & businesses to prepare for and resolve community issues.
- We believe in the vital nature of planning as a continuing process, to achieve the matching of expectations and resources.

In performing our mission, attaining our vision and adhering to our values, we will first look to our core values: *Upholding the Public Trust, Practicing Sound Financial Management and Maintaining a Safe & Healthy Environment.*

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TO: City Council

FROM: City Manager

SUBJECT: FY 2021-22 Adopted and FY 2022-23 Planned Budget.

### CITY MANAGER'S MESSAGE - STATE OF THE CITY

On behalf of City staff, I am pleased to submit the proposed budget for Fiscal Year (FY) 2021-22. While the local, national, and global economies continue to adjust to the unprecedented fiscal impacts related to the coronavirus (COVID-19) pandemic, staff was tasked with developing a budget that continues to deliver the high quality of services the community is accustomed to while continuing to navigate the negative fiscal impacts from the pandemic. The result is a balanced budget that continues with expenditures slightly lower than pre-pandemic levels and provides core city services to the residents of Capitola while adding approximately \$4,500 to the existing fund balance in the general fund.

The fund balance in the General Fund is projected to remain positive for the next fiscal year, however, based on known increases related to CalPERS pension costs and current assumptions regarding the recovery of the economy related to COVID-19, the General Fund remains structurally imbalanced in FY 2022-23. The budget provides ample resources to maintain a high level of services for Capitola residents this coming fiscal year. Nevertheless, the City must also remain focused on the long-term budget picture, which not only includes a great deal of uncertainty around general fund revenues but must continue to address dramatically increasing pension costs. The erratic revenue data and increasing pension costs will likely result in challenging budgetary decisions for several years. In the coming fiscal year staff will closely monitor general fund revenues, paying extra attention to sales and transient occupancy tax performance, and continue to report to the City Council on a quarterly basis. Additionally, staff will develop options for Council consideration to balance the near- and longer-term budgets as well as focus on the long-term structural budget issues.

Construction of the new Capitola Branch Library began in late 2018 and is now nearing completion. The planning for a new Capitola Branch Library started in 1999 when the City entered an agreement with the County of Santa Cruz to begin construction on the new library by 2019. The funding for the new library comes from several sources, including the voter-approved Measure S, the former RDA trust fund that was held by the County, a fundraising campaign by the Friends of the Capitola Library, and funding from the General Fund.

The Capitola Mall remains a major funding source for the City, however long-term national and local trends, along with COVID-19, have put significant pressure on existing brick-and-mortar



retailers to remain competitive with internet options. The Mall was purchased in 2016 by Merlone Geier Partners, which also acquired the old Sears building in 2018. In FY 2019-20 the new owners initiated a public process, including a public meeting and regional survey of residents to begin evaluating options to redevelop the Mall.

City staff remains actively engaged with Mall ownership to help them navigate the development review processes, however, the COVID-19 pandemic has put the project on pause for the near term. Obviously, the long-term fiscal health of the City is closely related to a successful Mall that meets the community's needs. As the outcome of any potential Mall redevelopment is unknown at this time, the site remains a major opportunity, and challenge, as the City evaluates its long-term fiscal position.

In 2016 voters passed Measure F to extend a temporary quarter percent local sales tax for an additional 10 years. The City is committed to using this funding source to protect the wharf and beach from storms and rising sea levels, maintain police services, and improve sidewalks, parks, and bike safety. While staff anticipates continued reductions in Measure F revenues in FY 2021-22, the proposed budget continues to implement these commitments.

Constructing improvements to the jetty and rebuilding the flume that conveys water from the seasonal lagoon and allows the City to maintain a world-class beach during the summer are the first major Measure F projects completed.

Finalizing a design for the Wharf renovation project will be a second important focus for the Measure F funding. Capitola's Wharf is a historic icon for the City, allowing countless residents and visitors to experience the Monterey Bay Marine Sanctuary in a unique way. The Wharf renovation project will focus on improving the Wharf's long-term resilience in the face of rising sea levels and powerful winter storms. The City completed environmental review in 2020, with construction currently targeted for late 2021.

Funding the wharf project will be an important effort for FY 2021-22; current estimates put the project at between \$5 - \$8 million. With Measure F revenue only generating around \$960,000/yr, the City will need to evaluate options to finance wharf construction, including obtaining debt, utilizing other funding sources to jump-start construction, or phasing construction to match available revenue.

While the adopted FY 2020-21 Budget programmed a reduction of \$140,807 in the General Fund balance due to the COVID-19 pandemic resulting in an estimated ending fund balance on June 30, 2021 of approximately \$13,500, the City's proactive and conservative approach in FY 2020-21 resulted in the General Fund ending the year with an anticipated fund balance of approximately \$2 million. The City Council, following the recommendation of the Finance Advisory Committee, set aside \$600,000 in the General Fund as a stabilization account to continue to navigate the fiscal impacts of COVID-19 without reducing services, relying on additional concessions from employees, or utilizing reserve funds. These actions leave a budgetary fund balance of approximately \$1.4 million to begin FY 2021-22.

## **BUDGETARY GOALS AND PRINCIPLES**

The FY 2021-22 General Fund budget was developed with an emphasis on financial stability, continuing mitigation of the fiscal impacts related to COVID-19 and maintaining core programs

and services for Capitola residents and visitors. As a first step in developing the Budget, the City Council identified its budget principles as well as key projects and programs for FY 2021-22. Those key projects and programs provide a tool for the City to clearly articulate its priorities to the community and to evaluate performance on an annual basis.

The following tables include the Council's identified budget principles and a workplan for key projects and programs.

### Budget Principles

Fiscal Policy	Public Service	Public Improvements
Maintain a balanced budget that ensures ongoing expenditures can be met with ongoing revenues	Maintain, and improve upon, the transparency of City operations and accessibility of government	Maintain the City's infrastructure by providing maximum funding for the pavement management system
Use one-time revenues for one-time expenditures	Recognize the high priority the community places on the public's safety	Maintain and improve Capitola's natural resources and sustainable green programs
Ensure the budget plans for future cost increases and attainable revenue estimates	Analyze future service level increases with their long-term financial impacts to ensure financial stability	Ensure maintenance and cleanliness of City facilities, sidewalks, and streets

### Key Projects/Programs - Workplan

Budget Principle	Key Project/Program	Lead Department	Expected FY Outcome
Fiscal	Develop options for Council consideration to address rising CalPERS costs	Finance	Identify options in budget. Continue monitoring long term revenue-expenditure projections with FAC and Council
	Pursue future revenue options	Finance	Bring FAC revenue recommendations to City Council for review
Public Service	Continue working with Capitola Mall ownership group to redevelop the mall	Community Development	Work with Mall owners to prepare mall redevelopment submittal and establish City's technical review team
	Work toward Coastal Commission certification of zoning code update	Community Development	Prepare submittal to Coastal Commission for zoning code update, excluding geologic hazards and non-conforming uses and structures
	Respond to COVID-19	City Manager	Continue to offer services to residents and businesses while maintaining a safe and healthy workplace.
Public Improvements	Complete funded CIPs.	Public Works	Projects progression toward completion maximized
	Complete library, jetty & flume projects	Public Works	Complete all three projects during FY 2020-21
	Obtain all permits for wharf	Public Works	Complete permitting process

In addition to the Budget Principles and Key Projects/Programs listed in the tables above, the following items were also discussed during the February 25<sup>th</sup> City Council meeting:

- Transition from COVID-19 response back to normal operations, monitor revenue impacts from COVID-19 quickly.
- Explore grant opportunities for public safety, CIP and environmental policies and outreach programs
- Create 3-year fiscal plan for mall redevelopment impacts (in house)
- Support creation and expansion of hotels in appropriate locations
- Review village hotel parking permits and Village parking program.
- Review parklets in Village (outdoor dining)
- Work with SUSD to allow alcohol at community center
- Go above and beyond keeping residents informed, ensure all members made aware of projects that affect them
- Make available free feminine hygiene for all public restrooms
- Collaborate with local partners to update one local play structure to universal design for children of all abilities
- Expand emergency response planning and pursue grants for city hall generator
- Have city council create and set priorities for community grants
- Establish plan for children's fund considering Parks and Rec strategic plan and needs for scholarships
- Staff develop a list of projects associated with mall redevelopment
- Evaluate traffic flow at cliff and wharf, possible roundabout
- Sidewalks on Kennedy and McGregor
- Rispin Park
- Clares complete street project
- Seek grant with school district regarding soccer field
- Partnership with Scotts Valley regarding recreation summer programs/services
- Administrative policy updates
- Monterey Park picnic tables
- Implicit bias training for staff
- Prioritize affordable housing and building community relationships

As we are all too aware, on March 16, 2020 in response to the COVID-19 global pandemic the Santa Cruz County Health Officer issued a county-wide Shelter-in-Place Order which was followed by Governor Newsom's state-wide Shelter-in-Place Order on March 19<sup>th</sup>. These two health orders were quickly followed by similar orders throughout the nation resulting in the national economy basically coming to a stop. Since that time, the City focused on developing a budget that reduces expenses to the greatest extent possible while still maintaining core services for city residents and visitors alike. Through proactive management and a conservative approach in managing both revenues and expenditures the City appears to have successfully navigated the fiscal impacts from COVID-19 and is positioned to continue to deliver a high level of services to City residents.

## **OTHER BUDGETARY HIGHLIGHTS AND PROPOSED CHANGES**

While the budget was largely prepared to maintain core services and reduce expenditures to the greatest extent possible, several changes are identified in this budget.

Staffing

In order to continue to mitigate the fiscal impacts of COVID-19, the proposed budget includes six vacancies throughout city departments that are not funded in the proposed FY 2021-22 budget. It is important to note that these positions have not been eliminated and staff hopes to include funding for these positions either later in FY 2021-22 or in the FY 2022-23 Proposed Budget that will be presented to City Council in spring of 2022. These six and one-half “frozen” positions represent an estimated savings of approximately \$400,000.

Recreation Programing

Recreation division staff has modified the Junior Guard and Camp Capitola summer programs to comply with State and County Health orders related to COVID-19. While enrollment was drastically reduced to comply with social distancing protocols, staff is happy to be able to continue to offer one of the few, if not the only, Junior Guard and Camp summer programs on the Central Coast.

Youth Funding and Business Group Funding

With the passage of Measure J in 2018, Capitola became one of the first cities in the state to establish a children’s fund that is supported by a dedicated tax measure. While Transient Occupancy Tax is anticipated to be down from pre-pandemic levels, the proposed budget estimates TOT will be up by approximately 34% from the prior year, the budget includes an allocation of \$49,000 from the children’s fund to support early childhood and youth programming within the recreation division. The budget also includes approximately \$56,000 of funding for the Chamber of Commerce and the Village Business Improvement District, also using the restricted Measure J funding.

General Fund Balance

Due to the diligent work of the City Council in taking a pragmatic approach to budgeting, the oversight of the City’s Department Head team, and contributions from every City staff member, the City is projected to be able to close FY 2020-21 year with a general fund balance of approximately \$2 million of which \$600,000 has been designated as a general fund stabilization account. This funding is in addition to the City’s established Contingency and Emergency reserves set at 15 and 10 percent of total expenditures, respectively. Staff will be closely monitoring revenues, expenditures, and fund balance throughout FY 2020-21 and will report to Council on a quarterly basis, providing options and recommendations as necessary as we continue to navigate the fiscal impacts of COVID-19.

**PRIOR YEAR ACCOMPLISHMENTS**

In FY 2020-21 the City completed several significant projects, which provided residents and visitors with increased recreational and public art opportunities, while continuing to strengthen public safety and community development activities. Some of the City’s accomplishments in FY 2019/20 include:

- Addressed the COVID-19 related impacts to the City of Capitola.
- Completed construction of Capitola Branch Library
- Initiated negotiations on successor Memorandums of Understanding with bargaining units.
- Continued process to scan and make available public records in electronic formats.
- Implemented new website design to improve access and usability.
- Worked with City Waste hauling franchisee to ensure compliance with state regulations.

- Worked to improve risk management and reduce potential liability.
- Financially navigated the City through the fiscal impacts related to COVID-19
- Issue second retail cannabis license to The Apothecarium Capitola.
- Received private donation for 100% funding of police canine program for FY2020/21.
- Upgraded all pay stations and refinish with new paint and decals.
- Improve user experience with parking pay stations.
- Negotiated a 2-year extension with SCFD to provide lifeguard services through October 2022.
- Completed construction of new library building
- Measure F Projects
  - Completed the Flume & Jetty Project for construction in Fall of 2020
  - Completed the environmental clearances and permitting for the Wharf project
- Completed the Capitola Avenue Sidewalk Project
- Completed the Park Avenue Storm Damage Repair Project
- Continued to work on Coastal Commission certification the City's Local Coastal Program
- Issued 33 Covid-19 Temporary Use Permits for outdoor dining, retail, and personal services to function in compliance with social distancing requirements.
- Awarded SB2 grant for a total of \$160,000 to accelerate housing production through objective planning standards and preapproved prototype Accessory Dwelling Units (ADU).
- Awarded LEAP grant for a total of \$65,000 to update the City's Inclusionary Housing Ordinance and complete a Nexus Study for affordable housing impact fees.
- Awarded REAP for a total of \$65,000 to Update the City's Housing Element
- Contracted with Central Fire Protection District to provide testing and training services that meet or exceed USLA standard.
- In partnership with SUESD Recreation piloted the Afterschool Rec Club at New Brighton Middle School.
- Produced updated Capitola Recreation brochures offering new programs, events and promotion of City sponsored events
- Earned accreditation from American Camp Association for Camp Capitola
- Created Rispin Mansion Centennial Website.
- Continued to provide the weekly "Focal Point" feature in the Santa Cruz Sentinel.
- Published three issues of its Capitola Sunset newsletter.
- Sponsored a Streaming Virtual Concert Series with local musicians.
- Participated in streaming Fire Relief Concert.

## CONCLUSION

The development of the annual budget takes a great amount of staff time and effort and must be completed in a compressed timeline. I sincerely appreciate all the department directors and departmental budget liaisons for their contributions. Special recognition is extended to the Finance Department for its efforts in coordinating the budget process and preparing the annual budget document.

As the new fiscal year approaches, I wish to express my thanks and appreciation to the Mayor, and members of the City Council for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I know that with continued citizen participation, City Council leadership, and ongoing efforts of dedicated employees, Capitola will continue to be a great place to live, work, and enjoy.

# SUMMARY INFORMATION



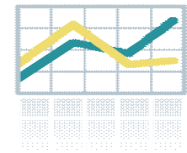
## Budget Process Overview

Each year the City of Capitola prepares an Operating Budget, a Successor Agency Budget, and a five-year Capital Improvement Program (CIP) budget. The Operating Budget contains the summary and detail information for revenue and expenditure appropriations for the fiscal year (beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>) for several funds as well as a projection for the second fiscal year. The information from the CIP is incorporated, in summary form, in the City’s annual budget. The Successor Agency budget is included in its entirety in the City’s annual budget.

Capitola municipal code (3.200.010 E.) defines a balanced budget as one in which “financing uses including expenditures, inter-fund transfers out, reserves and contingencies should equal financing sources including beginning available fund balance, revenues and inter-fund transfers in.” A key concept in the developmental process for the General Fund Budget revolves around City fiscal policy that current year expenditures are balanced with current year revenue.

The City’s budget process continues throughout the year, with quarterly financial updates published to the Finance Department website and at weekly department head meetings with the City Manager. An outline of the on-going budget process is listed below:

Month	Responsibility	Budget Function
December	Finance	Budget Cycle Begins
January	Finance	Finance prepares mid-year calculations
	City Manager / Departments	Review accomplishments related to prior year Budget Principles
	Finance / Departments	Provides year-end estimates
	Finance	Publishes quarterly reports for October - December
February	Finance / City Manager	Presents mid-year report to Council and FAC
	City Council	Establishes Budget Principles
	Finance	Projects non-departmental revenues and position costs
	Departments	Prepares budget and CIP
March	Finance / Departments	Continue budget projections
	Finance Advisory Committee	FAC discusses elements of the budget
April	City Manager	Reviews departments budget requests
	Finance	Adjusts proposed budget based on City Manager review
	Planning Commission	Reviews CIP
	Finance	Publishes quarterly reports for January - March
May	Finance Advisory Committee	Distributes proposed budget
	Finance / City Manager	Presents proposed budget and CIP to City Council
	Finance Advisory Committee	Provides recommendations to Council
	Community Organizations	Provides funding request information to Council
June	City Council	Deliberates
	City Council	Adopts Budget
July	Finance	Publishes quarterly reports for April - June
October	Finance	Publishes quarterly reports for July - September



## Financial Policies

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### Basis of Accounting

The City's operating budget consists of governmental funds that include the General Fund, Special Revenue Funds, Internal Service Funds, Debt Service Funds and Capital Project Funds for both the City and the Successor Agency. Governmental fund types and agency fund budgets are developed using the modified accrual basis of accounting. This method is consistent with the presentation of the City's Annual Financial Statements. Under this basis, revenues are estimated for the fiscal year under the condition that they are identifiable and will be collected within sixty (60) days, and sales tax within ninety (90) days, of the close of the fiscal year. Principal and interest on general long-term debt are budgeted as expenditures when due, whereas other expenditures are budgeted for liabilities expected to be incurred during the current period or shortly thereafter.

### Level of Budget Control

Both the City and the Successor Agency appropriate (control) the budget at the Budget Unit level. The Budget Unit level is defined as "department, fund, or other organizational unit whose financial activities are accounted for separately."

Expenditures for the General Fund are considered a Budget Unit at the Department level, with Community Grants controlled at the grantee level. The Successor Agency are considered Budget Units to be at the category level as defined in the budget document.

### Budget Adjustments

After the budget is adopted, any supplemental appropriations of fund balance, or budget transfers over \$25,000 within a Budget Unit will require Council approval. Budget adjustments that are less than \$25,000 and within the same Budget Unit may be approved by the City Manager.

All requests for budget adjustments will include an explanation for the change along with a discussion of fiscal impact. This information will also be documented on a Budget Adjustment Form, which will be reviewed by the Finance Department for fiscal impact, correct account coding, and policy consistency prior to receiving City Council or City Manager approval.

### Financial Committees and Boards

The following committees and boards assist the City in the budget review and development process:

#### Finance Advisory Committee

The Finance Advisory Committee (FAC) works closely with the Finance Director to make recommendations on financial projections or policies identified by the City Council or City Manager. The Committee consists of four Council-appointed members, the Mayor, a Council Member, and the City Treasurer. The FAC meets several times throughout the year and operates in an advisory capacity with the overall fiscal well-being of the City serving as its guiding principle.

#### Oversight Board to the Successor Agency of the Former Redevelopment Agency

As part of the Redevelopment Agency Dissolution Act, the City of Capitola elected to be the Successor Agency to the former Redevelopment Agency (RDA). As part of the dissolution process, a seven-member oversight board was established to review and approve recognized obligation payments of the Successor Agency, with the fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from property tax distributions. The Capitola oversight board was transitioned to the County-wide oversight board during FY 2018-19.



## General Fund Summary

The General Fund remains stable in FY 2020-21 due to a proactive and conservative approach in response to the COVID-19 Pandemic. The projected General Fund FY 2020-21 ending budgetary fund balance totals \$1,963,248 which includes \$300,000 previously designated for the employee down payment assistance, however, it also includes \$600,000 that the City Council set-aside as a general fund stabilization accounting. The General Fund balance is anticipated to increase in FY 2021-22 by approximately \$4,554 as revenues and expenditures are expected to return to close to preCOVID-19 levels.

The chart below summarizes projected and historical General Fund revenues, expenditures, and fund balances. The table illustrates the effects the improving local economy has had on general fund revenue. Revenue variances primarily include an increase in sales and property tax revenues.

An overview of district taxes (Measure O and F), reserves, and internal service funds are provided within this summary section.

### General Fund Summary

Major Categories	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenues</b>						
Taxes	\$ 12,833,834	\$ 11,988,155	\$ 11,896,940	\$ 11,913,303	\$ 13,144,109	\$ 13,528,211
Licenses and permits	623,076	665,901	571,100	596,648	606,675	609,790
Intergovernmental revenues	95,470	103,402	308,236	308,236	65,700	65,700
Charges for services	1,858,354	1,637,221	1,655,311	1,521,184	1,839,097	1,768,617
Fines and forfeitures	521,939	519,754	482,900	411,303	517,000	517,000
Use of money & property	154,511	177,526	36,500	70,450	90,200	90,200
Other revenues	182,987	119,974	126,500	128,500	91,600	93,343
<b>Revenues Totals</b>	<b>\$16,270,170</b>	<b>\$15,211,934</b>	<b>\$15,077,487</b>	<b>\$14,949,624</b>	<b>\$16,354,380</b>	<b>\$16,672,860</b>
<b>Expenditures</b>						
Personnel	\$8,982,044	\$9,761,056	\$9,445,281	\$9,061,769	\$10,237,138	\$10,661,415
Contract services	2,714,577	2,770,878	2,587,239	2,378,240	2,656,608	2,708,087
Training & Memberships	89,851	87,559	94,775	62,277	107,699	107,699
Supplies	589,981	501,164	511,236	501,276	525,900	516,400
Grants and Subsidies	243,432	241,612	-	20,000	125,000	125,000
Internal service fund charges	1,209,105	1,176,081	911,212	867,609	1,289,138	1,399,819
Other financing uses	1,733,843	2,023,418	809,383	809,383	1,408,343	1,577,335
<b>Expenditures Totals</b>	<b>\$15,562,833</b>	<b>\$16,561,769</b>	<b>\$14,359,126</b>	<b>\$13,700,554</b>	<b>\$16,349,826</b>	<b>\$17,095,755</b>
<b>Impact on Fund Balance</b>	<b>\$ 707,338</b>	<b>\$ (1,349,835)</b>	<b>\$ 718,361</b>	<b>\$ 1,249,070</b>	<b>\$ 4,554</b>	<b>\$ (422,895)</b>
<b>Budgetary Fund Balance</b>	<b>\$ 2,064,013</b>	<b>\$ 414,178</b>	<b>\$ 1,132,539</b>	<b>\$ 1,663,248</b>	<b>\$ 1,967,802</b>	<b>\$ 944,908</b>
<b>Designations</b>	<b>\$ (300,000)</b>			<b>\$ 300,000</b>	<b>\$ (600,000)</b>	
<b>Revised Budgetary Fund Balance</b>	<b>\$ 1,764,013</b>	<b>\$ 414,178</b>	<b>\$ 1,132,539</b>	<b>\$ 1,963,248</b>	<b>\$ 1,367,802</b>	<b>\$ 944,908</b>

## Revenue Summary

	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>General Fund</b>	<b>\$ 16,270,170</b>	<b>\$15,211,934</b>	<b>\$15,077,487</b>	<b>\$14,949,624</b>	<b>\$16,354,380</b>	<b>\$16,672,860</b>
<b>Designated Reserves</b>						
Contingency Reserve	-	25,000	-	-	-	57,000
PERS Contingency Reserve	51,232	49,773	10,000	70,000	50,000	50,000
Emergency Reserve	-	30,000	-	-	-	38,000
Donations	-	-	-	-	-	-
Facility Reserve	90,000	108,000	-	-	-	50,000
<b>Total Designated Reserves</b>	<b>\$ 141,232</b>	<b>\$ 212,773</b>	<b>\$ 10,000</b>	<b>\$ 70,000</b>	<b>\$ 50,000</b>	<b>\$ 195,000</b>
<b>Debt Service</b>						
Pac Cove Lease Financing	166,538	165,366	165,066	165,066	165,066	165,066
Pacific Cove Park	88,813	88,617	88,416	88,416	88,211	88,002
<b>Total Debt Service</b>	<b>\$ 255,350</b>	<b>\$ 253,983</b>	<b>\$ 253,482</b>	<b>\$ 253,482</b>	<b>\$ 253,277</b>	<b>\$ 253,068</b>
<b>Capital Improvement Fund</b>	<b>\$ 1,151,253</b>	<b>\$ 1,296,770</b>	<b>\$ 1,632,662</b>	<b>\$ 1,332,662</b>	<b>\$ -</b>	<b>\$ 1,132,663</b>
<b>Internal Service Funds</b>						
Stores Fund	\$ 37,265	\$ 37,340	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000
Information Technology	296,209	251,368	53,500	48,268	201,900	201,900
Equipment Replacement	316,500	259,350	200,000	206,003	200,000	270,000
Self-Insurance Liability	436,291	458,318	473,021	473,021	477,443	447,740
Workers Compensation	304,813	310,045	388,191	349,563	442,075	464,179
Compensated Absences	209,939	200,000	200,701	200,701	220,000	220,000
<b>Total Internal Service Funds</b>	<b>\$ 1,601,017</b>	<b>\$ 1,516,421</b>	<b>\$ 1,345,413</b>	<b>\$ 1,307,556</b>	<b>\$ 1,561,418</b>	<b>\$ 1,623,819</b>
<b>Special Revenue Funds</b>						
SLESF-Suppl Law Enforcmnt Svc	\$ 100,263	\$ 100,667	\$ 100,400	\$ 100,400	\$ 100,400	\$ 100,400
TOT Restricted Revenue	30,811	81,900	62,920	62,920	77,244	77,720
Gas Tax	219,149	237,143	259,800	259,800	259,800	259,800
RTC Streets	338,854	316,450	250,000	951,749	250,000	250,000
Library	5,267,538	6,994,967	1,962,700	635,000	-	-
SB1 RMRA	195,413	164,928	193,401	193,901	193,401	193,401
Wharf	100,296	76,701	88,100	100,600	110,500	110,500
General Plan Update and Maint	58,109	75,844	37,500	47,800	50,000	50,000
Green Building Education	16,808	57,474	11,250	20,000	11,250	11,250
Public Arts Fee	7,436	10,950	-	-	-	-
Parking Reserve	100,000	100,000	100,000	100,000	100,000	100,000
Technology Fee	14,193	14,108	9,000	11,500	9,000	9,000
PEG-Public Education and Gov.	17,217	17,049	15,000	8,400	15,000	15,000
BIA-Capitola Village-Wharf BIA	86,008	97,702	80,825	55,215	119,977	121,381
CDBG Grants	-	-	-	-	-	-
CDBG Program Income	29,416	83,741	-	28,000	-	-
HOME Reuse	327,222	23,274	-	50,000	-	-
Housing Trust	54,028	61,845	30,000	46,000	50,000	50,000
Cap Hsg Succ- Program Income	31,361	5,706	-	79,600	-	-
<b>Total Special Revenue Funds</b>	<b>\$ 6,994,121</b>	<b>\$ 8,520,450</b>	<b>\$ 3,200,896</b>	<b>\$ 2,750,885</b>	<b>\$ 1,346,572</b>	<b>\$ 1,348,452</b>
<b>Successor Agency</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues - All Funds</b>	<b>\$ 26,463,143</b>	<b>\$27,012,330</b>	<b>\$21,519,940</b>	<b>\$20,664,209</b>	<b>\$19,565,647</b>	<b>\$21,225,861</b>

## Expenditure Summary

	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>General Fund</b>	<b>\$ 15,562,833</b>	<b>\$ 16,561,769</b>	<b>\$ 14,359,126</b>	<b>\$ 13,700,554</b>	<b>\$ 16,349,826</b>	<b>\$ 17,095,755</b>
<b>Designated Reserves</b>						
Contingency Reserve	-	-	-	-	-	-
PERS Contingency Reserve	-	-	-	-	-	-
Emergency Reserve	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Facilities Reserve	56,916	34,603	50,000	-	50,000	50,000
<b>Total Designated Reserves</b>	<b>\$ 56,916</b>	<b>\$ 34,603</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Debt Service</b>						
Pac Cove Lease Financing	245,066	165,066	165,066	165,066	165,066	165,066
Pac Cove Park	88,813	88,617	88,416	88,416	88,211	88,002
<b>Total Debt Service Funds</b>	<b>\$ 333,878</b>	<b>\$ 253,682</b>	<b>\$ 253,482</b>	<b>\$ 253,482</b>	<b>\$ 253,277</b>	<b>\$ 253,068</b>
<b>Capital Improvement Fund</b>	<b>\$ 698,222</b>	<b>\$ 719,166</b>	<b>\$ 1,632,662</b>	<b>\$ 1,332,662</b>	<b>\$ -</b>	<b>\$ 1,132,663</b>
<b>Internal Service Funds</b>						
Stores	\$ 23,236	\$ 23,195	\$ 30,000	\$ 17,002	\$ 20,000	\$ 20,000
Information Technology	236,644	158,479	201,650	153,088	197,900	197,900
Equipment Replacement	57,571	167,893	-	-	270,000	270,000
Self-Insurance Liability	477,306	509,116	473,000	472,327	429,042	447,619
Workers' Compensation	304,814	222,888	388,189	466,082	442,075	464,179
Compensated Absences	242,631	207,432	75,000	100,000	220,000	220,000
<b>Total Internal Service Funds</b>	<b>\$ 1,342,203</b>	<b>\$ 1,289,002</b>	<b>\$ 1,167,839</b>	<b>\$ 1,208,499</b>	<b>\$ 1,579,017</b>	<b>\$ 1,619,698</b>
<b>Special Revenue Funds</b>						
SLESF-Suppl Law Enforcmnt Svc	\$ 93,770	\$ 45,698	\$ 148,000	\$ 122,000	\$ 90,000	\$ 90,000
TOT Restricted Revenue	22,392	66,275	56,600	56,600	77,245	77,720
Gas Tax	198,448	249,499	259,800	259,800	259,800	259,800
RTC Streets	345,355	1,053,171	250,000	100,000	250,000	250,000
Library	2,563,321	7,177,109	1,962,700	5,041,467	-	-
SB1 RMRA	-	345,000	193,401	193,401	193,401	193,401
Wharf	78,752	50,141	88,100	88,100	110,500	110,500
General Plan Update and Maint.	31,137	43,786	51,000	40,500	46,000	46,000
Green Building Education	6,420	42,900	18,000	16,500	3,000	3,000
Public Arts Fee	39,702	4,200	33,000	5,000	25,000	25,000
Parking Reserve	100,000	100,000	100,000	100,000	100,000	100,000
Technology Fee	3,875	6,557	9,000	8,000	7,000	7,000
PEG-Public Education and Gov.	14,288	14,288	21,000	16,500	15,000	15,000
BIA-Capitola Village-Wharf BIA	79,231	85,407	104,380	90,000	122,700	122,700
CDBG Grants	2,090	500	70,750	25,000	1,000	-
CDBG Program Income	58,679	-	168,641	80,000	-	-
HOME Reuse	3,700	500	7,400	7,400	-	-
Housing Trust	50,000	25,000	25,000	25,000	25,000	-
Cap Hsg Succ- Program Income	31,165	24,161	90,150	65,150	62,500	62,500
<b>Total Special Revenue Funds</b>	<b>\$ 3,722,325</b>	<b>\$ 9,334,192</b>	<b>\$ 3,656,922</b>	<b>\$ 6,340,418</b>	<b>\$ 1,388,146</b>	<b>\$ 1,362,621</b>
<b>Successor Agency</b>	<b>\$ 148,665</b>	<b>\$ 54,000</b>	<b>\$ -</b>	<b>\$ 26,003</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures - All Funds</b>	<b>\$ 21,865,041</b>	<b>\$ 28,246,415</b>	<b>\$ 21,120,031</b>	<b>\$ 22,861,618</b>	<b>\$ 19,620,266</b>	<b>\$ 21,513,805</b>

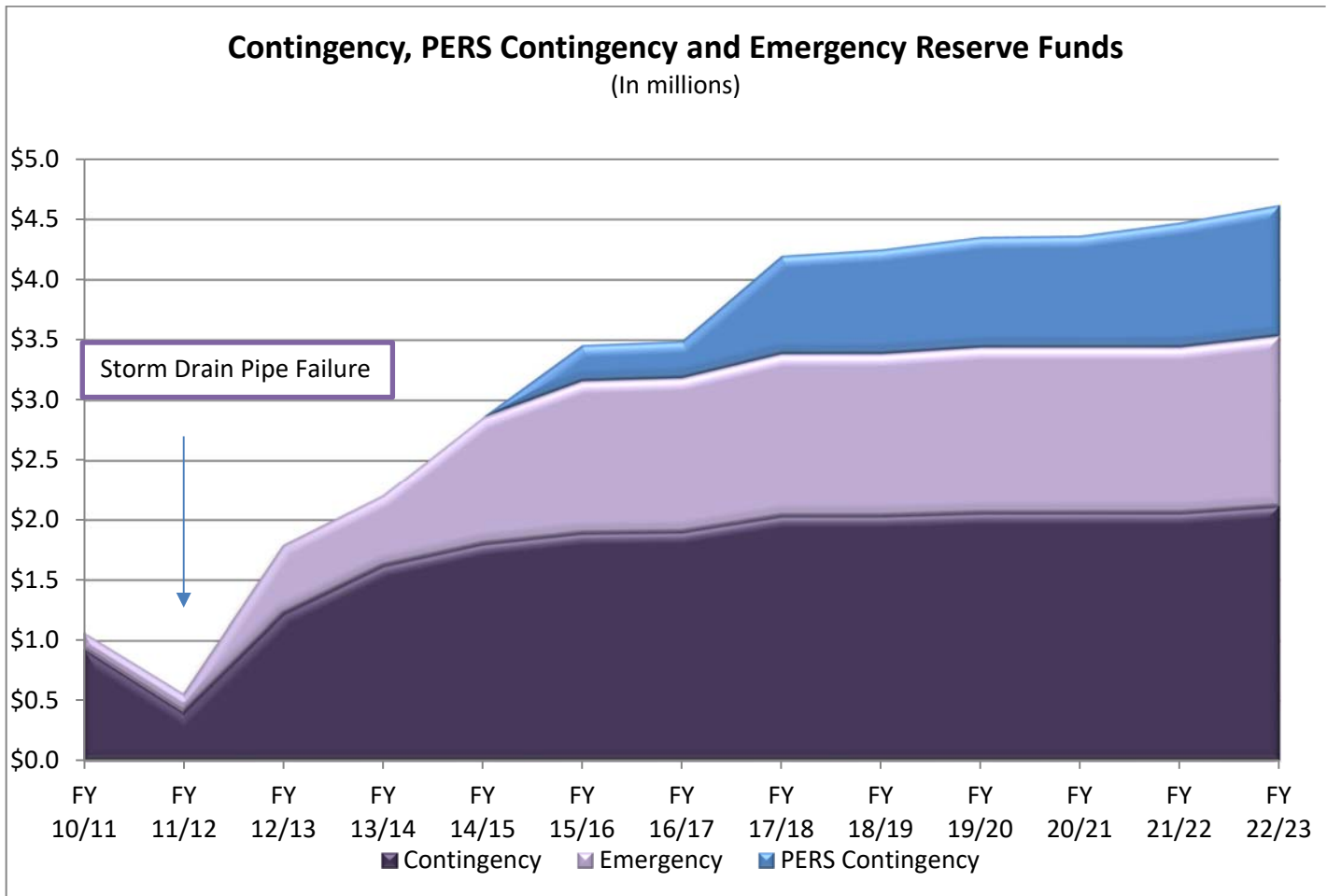
Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## Emergency, PERS Contingency and Contingency Reserves

In 2000 the City adopted Financial Management policies, establishing a fifteen percent Contingency and a ten percent Emergency Reserve Fund. The Contingency Reserve provides a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. The Emergency Reserve protects against significant one-time costs, which might arise from major unpredictable emergency events.

As the 2011 pipe failure demonstrated, a sufficient Emergency Reserve Fund is needed to respond quickly to local disasters, as well as sustain low debt ratios. Due to the City’s location in an active geologic region, adjacency to the ocean, and proximity to a major creek and highway, the City chose to also increase the Emergency Reserve funding level to ten percent of operating expenditures. In FY 15/16 the City implemented a PERS Contingency Reserve Fund to ensure future funding availability for potential CalPERS contribution increases.

Through a proactive, conservative approach as well as negotiating concessions from city staff, the City was able to navigate the fiscal impacts associated the COVID-19 Pandemic without utilizing reserve funds which greatly reduces the amount of resources that will be needed to maintain reserves at target levels as general fund expenditures begin to return to pre-pandemic levels.



Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## OPEB and PERS Trust Funds

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The City has been proactive in planning for future liabilities. The City has established two trust funds for future retirement costs. The two trust funds are the OPEB (Other Post-Employment Benefits) Trust Fund, which is used for retiree health premiums, and the PERS Trust Fund, which is used for future PERS retirement costs.

### OPEB Trust Fund:

Balance 6/30/2020	\$380,736
FY 2020/21 Contributions	60,250
<u>Estimated Interest Earned</u>	<u>75,000</u>
Estimated Balance 6/30/2021	\$515,986
FY 2020/21 Contributions	60,250
<u>Estimated Interest Earned</u>	<u>50,000</u>
Estimated Balance 6/30/2020	\$626,236

### PERS Trust Fund:

Balance 6/30/2020	\$916,861
<u>Estimated Interest Earned</u>	<u>70,000</u>
Estimated Balance 6/30/2020	\$986,861
<u>Estimated Interest Earned</u>	<u>50,000</u>
Estimated Balance 6/30/2021	\$1,036,861

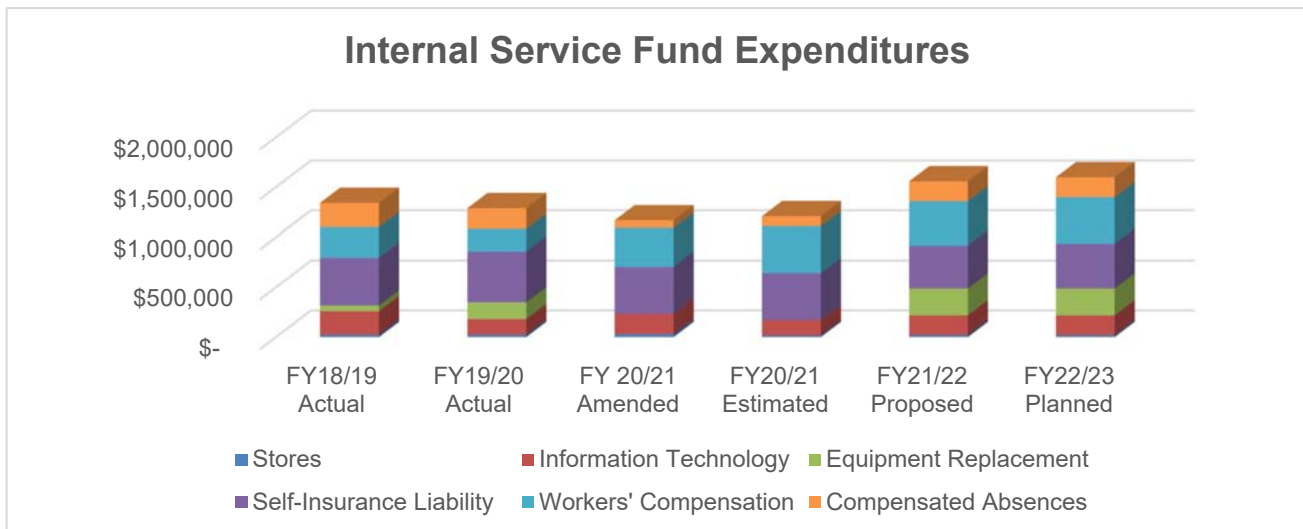
## General Fund Resources

General Fund resources include reserve funds (Emergency, Contingency, PERS Contingency, Facilities) and Internal Service Funds designated for funding equipment purchases, risk management, workers' compensation and compensated absences. The reserve funds have specific purposes and require a vote of the Council to expend.

The following table shows the estimated General Fund available resources:

<b>Estimated Year End Fund Balance</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
General Fund	\$ 1,663,248	\$ 1,967,802	\$ 944,908
<b>Designated Reserves</b>			
Emergency	1,374,206	1,374,206	1,412,206
Contingency	2,061,346	2,061,346	2,118,346
PERS Contingency	986,861	1,036,861	1,086,861
Facilities Reserve	555,914	505,914	505,914
Donations	-	-	-
<b>Internal Service Funds</b>			
Stores	73,720	73,720	73,720
Information Technology	187,479	191,479	195,479
Equipment Replacement	684,836	614,836	614,836
Self-Insurance Liability	103,786	152,186	152,307
Workers' Compensation	202,279	202,279	202,279
Compensated Absences	37,568	37,568	37,568
<b>Total General Fund Resources</b>	<b>\$7,931,243</b>	<b>\$8,218,198</b>	<b>\$ 7,344,424</b>

The corresponding chart and graph illustrate internal service fund expenditures and the impact of transfers on the affected funds.



## Fund Balance Summary

	Estimated Balance 7/1/2021	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2022
<b>General Fund</b>	\$ 1,963,248	\$16,354,380	\$ -	\$ 14,941,483	\$ 1,408,343	\$ 1,367,802
<b>Designated Reserves</b>						
Contingency Reserve	\$2,061,346	\$ -	\$ -			\$ 2,061,346
PERS Contingency Reserve	986,861	50,000	-	-	-	1,036,861
Emergency Reserve	1,374,206	-	-	-	-	1,374,206
Donations	-	-	-	-	-	-
Facility Reserve	555,914	-	-	50,000	-	505,914
<b>Total Designated Reserves</b>	<b>\$ 4,978,327</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 4,978,327</b>
<b>Debt Service</b>						
Pac Cove Lease Financing	55,099	-	165,066	165,066	-	55,099
Pac Cove Park	(38,986)	-	88,211	88,211	-	(38,986)
<b>Total Debt Service</b>	<b>\$ 16,113</b>	<b>\$ -</b>	<b>\$ 253,277</b>	<b>\$ 253,277</b>	<b>\$ -</b>	<b>\$ 16,113</b>
<b>Capital Improvement Fund</b>	<b>\$ 1,400,000</b>	<b>\$ -</b>	<b>\$ 960,066</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,360,066</b>
<b>Internal Service Funds</b>						
Stores	\$ 73,720	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 73,720
Information Technology	187,479	201,900	-	197,900	-	191,479
Equipment Replacement	684,836	200,000	-	270,000	-	614,836
Self-Insurance Liability	103,786	477,443	-	429,042	-	152,186
Workers' Compensation	202,279	442,075	-	442,075	-	202,279
Compensated Absences	37,568	-	220,000	220,000	-	37,568
<b>Total Internal Service Funds</b>	<b>\$ 1,289,668</b>	<b>\$ 1,341,418</b>	<b>\$ 220,000</b>	<b>\$ 1,579,017</b>	<b>\$ -</b>	<b>\$ 1,272,068</b>
<b>Special Revenue Funds</b>						
SLESF-Suppl Law Enforcmnt Svc	\$ 49,963	\$ 100,400	\$ -	\$ 90,000	\$ -	\$ 60,363
TOT Restricted Revenue	30,365	77,244	-	49,156	28,089	30,364
SB1 RMRA	17,385	193,401	-	193,401	-	17,385
RTC Streets	526,143	250,000	-	250,000	-	526,143
Gas Tax	8,344	259,800	-	259,800	-	8,344
Wharf	103,718	110,500	-	110,500	-	103,718
General Plan Update and Maint	153,023	50,000	-	46,000	-	157,023
Green Building Education	185,875	11,250	-	3,000	-	194,125
Public Art	173,791	-	-	25,000	-	148,791
Parking Reserve	737	-	100,000	-	100,000	737
Technology Fee	76,460	9,000	-	7,000	-	78,460
PEG-Public Education and Govt.	75,530	15,000	-	15,000	-	75,530
Capitola Village/Wharf BIA	6,528	83,356	28,089	84,880	-	33,093
CDBG Grants	14,313	-	-	1,000	-	13,313
CDBG Program Income	31,839	-	-	-	-	31,839
Library	-	-	-	-	-	-
HOME Reuse	595,571	-	-	-	-	595,571
Housing Trust	132,862	50,000	-	-	25,000	157,862
Cap Hsg Succ- Program Income	177,260	-	-	62,500	-	114,760
<b>Total Special Revenue Funds</b>	<b>\$ 2,359,707</b>	<b>\$ 1,209,951</b>	<b>\$ 128,089</b>	<b>\$ 1,197,237</b>	<b>\$ 153,089</b>	<b>\$ 2,347,421</b>
<b>Successor Agency</b>	<b>\$ 168,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,976</b>
<b>Tot. Fund Balance - All Funds</b>	<b>\$12,176,038</b>	<b>\$18,955,749</b>	<b>\$ 1,561,432</b>	<b>\$ 18,021,014</b>	<b>\$ 1,561,432</b>	<b>\$12,510,773</b>

## Fund Balance Summary

	Estimated Balance 7/1/2021	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2022
<b>General Fund</b>	\$ 1,367,802	\$ 16,672,860	\$ -	\$ 15,518,420	\$ 1,577,335	\$ 944,908
<b>Designated Reserves</b>						
Contingency Reserve	\$ 2,061,346	\$ -	\$ 57,000		\$ -	\$ 2,118,346
PERS Contingency Reserve	1,036,861	50,000	-	-	-	1,086,861
Emergency Reserve	1,374,206	-	38,000	-	-	1,412,206
Donations	-	-	-	-	-	-
Facility Reserve	505,914	-	50,000	50,000	-	505,914
<b>Total Designated Reserves</b>	<b>\$ 4,978,327</b>	<b>\$ 50,000</b>	<b>\$ 145,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 5,123,327</b>
<b>Debt Service</b>						
Pac Cove Lease Financing	55,099	-	165,066	165,066	-	55,099
Pac Cove Park	(38,986)	-	88,002	88,002	-	(38,986)
<b>Total Debt Service</b>	<b>\$ 16,113</b>	<b>\$ -</b>	<b>\$ 253,068</b>	<b>\$ 253,068</b>	<b>\$ -</b>	<b>\$ 16,113</b>
<b>Capital Improvement Fund</b>	<b>\$ 2,360,066</b>	<b>\$ -</b>	<b>\$ 979,267</b>	<b>\$ 1,132,663</b>	<b>\$ -</b>	<b>\$ 2,206,670</b>
<b>Internal Service Funds</b>						
Stores	\$ 73,720	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 73,720
Information Technology	191,479	201,900	-	197,900	-	195,479
Equipment Replacement	614,836	270,000	-	270,000	-	614,836
Self-Insurance Liability	152,186	447,740	-	447,619	-	152,307
Workers' Compensation	202,279	464,179	-	464,179	-	202,279
Compensated Absences	37,568	-	220,000	220,000	-	37,568
<b>Total Internal Service Funds</b>	<b>\$ 1,272,068</b>	<b>\$ 1,403,819</b>	<b>\$ 220,000</b>	<b>\$ 1,619,698</b>	<b>\$ -</b>	<b>\$ 1,276,189</b>
<b>Special Revenue Funds</b>						
SLESF-Suppl Law Enforcmnt Svc	\$ 60,363	\$ 100,400	\$ -	\$ 90,000	\$ -	\$ 70,763
TOT Restricted Revenue	30,364	77,720	-	48,227	29,493	30,364
SB1 RMRA	17,385	193,401	-	193,401	-	17,385
RTC Streets	526,143	250,000	-	250,000	-	526,143
Gas Tax	8,344	259,800	-	259,800	-	8,344
Wharf	103,718	110,500	-	110,500	-	103,718
General Plan Update and Maint	157,023	50,000	-	46,000	-	161,023
Green Building Education	194,125	11,250	-	3,000	-	202,375
Public Art	148,791	-	-	25,000	-	123,791
Parking Reserve	737	-	100,000	-	100,000	737
Technology Fee	78,460	9,000	-	7,000	-	80,460
PEG-Public Education and Govt.	75,530	15,000	-	15,000	-	75,530
BIA-Capitola Village-Wharf BIA	33,093	83,356	29,493	84,880	-	61,062
CDBG Grants	13,313	-	-	-	-	13,313
CDBG Program Income	31,839	-	-	-	-	31,839
Library	-	-	-	-	-	-
HOME Reuse	595,571	-	-	-	-	595,571
Housing Trust	157,862	50,000	-	-	-	207,862
Cap Hsg Succ- Program Income	114,760	-	-	62,500	-	52,260
<b>Total Special Revenue Funds</b>	<b>\$ 2,347,421</b>	<b>\$ 1,210,427</b>	<b>\$ 129,493</b>	<b>\$ 1,195,308</b>	<b>\$ 129,493</b>	<b>\$ 2,362,540</b>
<b>Successor Agency</b>	<b>\$ 168,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,976</b>
<b>Tot. Fund Balance - All Funds</b>	<b>\$ 12,510,773</b>	<b>\$ 19,337,105</b>	<b>\$ 1,726,828</b>	<b>\$ 19,769,157</b>	<b>\$ 1,706,828</b>	<b>\$ 12,098,722</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)



# GENERAL FUND REVENUES

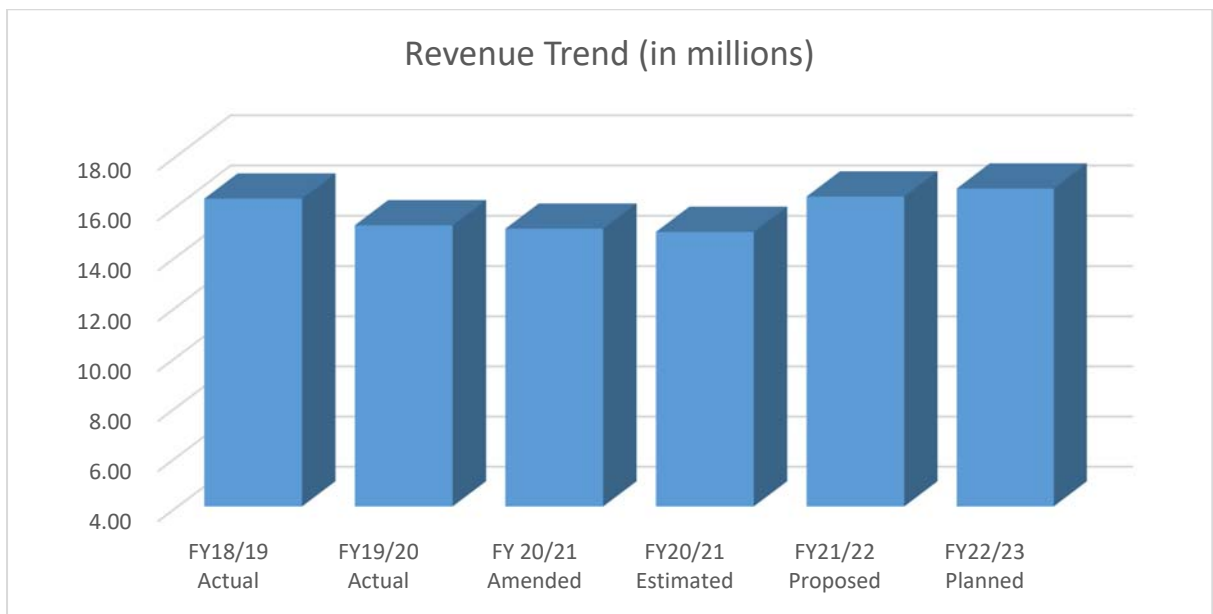


## General Fund Revenues

Revenues for the FY 2021-22 General Fund operating budget total \$16.4 million, an increase of approximately \$1.3 million or 8.5 percent which is about \$84,000 or 0.5% below pre-pandemic levels. Property tax revenues remain strong as assessed values (basis for property tax levies) continue to increase with changes in ownership, reinstatement of assessed values lowered during the Great Recession, and an additional 2% CPI increase per Prop 13 provisions. Staff anticipates sales tax revenue to increase around 7% over FY 2020-21 returning close to FY 2018-19 levels and transient occupancy tax, which was the most impacted city revenue source, to be approximately 40% from the prior year as hotels, motels, and short-term rentals return to normal operations.

A summary of major revenue changes between the FY 2020-21 adopted and FY 2021-22 proposed budgets is listed below:

General Fund Revenues						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
Taxes	\$ 12,833,834	\$11,988,155	\$11,896,940	\$11,913,303	\$13,144,109	\$13,528,211
Licenses and permits	623,076	665,901	571,100	596,648	606,675	609,790
Intergovernmental revenues	95,470	103,402	308,236	308,236	65,700	65,700
Charges for services	1,858,354	1,637,221	1,655,311	1,521,184	1,839,097	1,768,617
Fines and forfeitures	521,939	519,754	482,900	411,303	517,000	517,000
Use of money & property	154,511	177,526	36,500	70,450	90,200	90,200
Other revenues	182,987	119,974	126,500	128,500	91,600	93,343
<b>General Fund Revenues</b>	<b>\$ 16,270,170</b>	<b>\$15,211,934</b>	<b>\$15,077,487</b>	<b>\$14,949,624</b>	<b>\$16,354,380</b>	<b>\$16,672,860</b>



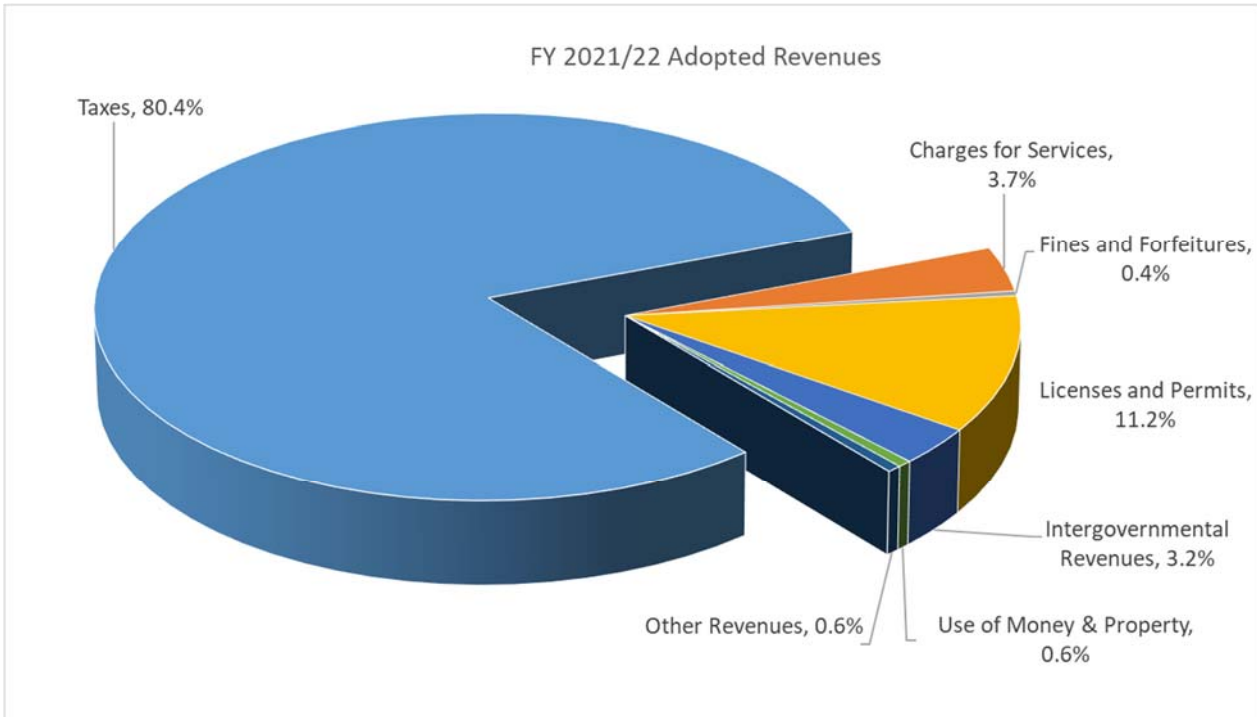
### General Revenue Information

The City does not receive General Fund revenues in equal monthly increments. While the City receives some revenue regularly throughout the fiscal year, some is received quarterly or annually. The variable nature of these revenues results in an uneven cash flow. For example, the City of Capitola’s lowest cash balances occur in April and again in mid-December prior to property tax revenue being received. Mid-December in prior years was significantly lower due to the State’s Triple-Flip. The State reduced our sales tax by 0.25 percent and reimbursed the City, through property tax, in December. With the Triple-flip completed, we now receive our sales tax revenue consistently throughout the year. The City developed a cash flow model to assist with on-going cash flow variability and to identify reserve requirements. While monitoring the City’s cash flow has always been a priority, the need to identify patterns became more critical during the disaster recovery period when reserves were nearly depleted. In FY 2012/13 the City approved increasing the Contingency Reserve balance from 10 percent to 15 percent to assist in covering potential cash flow deficits. The City was able to maintain it’s reserve funds while navigating the fiscal impacts related to COVID-19 and reserve funds remain at target levels in the Proposed FY 2021-22 Budget.

Projections for each source of revenue include a review of historical trends, the local economy, new business development, and pending legislation. Due to significant changes, the City is closely monitoring the following five core revenues, which represent over 80 percent of the General Fund:

- Sales Tax \$7,720,131
- Transient Occupancy Tax 1,580,000
- Parking Meters 869,000
- Parking Fines 375,000
- Property Taxes 2,858,378
- \$13,402,509**

Additional information related to the five core revenues are detailed within this section. In addition, five-year trends for each revenue source are provided in the Revenue Summary.



Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

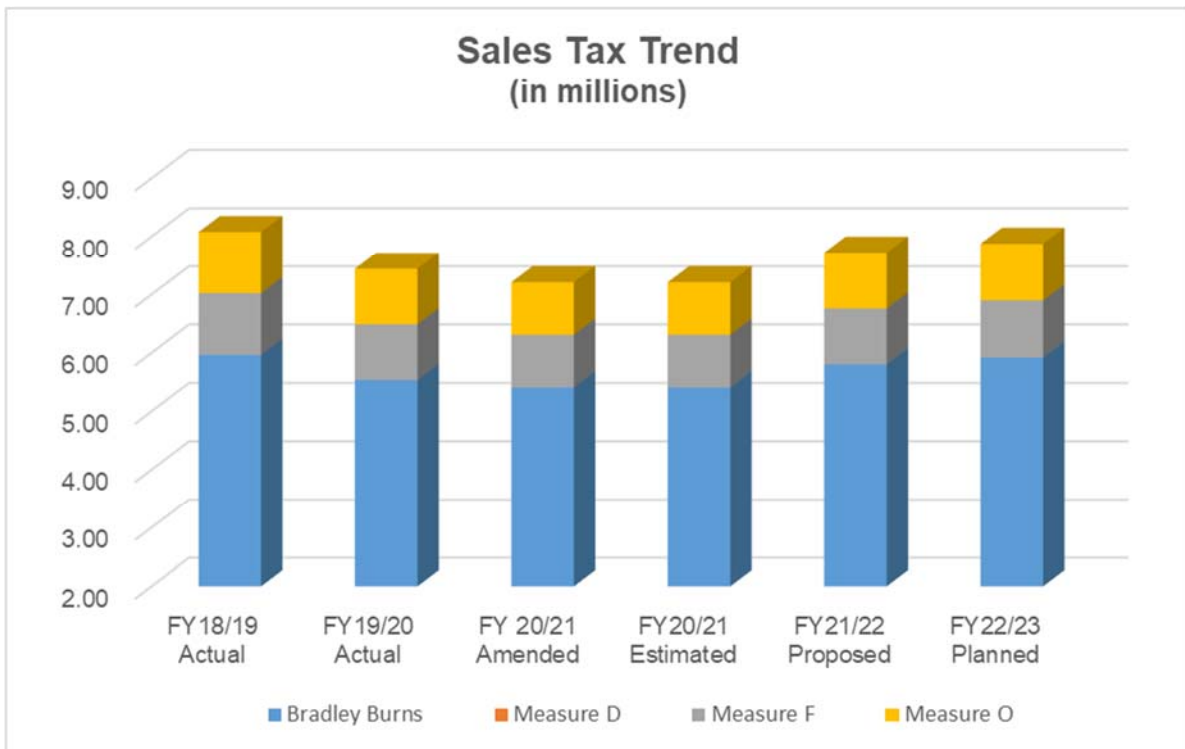
## Sales Tax

The City of Capitola sales tax consists of one percent Bradley Burns, a quarter percent Capitola District Tax (Measure F), and a permanent quarter percent Capitola District Tax (Measure O). In FY 2021-22 annual sales tax revenue is estimated to be \$7.70 million, with approximately \$1.9 million in revenues contributed by Measure O, and Measure F.

Sales tax by Geographic Area	
Area	% of Total
41st Ave. Corridor	84.4%
Capitola Village	8.4%
Upper Village	5.9%
Light Industrial Distr.	1.3%
	100.0%

The Finance Department works closely with HdL, the City’s sales tax consultant, on tax recovery, statistics, and projections. Sales tax projections are based on a combination of “most likely” estimates provided by HdL, internal quarter over quarter analyses, and the impact of one-time events. In FY 2021-22, Bradley Burns sales tax revenue is anticipated to increase by approximately 22 percent, or \$392,500, above the FY 2020-21 budgeted amount. The City’s sales tax collections are heavily dependent on the top five generators and were not negatively impacted due to the COVID-19 pandemic as much as originally anticipated.

The chart below illustrates sales tax performance including the sunset of Measure D and start of Measure F.



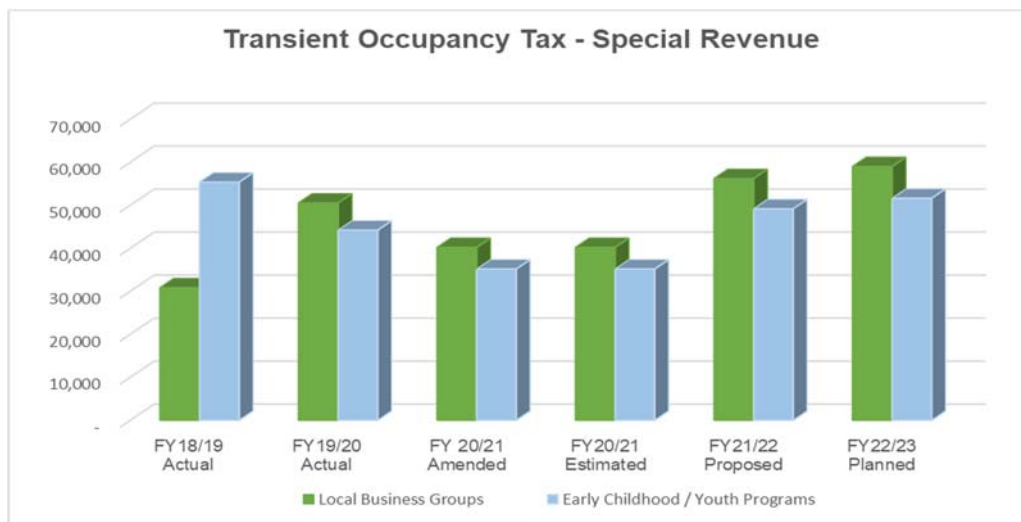
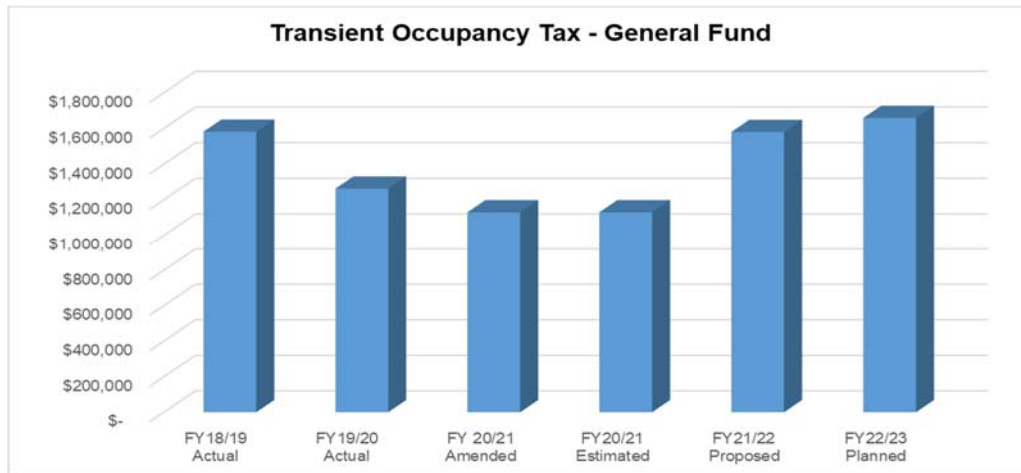
## Transient Occupancy Taxes (TOT)

Hotel tax, also known as the Transient Occupancy Tax (TOT), charges rental accommodation of less than 30 days a 12 percent tax of which 0.75% is restricted for local business groups and early childhood and youth programs. In FY 2021-22 TOT tax generally accounts for approximately ten percent of General Fund operating revenues. The City's TOT revenues come from the following sources:

- Hotels, Motels and Inns
- Other Rentals
  - Bed and Breakfasts
  - Vacation Rentals

The City's TOT revenues were the most impacted revenue source due to COVID-19, however recent trends show the vacation rental industry making a comeback. The projected increase for FY 2021-22 is 34% above the amended FY 2020-21 budget. For the last several years, hotels have experienced high occupancy rates leaving little room for increased TOT revenues and staff anticipates occupancy levels returning close to pre-pandemic levels.

The following chart illustrates TOT revenues within the City. Due to Capitola's seaside location, proximity to regional attractions, and continued signs of economic recovery, the City is continuing efforts to attract another hotel to the area.

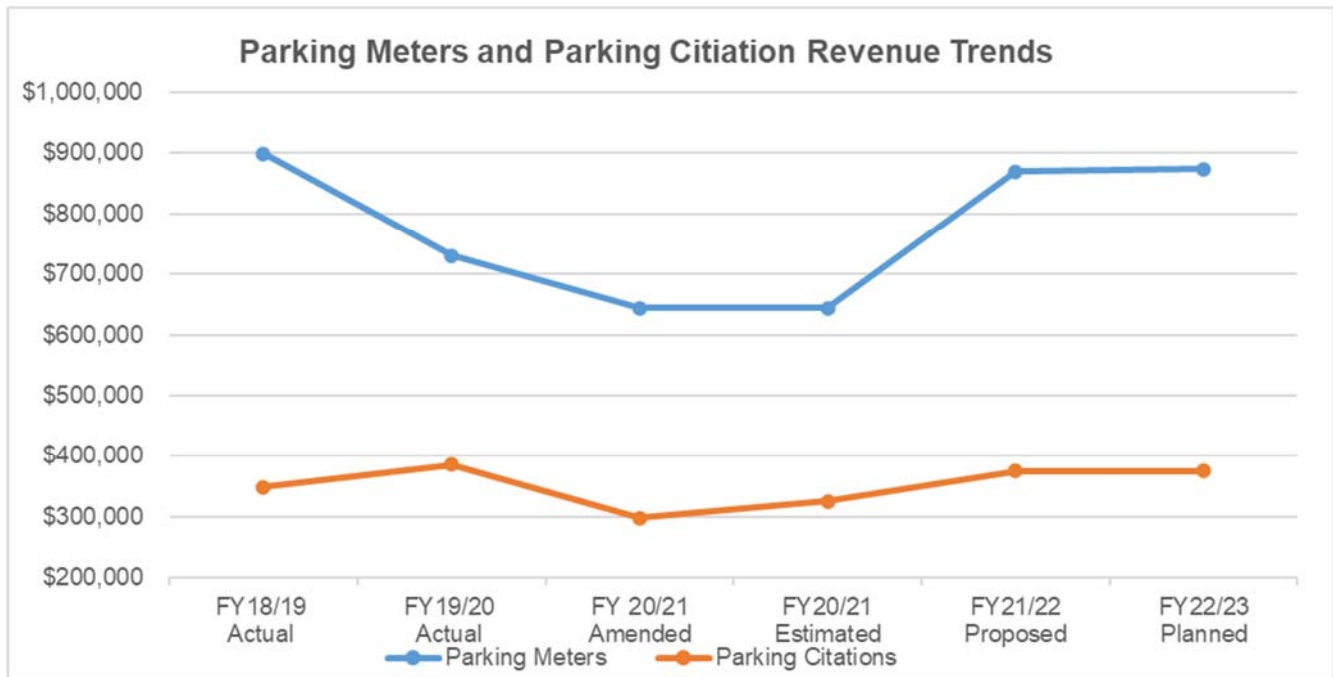


## Parking Meters and Parking Fines

In FY 2021-22 parking meter and parking fine revenues are estimated to contribute approximately \$1,244,000 to the General Fund. Revenue sources include fees collected from the meters and fines resulting from expired meters and improper parking. Factors affecting these revenues include tourism and seasonal trends. At the end of FY 2013/14, a 226-space parking lot opened adjacent to the existing Pacific Cove Parking Lot and City Hall. The FY 2021-22 proposed budget includes a \$100,000 general fund transfer to the parking reserve fund to help meet debt service obligations related to the opening of parking lot. During the summer, the City offers shuttle bus service from the parking lots to the Village, beach, and Capitola Wharf. Projected revenues for each location are estimated below:

Location	Spaces	FY21/22 Proposed	Avg. Meter Rev. per Space
Village	195	\$ 600,000	\$ 3,077
Cliff Drive	65	\$ 99,000	\$ 1,523
Pacific Cove - Upper Lot	232	\$ 120,000	\$ 517
Pacific Cove - Lower Lot	226	\$ 50,000	\$ 221

The following chart illustrates parking meter revenue and parking citation revenue trends within the City. Overall, the revenue trend has increased for the last several years with an estimated decrease in FY 2016/17 due to a wet winter that reduced visitors. In FY 2015/16 the City implemented 3-hour parking in the Village. The change has had a positive impact on meter revenue while decreasing citations.



The FY 2021-22 proposed budget projects parking meter and parking fine revenue are estimated to increase 5% compared to the estimated prior year receipts.

## Property Taxes

Property Taxes, an Ad Valorem Tax imposed on real property and tangible personal property, are levied at one percent of the assessed value of the property. The City receives 7.47 percent of each one percent, or 75 cents per \$1,000, of assessed property value.

In FY 2021-22 property tax revenue is estimated to be \$2.86 million, representing a four percent increase over the estimated collection amount from FY 2020-21. The City's collections are consistent with information from the County Auditor-Controller's Office, which indicated that property valuations in Capitola are rising at a rate of four to four and one-half percent annually.

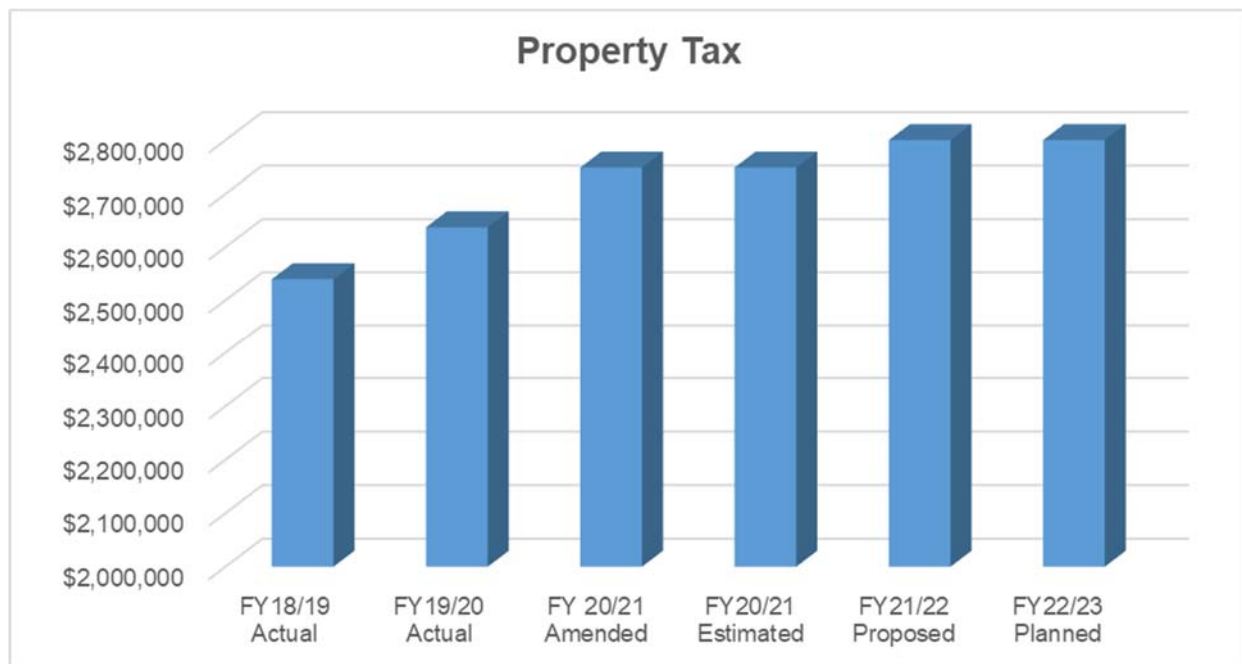
In the FY 2021-22 proposed budget, base property tax revenues are projected to increase approximately four percent. The City based the projection on information from the Auditor-Controller's Office, historical trends, and a review of the current housing market. A growth factor of four percent of the assessed property valuation was used to estimate FY 2020/21 property tax revenue.

Property taxes are received based on the following distribution schedule:

- December: 50%
- April: 45%
- June: 5%

### Property Taxes in-lieu-of Vehicle License Fees

Property Tax in-lieu-of Vehicle License Fee revenue has increased an average of six percent per year over the last several years. However, staff used the same four and one-half percent increase projected in FY 2021-22. This increase continues to be consistent with the rising property values outlined by the Auditor-Controller's Office. Due to the relatively flat history associated with these revenues, conservative estimates of three percent have been applied to the upcoming fiscal years.



## Revenue Summary

	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Taxes</b>						
Property Taxes	\$ 2,539,629	\$ 2,637,365	\$ 2,748,440	\$ 2,748,440	\$ 2,858,378	\$ 2,958,421
Sales Tax- Bradley Burns	5,962,633	5,533,013	5,407,500	5,407,500	5,800,000	5,915,999
Sales Tax- Measure D	-	-	-	-	-	-
Sales Tax- Measure O	1,055,038	953,434	900,000	900,000	960,065	979,266
Sales Tax- Measure F	1,058,912	954,296	900,000	900,000	960,066	979,267
Document Transfer Tax	90,334	74,518	63,637	80,000	70,000	80,000
Franchise Tax	545,425	556,708	560,000	560,000	565,600	571,256
Transient Occupancy Tax	1,581,864	1,262,818	1,129,863	1,129,863	1,580,000	1,659,000
Cannabis Retail Tax	-	16,004	187,500	187,500	350,000	385,000
<b>Total</b>	<b>\$ 12,833,834</b>	<b>\$ 11,988,155</b>	<b>\$ 11,896,940</b>	<b>\$ 11,913,303</b>	<b>\$ 13,144,109</b>	<b>\$ 13,528,211</b>
<b>Licenses and permits</b>						
Business License	\$ 307,930	\$ 324,619	\$ 290,000	\$ 290,000	\$ 298,700	\$ 301,687
Building Permits	167,186	213,310	165,000	165,000	170,000	170,000
Cannabis Annual License Fee	-	2,550	5,000	5,100	5,125	5,253
Encroachment Permits	34,035	37,367	35,000	25,000	30,000	30,000
Special events permit	1,411	854	1,100	198	1,100	1,100
Entertainment permit	4,712	4,728	4,000	850	-	-
Parking Permits	41,640	40,012	40,500	40,500	40,000	40,000
Planning Permits	66,163	42,350	30,500	70,000	61,750	61,750
Other Permits	-	112	-	-	-	-
<b>Total</b>	<b>\$ 623,076</b>	<b>\$ 665,901</b>	<b>\$ 571,100</b>	<b>\$ 596,648</b>	<b>\$ 606,675</b>	<b>\$ 609,790</b>
<b>Intergovernmental revenues</b>						
Federal and State Grants	\$ 59,093	\$ 67,370	\$ 302,536	\$ 302,536	\$ 60,000	\$ 60,000
Gen gov't - OSB admin	30,000	30,000	-	-	-	-
Gen gov't BIA - Fin. support svcs.	4,200	4,200	4,200	4,200	4,200	4,200
Gen gov't CVC - Fin. support svcs.	2,177	1,832	1,500	1,500	1,500	1,500
<b>Total</b>	<b>\$ 95,470</b>	<b>\$ 103,402</b>	<b>\$ 308,236</b>	<b>\$ 308,236</b>	<b>\$ 65,700</b>	<b>\$ 65,700</b>
<b>Charges for Svcs.</b>						
Gen gov't ROPS repmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gen gov't Pay stations-Village	626,860	519,562	446,925	446,925	600,000	603,000
Gen gov't Pay stations-Cliff Dr.	99,064	78,426	72,683	72,683	99,000	99,495
Gen gov't Pay station-upper Pac Cove	122,019	93,601	87,113	87,113	120,000	120,600
Gen gov't Pay stations-lower Pac Cove	51,396	39,109	36,723	36,723	50,000	50,250
Gen gov't Green Bldg. Program	-	-	-	-	-	-
Public safety Vehicle release fee	8,556	7,297	7,500	5,500	7,000	7,000
Public safety Police reports	544	391	500	500	500	500
Public safety Booking fees	250	250	-	400	250	250
Public safety DUI collections	6,543	3,583	5,000	5,500	5,000	5,000
Public Safety Cannabis Application Fee	22,400	-	-	-	-	-
Public Safety Cannabis Annual License Fee	-	2,550	5,000	5,100	5,000	5,000
Public safety Spec. events - Police Svcs.	18,371	20,073	-	-	5,000	5,000
Public works BIA - public works Svcs.	3,000	3,000	3,000	3,000	3,000	3,000
Public works Special events - pw Svcs.	3,332	3,910	-	-	-	-
Public works Trash/Cleanup Removal Agmt	-	-	-	-	-	-
Public works Stormwater dev. Review	1,818	1,340	1,000	2,200	1,000	1,000
Building fees Building plan check fees	103,643	119,755	110,000	65,000	100,000	100,000
Bldg. Official Reimbursement	73,766	94,645	95,000	95,000	100,000	100,000
Comm dev Planning fee - Sr./Assoc plnr cost	18,400	29,680	20,000	20,000	20,000	20,000
Comm Planning fee - assist plnr cost	26,365	9,590	14,260	2,000	10,000	10,000
Comm dev Planning fee - director cost	4,748	37,942	10,000	8,500	10,000	10,000
Comm dev Subdivisions	2,184	-	1,500	-	1,500	1,500
Comm dev Planning plan check fee	14,157	18,644	11,250	10,000	12,000	12,000
Comm dev Planning application fee	3,872	-	-	-	-	-
Comm dev Planning - Gen Plan	25,000	25,000	25,000	25,000	25,000	25,000



	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
Comm dev Billing to Green Building	-	-	24,000	24,000	-	-
Comm dev Planning - other fees	10,218	9,661	3,999	4,500	-	-
Comm dev Planning - Code Enforcement	-	100	-	800	-	-
Recr. fees Class fees	230,866	214,328	75,000	75,000	150,000	150,000
Recr. fees Jr. Guard fees	245,951	156,619	121,548	100,000	197,757	197,75
Recr. School Support Program	-	-	320,000	320,000	74,825	-
Recr. fees Sports fees	22,636	18,768	10,000	10,000	23,000	23,00
Recr. fees Camp Capitola fees	112,398	99,558	95,740	95,740	117,840	117,84
Recr. Afterschool Program	-	29,841	47,570	-	55,080	55,08
Recr. Events	-	-	5,000	-	46,345	46,34
<b>Total</b>	<b>\$ 1,858,354</b>	<b>\$ 1,637,221</b>	<b>\$ 1,655,311</b>	<b>\$ 1,521,184</b>	<b>\$ 1,839,097</b>	<b>\$ 1,768,61</b>
<b><u>Fines and forfeitures</u></b>						
Redlight camera enforcement	\$ 41,735	\$ 60,330	\$ 60,000	\$ 36,303	\$ 40,000	\$ 40,00
Parking Citation	348,372	385,333	298,200	325,000	375,000	375,00
General Fines	131,832	74,092	124,700	50,000	102,000	102,00
<b>Total</b>	<b>\$ 521,939</b>	<b>\$ 519,754</b>	<b>\$ 482,900</b>	<b>\$ 411,303</b>	<b>\$ 517,000</b>	<b>\$ 517,00</b>
<b><u>Use of money &amp; property</u></b>						
Investment earnings	\$ 105,918	\$ 165,077	\$ 25,000	\$ 65,000	\$ 75,000	\$ 75,00
Rents Jade Street facility	4,982	4,334	7,500	250	6,000	6,00
Rents Esplanade restaurants	4,536	4,200	4,000	4,000	4,000	4,00
Rents Esplanade - surf trailer	1,641	1,251	-	1,200	1,200	1,20
Rents Esplanade bandstand	5,529	2,664	-	-	4,000	4,00
Lease Rev. Vehicles/Equip.	31,905	-	-	-	-	-
<b>Total</b>	<b>\$ 154,511</b>	<b>\$ 177,526</b>	<b>\$ 36,500</b>	<b>\$ 70,450</b>	<b>\$ 90,200</b>	<b>\$ 90,20</b>
<b><u>Other revenues</u></b>						
Grants, donations, contrib	\$ -	\$ 1,693	\$ 5,000	\$ -	\$ 2,000	\$ 2,00
Arts-Twilight Concert Sponsors	18,900	10,500	-	-	10,000	10,00
Arts-Movies at the Beach Sponsor	3,000	3,000	-	-	1,500	1,50
Arts-Art at the Beach Booth Fee	4,460	3,820	-	-	2,000	2,00
Arts-Sunday Art & Music Sponsors	2,400	4,400	-	-	2,400	2,40
Art & Culture Sponsors	-	-	-	-	-	-
Museum donations-Box Revenue	2,549	1,373	1,500	1,000	-	-
Museum Donations-Fundraising	4,215	5,136	5,000	3,000	-	-
Memorial plaques and benches	8,499	12,061	4,000	13,500	4,000	4,00
Miscellaneous revenues	138,964	77,991	68,000	68,000	69,700	71,44
			43,000	43,000		
<b>Total</b>	<b>\$ 182,987</b>	<b>\$ 119,974</b>	<b>\$ 126,500</b>	<b>\$ 128,500</b>	<b>\$ 91,600</b>	<b>\$ 93,34</b>
<b>Grand Totals</b>	<b>\$ 16,270,170</b>	<b>\$ 15,211,934</b>	<b>\$ 15,077,487</b>	<b>\$ 14,949,624</b>	<b>\$ 16,354,380</b>	<b>\$ 16,672,86</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

# GENERAL FUND EXPENDITURES



## General Fund Expenditures

The FY 2021-22 General Fund expenditure budget proposes increases of slightly less than \$2 million from the FY 2020-21 Amended Budget. Increases have been programed in every major category as we recover from the fiscal impacts related to COVID-19. Key differences between the two fiscal years include:

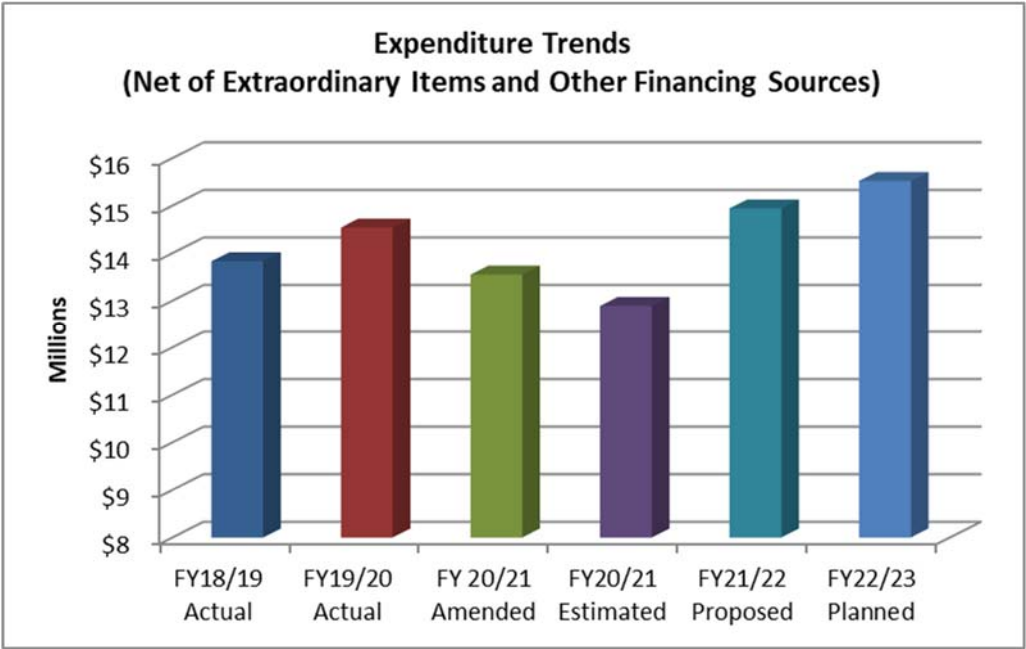
- Total personnel costs (salary and benefits) are estimated to increase \$792,000 from the FY 2020-21 Amended Budget due on-going labor negotiations and increases to the CalPERS Unfunded Actuarial Liability, however, the City continues to hold 7 full-time positions as frozen vacant positions in response to COVID-19.
  - Salary costs are estimated to be \$792,000 higher as the City continues with labor negotiations with each of the bargaining groups which were put on hold last year in response to COVID-19.
  - Salary – Permanent increased \$696,000
  - Salary – Temp decreased \$246,000 due to reduced hours as the Outside-of-Schooltime program ends.
  - Overtime is anticipated to decrease \$15,600 primarily due to filling vacancies in the Police Dept that will be offset with the return of some special events.
- Contract services increased by \$69,000 or 2.7%, above the prior year as we begin to return to pre-pandemic levels.

The following chart provides an overview of expenditures for FY 2018-19 to FY 2022-23. A complete description of major changes will follow in the related expenditure detail pages.

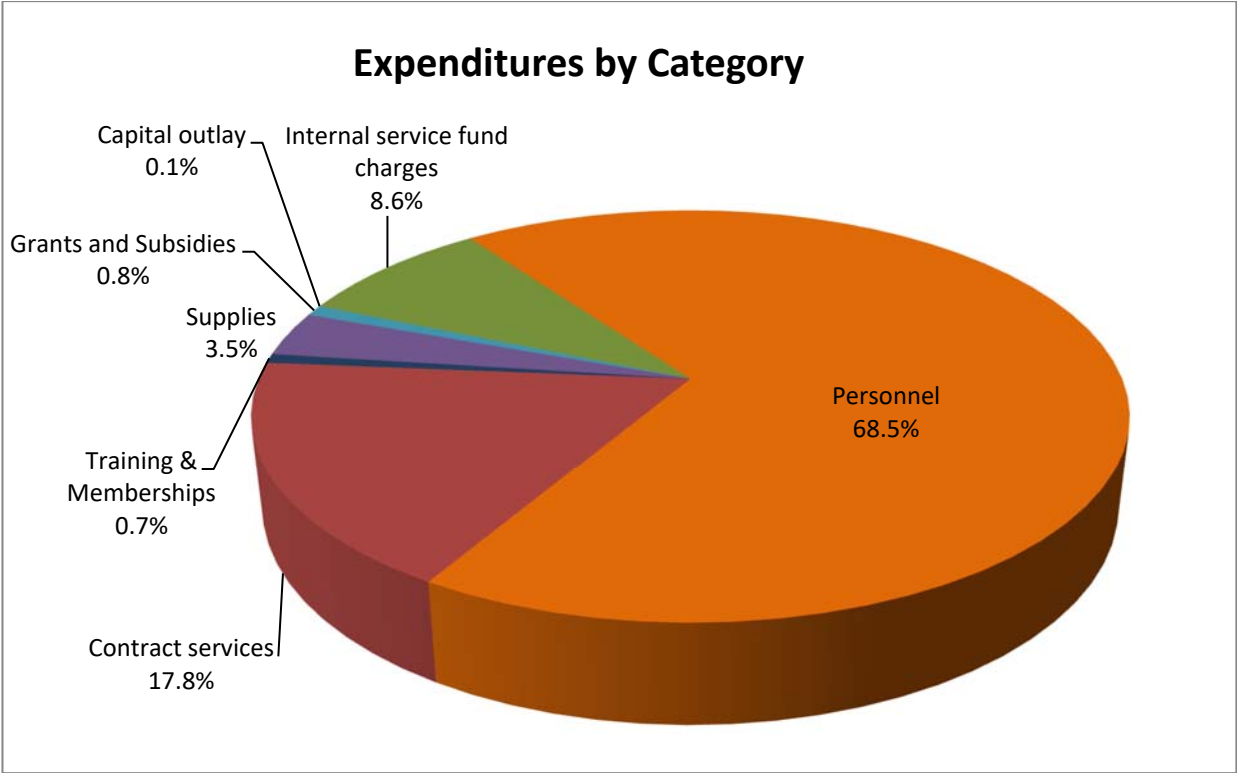
**General Fund Expenditures Summary**

<b>Major Categories</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Personnel	\$8,982,044	\$9,761,056	\$9,445,281	\$9,061,769	\$10,237,138	\$10,661,415
Contract services	2,714,577	2,770,878	2,587,239	2,378,240	2,656,608	2,708,087
Training & Memberships	89,851	87,559	94,775	62,277	107,699	107,699
Supplies	589,981	501,164	511,236	501,276	525,900	516,400
Grants and Subsidies	243,432	241,612	-	20,000	125,000	125,000
Internal service fund	1,209,105	1,176,081	911,212	867,609	1,289,138	1,399,819
<b>Subtotal</b>	<b>\$13,828,990</b>	<b>\$14,538,351</b>	<b>\$13,549,743</b>	<b>\$12,891,171</b>	<b>\$14,941,483</b>	<b>\$15,518,420</b>
Other financing uses	1,733,843	2,023,418	809,383	809,383	1,408,343	1,577,335
<b>Expenditure Total</b>	<b>\$15,562,833</b>	<b>\$16,561,769</b>	<b>\$14,359,126</b>	<b>\$13,700,554</b>	<b>\$16,349,826</b>	<b>\$17,095,755</b>

The following chart provides an overview of expenditure trends, excluding transfers. Expenditures are trending upward in FY 2021-22 as we begin our recovery from COVID-19.



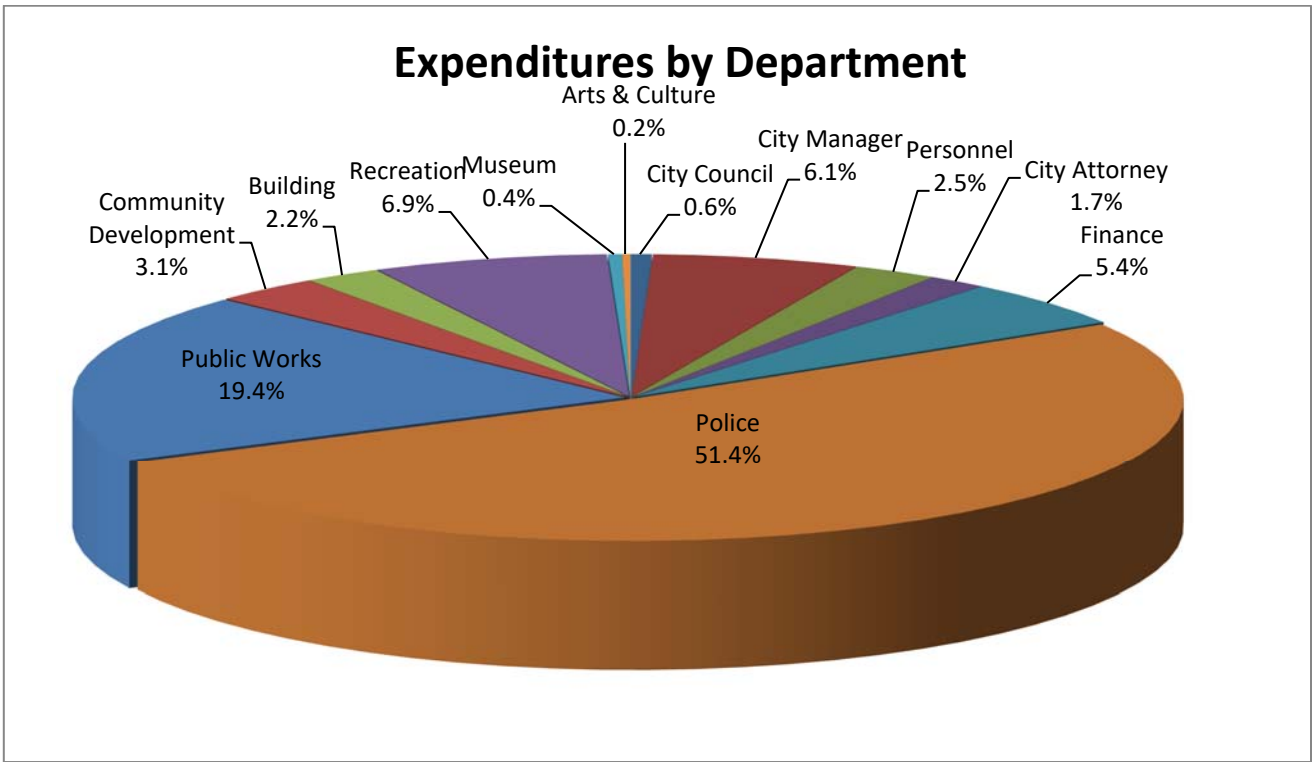
A chart displaying the percentage of expenditures by category is also provided for reference. Although personnel costs are estimated to increase \$792,000 from the prior fiscal year, the ratio of personnel services to total expenditures decreased from 70.5 percent to 68.5 percent. Other notable changes were in contract services, which decreased from 18 percent to 17.8 percent, and internal service charges, which increased from 7.1 percent to 8.6 percent.



# General Fund Department Expenditures

Department	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
City Council	\$147,380	\$96,777	\$74,360	\$65,246	\$91,725	\$92,005
City Manager	892,351	1,006,134	833,976	688,449	897,911	941,960
Personnel	352,195	367,256	277,858	262,025	364,275	374,953
City Attorney	259,864	191,592	255,000	245,000	255,000	255,000
Finance	797,993	837,422	745,453	686,790	795,876	817,786
Community Grants	243,432	281,046	0	20,000	125,000	125,000
Police - Law Enforcement	5,851,518	6,371,456	6,114,160	5,873,909	6,874,890	7,221,547
Police - Pkg. Enforcement	551,148	569,146	531,798	506,573	571,276	582,601
Police - Lifeguard Svcs.	78,758	88,413	95,000	95,000	98,616	98,725
Police - Animal Services	54,402	70,098	73,092	73,092	77,253	81,867
Public Works - Streets	1,533,789	1,536,112	1,202,585	1,196,621	1,660,788	1,795,961
Public Works-Storm Water	115,318	120,622	128,751	128,751	145,374	148,729
Public Works - Facilities	240,831	203,607	249,141	241,256	290,053	290,418
Public Works - Fleet	383,187	383,065	399,938	391,095	281,252	285,958
Public Works - Parks	474,884	437,362	439,482	415,416	497,694	505,323
Community Development	447,829	492,371	668,547	668,165	465,023	482,774
Building	345,515	420,160	279,102	281,846	331,896	344,360
Recreation	914,536	950,023	1,116,421	1,070,083	1,023,037	976,675
Museum	70,477	66,564	53,474	51,465	59,890	61,667
Art & Cultural	65,811	49,122	11,605	6,803	34,652	35,110
<b>Subtotal</b>	<b>\$13,821,218</b>	<b>\$14,538,348</b>	<b>\$13,549,743</b>	<b>\$12,967,585</b>	<b>\$14,941,483</b>	<b>\$15,518,419</b>
Transfers & Other	\$1,733,843	\$2,023,418	\$809,383	\$809,383	\$1,408,343	\$1,577,335
<b>Expenditure Total</b>	<b>\$15,555,061</b>	<b>\$16,561,766</b>	<b>\$14,359,126</b>	<b>\$13,776,968</b>	<b>\$16,349,826</b>	<b>\$17,095,754</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)



# General Fund Expenditures

## SALARIES & BENEFITS

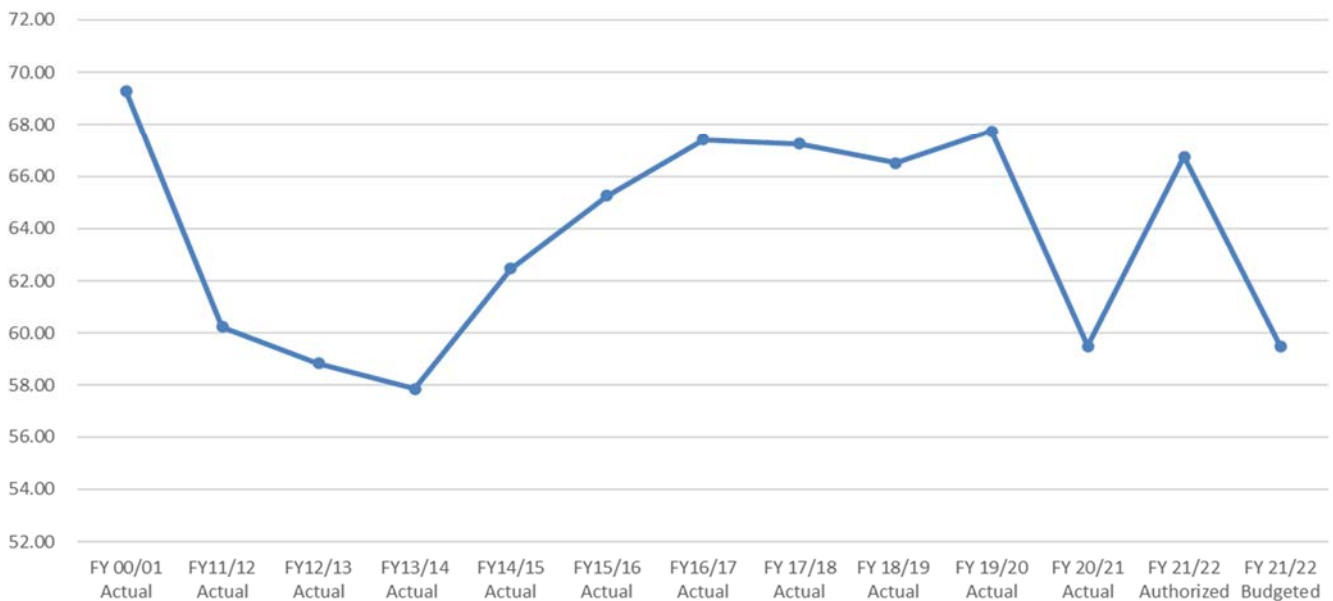
All positions listed in the General Fund are fully funded with full benefit costing. Fully benefited positions are budgeted at their current step plus an assumption that they will move to the next step unless they are already at the top step of their classification. Specialty pays are budgeted as a separate line item.

Positions budgeted for in FY 2021-22 continue to be reduced through the freezing of existing vacancies showing a reduction of 6 and one-half positions illustrated in the chart below. Staff anticipates beginning to fill some of the vacant positions during FY 2021-22 if there are available resources as we go through the year.

The table below summarizes the total FTE count by department, and the following page provides a detail summary of the staffing budget changes.

General Fund	FY 00/01 Actual	FY11/12 Actual	FY12/13 Actual	FY13/14 Actual	FY14/15 Actual	FY15/16 Actual	FY16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Authorized	FY 2 Budg
<b>Elected</b>													
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
<b>Elected - Total FT</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>Fully Benefited by Dept</b>													
City Attorney	1	-	-	-	-	-	-	-	-	-	-	-	-
Finance	5.25	3.95	3.38	4.33	3.91	4.50	4.50	4.50	3.75	3.75	2.75	3.75	3.75
City Manager	5.50	7.00	7.00	7.00	6.90	6.00	7.00	6.00	6.00	7.00	5.00	6.00	6.00
Museum	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police	31.30	29.59	28.59	27.59	30.65	31.50	31.65	31.50	30.50	30.50	28.50	31.00	31.00
CDD	6.67	4.12	3.79	3.12	4.50	5.00	5.00	5.00	6.00	6.00	5.00	6.00	6.00
Public Works	14.33	11.83	12.33	12.33	13.00	14.00	15.00	16.00	16.00	15.50	14.00	15.50	15.50
Recreation	4.50	3.00	3.00	2.75	2.75	3.75	3.75	3.75	3.75	4.50	3.75	4.50	4.50
<b>Dept - Total FTEs</b>	<b>69.30</b>	<b>60.24</b>	<b>58.84</b>	<b>57.87</b>	<b>62.46</b>	<b>65.25</b>	<b>67.40</b>	<b>67.25</b>	<b>66.50</b>	<b>67.75</b>	<b>59.50</b>	<b>67.25</b>	<b>67.25</b>
<b>Change from prior year</b>		(9.06)	(1.40)	(0.97)	4.59	2.79	2.15	(0.15)	(0.75)	1.25	(8.25)	(0.50)	

City FTE Count



Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## General Fund Expenditures

### SALARIES & BENEFITS

City services are primarily staff delivered; therefore, staffing is the most significant expenditure. The FY 2021-22 proposed budget staffing costs total \$10,199,506. This represents an 8% increase from the FY 2020-21 Adopted Budget. This is due to ending concessions by labor groups as response to COVID-19, on-going labor negotiations that were delayed due to COVID-19, and increased costs related to the CalPERS Retirement Fund and inflation.

<b>Staffing by Category</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Salary	\$5,339,974	\$5,757,120	\$5,139,780	\$5,139,780	\$5,835,730	\$6,077,591
Salary Temp	369,932	375,309	649,707	619,500	403,838	\$420,575
Overtime	180,717	170,875	212,536	212,536	196,950	\$205,113
Specialty Pay	276,501	277,389	268,059	268,059	287,893	\$299,825
Benefits	2,814,921	3,180,364	3,175,199	3,175,199	3,512,728	\$3,658,312
<b>Total</b>	<b>\$8,982,044</b>	<b>\$9,761,056</b>	<b>\$9,445,281</b>	<b>\$9,415,074</b>	<b>\$10,237,139</b>	<b>\$10,661,415</b>

<b>Staffing by Department</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
City Council	\$36,156	\$35,281	\$35,017	\$33,839	\$40,959	\$40,959
City Manager	679,699	827,948	684,014	617,650	708,755	737,088
Personnel	282,720	309,726	234,529	215,871	315,540	325,747
Finance	525,939	567,666	502,583	459,420	519,867	540,662
Law Enforcement	4,368,893	4,878,074	4,686,292	4,485,378	5,291,581	5,586,882
Pkg. Enforcement	217,647	233,406	220,603	220,178	257,893	268,109
Streets	1,114,544	1,054,202	994,970	994,970	1,210,853	1,259,287
Storm Water	67,204	85,116	73,751	73,751	83,874	87,229
Fleet	178,001	201,095	220,205	213,362	102,971	107,090
Parks	211,398	200,461	219,804	202,900	249,225	259,194
Planning	383,807	410,223	415,774	415,774	419,191	435,958
Building	299,282	299,399	253,139	253,139	297,954	309,872
Recreation	561,996	604,323	859,894	837,308	689,490	652,393
Museum	39,616	41,211	36,629	36,629	40,742	42,372
Art & Cultural	15,141	12,924	8,077	1,600	8,242	8,572
<b>Total</b>	<b>\$8,982,044</b>	<b>\$9,761,056</b>	<b>\$9,445,281</b>	<b>\$9,061,769</b>	<b>\$10,237,138</b>	<b>\$10,661,415</b>

## General Fund Expenditures

### Salaries & Benefits - Salary Assumptions

There are five bargaining groups in the City. Management employees are hired by the City Manager pursuant to a City Council approved compensation plan. Hourly employees are not included in any of these groups and are not represented by a union. The following table lists the different groups and the start and end dates of their current agreements.

<u>Group</u>	<u>Current Agreement</u>	<u>Expiration Date</u>
Assoc. of Capitola Employees/Gen. Govt.	12/27/2020	06/30/2021
Confidential	12/27/2020	06/30/2021
Mid-Management	12/27/2020	06/30/2021
Police Captains	12/27/2020	06/30/2021
Police Officers Association (POA)	12/27/2020	06/30/2021

### Overtime

The following table provides the detail for the overtime budget. The overtime budget for the Police Department increases this year after a decrease in recent years due to multiple vacancies.

<u>Overtime</u>	<u>FY18/19</u> <u>Actual</u>	<u>FY19/20</u> <u>Actual</u>	<u>FY 20/21</u> <u>Amended</u>	<u>FY20/21</u> <u>Estimated</u>	<u>FY21/22</u> <u>Proposed</u>	<u>FY22/23</u> <u>Planned</u>
City Manager	\$0	\$18	\$0	\$0	\$0	\$0
Finance	0	0	0	0	0	0
Police*	151,053	152,249	195,536	150,000	175,000	175,000
Public Works	11,450	13,214	17,000	15,000	15,000	15,000
Community Development	148	193	0	0	0	0
Recreation	18,066	5,202	0	0	4,450	4,450
<b>Total</b>	<b>\$180,717</b>	<b>\$170,875</b>	<b>\$212,536</b>	<b>\$165,000</b>	<b>\$194,450</b>	<b>\$194,450</b>
<i>*Funding Sources for Police Overtime</i>						
General Fund	\$140,587	\$131,881	\$162,500	\$142,500	\$179,450	\$179,450
Grant Funded	10,466	20,367	33,036	7,500	15,000	15,000
	<b>\$151,053</b>	<b>\$152,249</b>	<b>\$195,536</b>	<b>\$150,000</b>	<b>\$194,450</b>	<b>\$194,450</b>

### Specialty Pay

The FY 2021-22 budget includes the following specialty pays in the calculation of staffing costs, which are also included in overtime calculations: education, longevity, bilingual, motorcycle, detective pay, senior officer, canine, and shift differential pay.

<u>Specialty Pay</u>	<u>FY18/19</u> <u>Actual</u>	<u>FY19/20</u> <u>Actual</u>	<u>FY 20/21</u> <u>Amended</u>	<u>FY20/21</u> <u>Estimated</u>	<u>FY21/22</u> <u>Proposed</u>	<u>FY22/23</u> <u>Planned</u>
City Manager	\$4,079	\$8,286	\$6,814	\$6,814	\$5,703	\$5,817
Finance	2,372	3,812	1,036	1,036	-	-
Police	247,625	238,304	239,416	239,416	262,556	273,058
Public Works	29,490	23,466	20,793	19,128	17,259	17,950
Community Dev.	3,367	1,590	-	-	-	-
Recreation	9,801	1,932	-	1,665	2,375	2,470
<b>Total</b>	<b>\$296,734</b>	<b>\$277,389</b>	<b>\$268,059</b>	<b>\$268,059</b>	<b>\$287,893</b>	<b>\$299,295</b>



## General Fund Expenditures

### Salaries & Benefits – Retirement Assumptions

#### **Benefits – Post Retirement Medical Benefit**

The City of Capitola contributes the minimum amount toward retired employees' health insurance premiums in accordance with Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA). This expenditure is accounted for in the City Manager's personnel department budget. Below is a table showing the PEMHCA minimum going back to 2012.

• January 1, 2012	\$112
• January 1, 2013	\$115
• January 1, 2014	\$119
• January 1, 2015	\$122
• January 1, 2016	\$125
• January 1, 2017	\$128
• January 1, 2018	\$133
• January 1, 2019	\$136
• January 1, 2020	\$139
• January 1, 2021	\$143

#### **Benefits – Public Employee Retirement System (PERS)**

The City offers various defined benefit retirement plans to safety and miscellaneous employees. These retirement plans are administered by the California Public Employee Retirement System ("CalPERS" or "PERS"). The safety plan benefit formula is 3% @ 50 and the miscellaneous plan is 2.5% @ 55 for "classic" PERS members. For employees hired after January 1, 2013, who are subject to the Public Employees' Pension Reform Act (PEPRA), the safety benefit formula is 2.7% @ 57 and the miscellaneous plan is 2% @ 62. A CalPERS member becomes eligible for retirement benefits upon reaching the age of 50 with at least 5 years of service credit (total service across all CalPERS employers).

The City's retirement costs are defined as a percentage of payroll, along with a fixed dollar amount to address the City's Unfunded Actuarial Liability (UAL), which is actuarially determined annually by CalPERS. The UAL in FY 2020-21 was \$1,689,461 and is increasing to \$1,969,574 in FY 2021-22, an increase of 16.6%. The most recent CalPERS actuarial reports estimate the UAL through FY 2026-27 at an amount of \$2,594,000 which equates to an increase of approximately 221% over ten years from FY 2016-17.

**PERS Rates.** The FY 2021-22 PERS total rate for classic safety members is 32.7%, with employees paying 15% and the city 17.7%. Safety PEPRA members are responsible for 13% and the city pays 13.0%. For classic miscellaneous members, the total contribution rate is 20.3%, with employees paying 13.4% and the city 6.9%. Miscellaneous PEPRA employees pay 6.75% and the city pays 7.7%.

The FY 2020-21 PERS total rate for classic safety members was 30.9%, with employees paying 15% and the city 15.9%. Safety PEPRA members are responsible for 12.0% and the city pays 13.0%. For classic miscellaneous members, the total contribution rate is 19.4%, with employees paying 13.4% and the city 6.0%. Miscellaneous PEPRA employees pay 6.75% and the city pays 7.0%.

**Public Employees' Pension Reform Act (PEPRA).** On September 12, 2012, Governor Brown signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA became effective on January 1, 2013 and requires all employees who are not previously members of the PERS reciprocal system to be placed in an alternate retirement plan. The City's PEPRA plan for Safety employees is 2.7% at 57 and 2% at 62 for Miscellaneous employees. This new plan requires that the City and plan

members contribute an equivalent share of retirement costs. The rates for public safety and miscellaneous employees are 12% and 6.25%, respectively.

### Retirement Costs Summary

<b>Retirement Costs</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Ret. cost - PERS Safety	\$ 336,474	\$ 386,023	\$ 322,656	\$ 380,644	\$ 395,870
Ret. cost - PERS Safety UAL	602,038	741,462	853,670	1,002,849	1,127,000
Ret. cost - PERS Miscellaneous	206,141	259,251	200,227	228,437	237,575
Ret. cost - PERS Misc UAL	613,978	738,888	835,791	966,725	1,065,000
Ret. cost - Retirement PARS	3,791	3,631	4,104	4,866	5,061
Ret. health OPEB - Retiree health	28,200	31,844	30,500	31,500	32,500
OPEB Trust Fund	65,000	60,250	-	60,250	60,250
<b>Total Retirement Costs</b>	<b>\$ 1,855,622</b>	<b>\$ 2,221,348</b>	<b>\$ 2,246,948</b>	<b>\$ 2,675,271</b>	<b>\$ 2,923,255</b>
Total Employee Paid Costs	\$ 719,494	\$ 742,420	\$ 808,901	\$ 963,098	\$ 1,052,372
Total City Paid Costs	\$ 1,855,622	\$ 2,221,348	\$ 2,246,948	\$ 2,675,271	\$ 2,923,255
Total Costs Employee and City	\$ 2,430,865	\$ 2,963,768	\$ 3,055,850	\$ 3,638,369	\$ 3,975,627
Unfunded Actuarial Liability-Safety	11,019,924	11,227,125	12,918,421	13,594,061	14,545,645
Unfunded Actuarial Liability-Misc	10,462,813	10,449,759	11,896,221	12,422,127	13,291,676
Unfunded OPEB Liability	584,737	1,572,208	1,572,208	1,493,598	1,493,598
Funding Ratio PERS Safety	71.3%	71.30%	72.40%	72.40%	72.40%
Funding Ratio PERS Misc	69.7%	69.70%	71.00%	71.00%	71.00%

*Change in OPEB actuarial assumptions in FY 2020*

## General Fund Expenditures - Contract Services (5 pages)

Department	Contract Description	FY 20/21	FY 21/22	FY 22/23
		Amended	Proposed	Planned
City Council	Gen/Admin SCC Homeless Shelter Ptnrshp	-	1,500	1,500
City Council	Gen/Admin - Community TV	5,000	10,000	10,000
City Council	Gen/Admin Contracts - General, Legal Notices	5,000	5,000	5,000
City Council	CS-Gen/Admin Beach Festival	-	-	-
<b>Total</b>		<b>\$ 10,000</b>	<b>\$ 16,500</b>	<b>\$ 16,500</b>
City Manager	Gen/Admin Muni code - Codification Svcs.	\$ 2,000	\$ 4,000	\$ 4,000
City Manager	Gen/Admin Rcrd Mgmt-Doc. Imaging	1,250	1,250	1,250
City Manager	Gen/Admin Records Mgmt-Storage	3,500	3,500	3,500
City Manager	Gen/Admin Newsletter	2,000	6,000	6,000
City Manager	Gen/Admin Council Election	14,000	-	14,000
City Manager	Gen/Admin Contracts - General	-	500	500
City Manager	Environ. Svcs - Cntrl Cst Recycling Media	5,000	5,000	5,000
City Manager	Environ. Svcs Garage Sale Day	-	800	800
City Manager	Environ. Svcs SCC-Hzrds Waste Disp Fee	45,000	45,000	45,000
City Manager	Environ. Svcs Recycling Svcs.	-	3,000	3,000
City Manager	Environ. Svcs JPA-Pollution Control	5,000	5,000	5,000
City Manager	Other Contract services - Legal Notices	500	2,500	2,500
City Manager	Mosquito and Vector Control	150	150	150
City Manager	CS-Temp. Staff & Instr. Temporary staff	-	-	-
City Manager	Contract Svcs. Unanticipated Events	10,000	10,000	10,000
<b>Total</b>		<b>\$ 88,400</b>	<b>\$ 86,700</b>	<b>\$ 100,700</b>
Personnel	Legal svcs Labor/Personnel	\$ 15,000	\$ 15,000	\$ 15,000
Personnel	Personnel Svcs Recruitment Svcs.	1,250	2,500	2,500
Personnel	Personnel Svcs Bkgnd Invest.	5,000	7,500	7,500
Personnel	Personnel Svcs Medical Exams	2,500	3,500	3,500
Personnel	Personnel Svcs Ed. Reimbrsmnt	1,875	1,875	1,875
Personnel	Contract Svcs. Flex-Hlth-Dntl-Vsn Admin	4,000	4,000	4,000
Personnel	Contract Svcs. Advertising	750	750	750
Personnel	CS-Gen/Admin Contracts - general	-	-	-
<b>Total</b>		<b>\$ 30,375</b>	<b>\$ 35,125</b>	<b>\$ 35,125</b>
City Attorney	Gen/Admin Contracts - General	\$ 20,000	\$ 20,000	\$ 20,000
City Attorney	Legal Svcs Legal Svcs. - General	135,000	135,000	135,000
City Attorney	Legal Svcs Special Svcs.	100,000	100,000	100,000
<b>Total</b>		<b>\$ 255,000</b>	<b>\$ 255,000</b>	<b>\$ 255,000</b>

Department	Contract Description	FY 20/21 Amended	FY 21/22 Proposed	FY 22/23 Planned
Finance	Gen/Admin Contracts - General	\$ -	\$ -	\$ -
Finance	Fin Svcs Financial Consultant	-	-	-
Finance	Fin Svcs OPEB Valuation	1,000	4,000	1,000
Finance	Fin Svcs Audit-Annual Financial Audits	51,000	53,000	54,000
Finance	Fin Svcs Audit-Sales Tax	10,000	14,500	14,500
Finance	Fin Svcs Sales Tax Report	-	-	-
Finance	Fin Svcs State Mandated Claims Svcs	1,750	1,750	1,750
Finance	Fin Svcs Credit Card Merchant Fees	2,500	2,500	2,500
Finance	Fin Svcs SCC-Property tax admin fee	12,000	12,000	12,000
Finance	Fin Svcs State Admin Fee - Bradley Burns	60,000	60,000	60,000
Finance	Fin Svcs State Admin Fee - Measure D/F	24,000	24,000	24,000
Finance	Fin Svcs State Admin Fee - SB 1186	500	500	500
Finance	Fin Svcs State Admin Fee - Measure O	24,000	24,000	24,000
Finance	Fin Svcs Bank fees	7,500	9,000	10,000
Finance	Fin Svcs St Admin fee	-	-	-
<b>Total</b>		<b>\$ 194,250</b>	<b>\$ 205,250</b>	<b>\$ 204,250</b>
Law Enforcement	Police Svcs SCC-Booking fees	\$ -	\$ -	\$ -
Law Enforcement	Police Svcs SCC-Blood alcohol trust fund	700	700	700
Law Enforcement	Police Svcs SCC-Anti-Crime Team	18,000	18,000	18,000
Law Enforcement	Police Svcs SCC-Sexual assault response prog	13,000	12,000	12,000
Law Enforcement	Personnel Svcs Background investigations	-	-	-
Law Enforcement	Other contract services Uniform cleaning services	10,000	10,000	10,000
Law Enforcement	Police Svcs Red light enforcement	50,000	25,000	25,000
Law Enforcement	Police Svcs SCC-Info svcs for SCAN chgs	7,700	7,700	7,700
Law Enforcement	Fin Svcs Collections-booking fees	-	75	75
Law Enforcement	Fin Svcs Collections-DUI cost recovery	1,000	1,000	1,000
Law Enforcement	Prop & equip Comm - local & long distance	7,000	7,000	7,000
Law Enforcement	Prop & equip Comm - T-1 line	14,000	14,000	14,000
Law Enforcement	Prop & equip Comm - mobile phone	30,000	30,000	30,000
Law Enforcement	Police Svcs Hazardous material response - SV	6,000	6,000	6,000
Law Enforcement	Police Svcs Towing service	1,500	1,500	1,500
Law Enforcement	Police Svcs SCCECC JPA-SCRMS	39,932	47,490	47,490
Law Enforcement	Police Svcs SCCECC-911 JPA	530,000	522,428	522,428
Law Enforcement	Prop & equip Property alarm service	1,200	1,200	1,200
Law Enforcement	Prop & equip Property repairs & maintenance	1,500	1,000	1,000
Law Enforcement	Prop & equip Equipment repairs & maintenance	15,000	15,000	15,000
Law Enforcement	Rental contracts Equipment and vehicles	3,600	3,000	3,000
Law Enforcement	Other contract services Outside security service	-	10,000	10,000
<b>Total</b>		<b>\$ 750,132</b>	<b>\$ 733,093</b>	<b>\$ 733,093</b>

Department	Contract Description	FY 20/21 Amended	FY 21/22 Proposed	FY 22/23 Planned
Pkg. Enforcement	Police Svcs State of CA-DMV processing fee	\$ 5,200	\$ 5,200	\$ 5,200
Pkg. Enforcement	Police Svcs State of CA-Equip Assess	200	200	200
Pkg. Enforcement	Police Svcs State of CA-Reg assess	48,300	48,300	48,300
Pkg. Enforcement	Police Svcs State of CA-Immed & Critical nd	16,800	16,800	16,800
Pkg. Enforcement	Police Svcs State of CA-St Court Facilities	8,400	8,400	8,400
Pkg. Enforcement	Police Svcs State of CA-Trial Court Trust Fd	16,800	16,800	16,800
Pkg. Enforcement	Police Svcs SCC-Citation processing	46,000	46,000	46,000
Pkg. Enforcement	Police Svcs SCC-Criminal Justice Fac surchg	8,400	8,400	8,400
Pkg. Enforcement	Police Svcs SCC-Courthouse surcharge	8,400	8,400	8,400
Pkg. Enforcement	Fin Svcs Courier-Cash & Coin	3,000	3,000	3,000
Pkg. Enforcement	Fin Svcs Credit card merchant fees	60,000	60,000	60,000
Pkg. Enforcement	Prop & equip Wheelchair purchase and repairs	6,000	6,000	6,000
Pkg. Enforcement	Prop & equip Pkg Meter Repairs	-	-	-
Pkg. Enforcement	Prop & equip Pay Station Repair & Maintenance	50,000	50,000	50,000
	<b>Total</b>	<b>\$ 277,500</b>	<b>\$ 277,500</b>	<b>\$ 277,500</b>
Lifeguard Svcs.	Police Svcs Lifeguard Svcs.	\$ 95,000	\$ 95,000	\$ 95,000
	<b>Total</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>
Animal Svcs.	Police Svcs Animal Svcs.	\$ 72,200	\$ 76,323	\$ 80,902
	<b>Total</b>	<b>\$ 72,200</b>	<b>\$ 76,323</b>	<b>\$ 80,902</b>
Streets	PW & Trans. Transportation-Beach shuttle svc	\$ -	\$ 16,100	\$ 55,000
Streets	PW & Trans. Soquel Crk monitoring-fish	28,000	30,000	30,000
Streets	PW & Trans. Inspections	-	-	-
Streets	PW & Trans. Electrical services	-	3,000	3,000
Streets	Prop & equip Comm - mobile phone	12,000	14,000	14,000
Streets	Gen/Admin Contracts - general	10,000	-	-
Streets	PW & Trans. Lagoon grading	15,000	15,000	15,000
Streets	PW & Trans. PW Engineering services	-	5,000	5,000
Streets	Prop & equip Eucalyptus maintenance -Park Ave	5,000	7,500	7,500
Streets	Prop & equip Riparian Restoration	-	5,000	5,000
Streets	Rental contracts Union Pacific RR yearly	2,000	1,000	1,000
Streets	Temp. Staff & Instr. Temporary staff	-	75,000	75,000
Streets	Temp. Staff & Instr. Hope Services	-	15,000	15,000
Streets	Prop & equip Esplanade sidewalk cleaning	-	20,000	20,000
Streets	Other contract services Unanticipated events	-	-	-
Storm Water	PW & Trans. Soquel Crk monitoring-water qual	15,000	15,000	15,000
Storm Water	PW & Trans. CA NPDES-storm water mgmt prog	40,000	46,000	46,000
Storm Water	PW & Trans. Regional Water Mgmt Foundation	-	500	500
	<b>Total</b>	<b>\$ 127,000</b>	<b>\$ 268,100</b>	<b>\$ 307,000</b>

Department	Contract Description	FY 20/21 Amended	FY 21/22 Proposed	FY 22/23 Planned
Facilities	PW & Trans. ADA compliance	\$ 15,000	\$ 15,000	\$ 15,000
Facilities	Prop & equip Comm - local & long distance	2,000	1,000	1,000
Facilities	Prop & equip Comm - T-1 line	7,500	7,500	7,500
Facilities	Prop & equip Utility serv - gas & electric	47,000	54,500	54,500
Facilities	Prop & equip Utility serv - sanitation distr	6,500	9,000	9,000
Facilities	Prop & equip Utility serv - water	9,000	15,000	15,000
Facilities	Prop & equip Janitorial services	40,000	47,000	47,000
Facilities	Prop & equip Property alarm service	2,800	2,000	2,000
Facilities	Prop & equip Property repairs & maintenance	16,000	20,500	20,500
Facilities	Prop & equip Equipment repairs & maintenance	5,000	19,000	19,000
Facilities	Rental contracts Equipment and vehicles	3,000		
	<b>Total</b>	<b>\$ 153,800</b>	<b>\$ 190,500</b>	<b>\$ 190,500</b>
Fleet	Prop & Equip Equipment Repair and Maint.	\$ 5,000	\$ 2,500	\$ 2,500
	<b>Total</b>	<b>\$ 5,000</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>
Parks	PW & Trans. Tree Svcs.	\$ 22,000	\$ 20,000	\$ 20,000
Parks	Prop & Equip Utility serv - gas and elec.	6,500	5,500	5,500
Parks	Prop & Equip Utility serv - sanitation distr	20,000	20,000	20,000
Parks	Prop & Equip Utility serv - water	102,500	101,000	101,000
Parks	Prop & Equip Janitorial Svcs.	12,000	22,000	22,000
Parks	Prop & Equip Property Repair and Maint.	5,000	5,500	5,500
Parks	Prop & Equip Equip. Repair and Maint.		2,000	2,000
Parks	Rental contracts Equipment and vehicles	1,000	1,500	1,500
Parks	Bike Track Maintenance		2,000	2,000
	<b>Total</b>	<b>\$ 169,000</b>	<b>\$ 179,500</b>	<b>\$ 179,500</b>
Planning	Gen/Admin Contracts - General	\$ 12,500	\$ -	\$ -
Planning	Plng & Hsg Hsg grant admin & CDD tech	212,500	-	-
Planning	Plan Svc Library Planning	-	-	-
Planning	Contract Svcs. Legal	-	-	-
Planning	Contract Svcs. Legal notices	1,500	4,500	\$ 4,500
	<b>Total</b>	<b>\$ 226,500</b>	<b>\$ 4,500</b>	<b>\$ 4,500</b>
Building	Info Tech Contracts Bldg permit system			
Building	Bldg Svcs Engineering & Inspections	\$ 5,000	\$ 10,000	\$ 10,000
Building	CS-Gen/Admin Contracts - general	-	-	-
Building	Bldg Svcs Bldg plan checks - Consultant Svc	-	-	-
Building	Bldg Svcs Bldg plan checks - outsourced	-	-	-
	<b>Total</b>	<b>\$ 5,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

<b>Department</b>	<b>Contract Description</b>	<b>FY 20/21 Amended</b>	<b>FY 21/22 Proposed</b>	<b>FY 22/23 Planned</b>
Recreation	Gen/Admin Contracts - General	\$ 25,840	\$ 28,700	\$ 23,700
Recreation	Fin Svcs Credit card merchant fees	10,000	11,000	11,000
Recreation	Personnel Svcs Background investigations	1,340	2,400	2,400
Recreation	PW & Trans. Transportation-Rec program	2,000	7,250	7,250
Recreation	Temp. Staff/Instr. Rec contract inst/sports off	46,260	106,526	106,526
Recreation	Temp. Staff/Instr. Rec youth volunteers			
Recreation	Prop & Equip Comm - local & long distance	3,370	2,553	2,553
Recreation	Prop & Equip Comm - T-1 line	7,000	4,725	4,725
Recreation	Prop & Equip Property Repair and Maint.		2,000	2,000
Recreation	Rental contracts Equipment and vehicles	700	1,400	1,400
Recreation	Contract Svcs. Events liability insurance	2,847	5,613	5,613
Recreation	Contract Svcs. Advertising	2,225	1,550	1,550
Recreation	Contract Svcs. Mailing Service	4,500	4,500	4,500
Recreation	Contract Svcs. Copying, printing and binding	16,000	16,000	16,000
Recreation	Contract Svcs. Photography			
Recreation	OST Scholarships			
	<b>Total</b>	<b>\$ 122,082</b>	<b>\$ 194,217</b>	<b>\$ 189,217</b>
Museum	Prop & Equip Comm - Local & Long Distance	\$ -	\$ -	\$ -
Museum	Rental contracts Land and Buildings	6,000	7,000	7,000
Museum	Other contract services Museum oral history	-	-	-
	<b>Total</b>	<b>\$ 6,000</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>
Arts & Cultural	Events & Tourism Art at the Beach Coordinator	\$ -	\$ 2,000	\$ 2,000
Arts & Cultural	Events & Tourism Twilight Concert-Sound Engr	-	6,000	6,000
Arts & Cultural	Events & Tourism Twilight Concert-Band Costs	-	9,600	9,600
Arts & Cultural	Events & Tourism Art in Public Places	-	1,000	1,000
Arts & Cultural	Events & Tourism Sunday Art and Music	-	1,200	1,200
	<b>Total</b>	<b>\$ -</b>	<b>\$ 19,800</b>	<b>\$ 19,800</b>
	<b>Grand Total</b>	<b>\$2,587,239</b>	<b>\$2,656,608</b>	<b>\$2,708,087</b>

## Community Based Social Service Providers

Community Based Social Service Providers are funded by the General Fund and restricted Transient Occupancy Tax revenue. Each year a determination is made for funds available and allocation. Due to COVID-19 the Community Grant program was not fully funded for FY 2020-21. It is anticipated that funding will return to similar prior levels in FY 2021-22 with some funding coming from Community Development Block Grant – Coronavirus funding.

AGENCY	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY21/22 Proposed	FY22/23 Planned
<b>Community Services</b>				\$ 125,000	\$ 125,000
Advocacy, Inc.	\$ 7,991	\$ 8,148	\$ -	\$ -	
Cabrillo College Stroke and Disability Center	7,458	7,605	-	-	
Central Coast Center for Independent Living	10,503	10,709	-	-	
Community Action Board, Inc.	1,435	1,464	-	-	
Community Bridges	98,141	99,584	-	-	
Community Bridges - Lift Line			-	-	
Community Bridges - Live Oak			-	-	
Community Resources			-	-	
Community Bridges - Meals on Wheels			-	-	
Companion for Life / Lifeline			-	-	
Conflict Resolution Program	3,345	3,411	-	-	
Arts Council of Santa Cruz County	509	-	-	-	
Dientes Community Dental Care	1,460	1,489	-	-	
Diversity Center	1,115	1,137	-	-	
Encompass Santa Cruz AIDS Project	3,798		-	-	
Family Service Agency of Santa Cruz	12,236	12,476	-	-	
Grey Bears, Inc.	15,465	15,769	-	-	
Homeless Svcs. Center	2,789	2,844	-	-	
Hospice Caring Project	1,673	1,706	-	-	
Monarch Services Servidios Monarca			-	-	
Native Animal Rescue	1,249	1,274	-	-	
Second Harvest Food Bank	10,878	11,092	-	-	
Senior Citizens Legal Services	10,574	10,782	-	-	
Senior Network Services	2,667	2,720	-	-	
Srs Council - SCC/San Benito Co.	8,883	9,058	-	-	
Survivors' Healing Center			-	-	
United Way	3,101	2,122			
United Way - 2-1-1 Help Line			-	-	
Vista Center for the Blind	1,975	2,014	-	-	
Volunteer Center of Santa Cruz County	3,345	3,411	-	-	
Women Care			-	-	
	<b>\$ 210,589</b>	<b>\$ 208,815</b>	<b>\$ -</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>



AGENCY	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY21/22 Proposed	FY22/23 Planned
<b>Children/Youth Services (General Fund)</b>					
Big Brothers/Big sisters	\$ 1,472	\$0	\$0		
Campus Kids Connection - After School					
Community Bridges - Child Development Division			-		
Court-Appointed Special Advocates	1,616	-	-		
Encompass Youth Services Counseling	3,798		-		
Families in Transition - Santa Cruz Co.			-		
O'Neill Sea Odyssey	1,501	-	-		
Parents Center, Inc.	3,315	6,000	-		
Toddler Care Center	637	-	-		
United Way - Community Assessment Project			-		
Childcare Center Fee Grant			-		
	<b>\$12,338</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other</b>					
Local Critical Need Fund			\$0	\$0	
Community Grant Assessment Study		7,000	0		
Recreation Program Strategic Plan*		9,703	0		
Regional Homeless Needs	20,505	10,094	20,000	0	-
	<b>\$20,505</b>	<b>\$26,797</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>
<b>General Fund Total</b>	<b>\$ 243,432</b>	<b>\$ 241,612</b>	<b>\$ 20,000</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>
<b>Early Childhood / Youth Services (TOT Children's Fund )</b>					
				\$ 30,000	\$ 30,000
Big Brothers/Big sisters	\$ 1,531	\$3,064	\$0	\$0	
Community Bridges - Child Development Division	491	982	-	-	
Court-Appointed Special Advocates	1,681	3,363	-	-	
Encompass Youth Services Counseling	3,876	7,753	-	-	
O'Neill Sea Odyssey	1,562	3,125	-	-	
Parents Center, Inc.	3,448	6,899	-	-	
Toddler Care Center	663	1,325	-	-	
United Way - Community Assessment Project	1,061	2,122	-	-	
Santa Cruz Museum of Discovery	-	-	-	-	
Boys and Girls Club of Santa Cruz County	-	-	-	-	
Childcare Center Fee Grant			0	-	
Recreation Programming			16,552	-	
<b>TOT Youth Funding Total</b>	<b>\$14,313</b>	<b>\$28,633</b>	<b>\$16,552</b>	<b>\$30,000</b>	<b>\$30,000</b>
<b>Estimated Children's Fund Revenue</b>	<b>\$14,313</b>	<b>\$40,435</b>	<b>\$26,000</b>	<b>\$35,151</b>	<b>\$46,667</b>
<b>Remaining Funds</b>	<b>\$0</b>	<b>\$11,802</b>	<b>\$21,250</b>	<b>\$26,401</b>	<b>\$43,068</b>
<b>Total Social Service Program Funding</b>	<b>\$257,745</b>	<b>\$260,542</b>	<b>\$36,552</b>	<b>\$155,000</b>	<b>\$155,000</b>

\*Not included in Social Service Program total

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## GENERAL FUND EXPENDITURES

### SUPPLIES

The following table provides a history of the supply budgets by department. Additional information is available in the General Fund Department section.

<b>Supplies</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
City Council	\$2,214	\$1,517	\$1,500	\$264	\$1,750	\$1,750
City Manager	8,354	5,229	2,500	2,700	2,700	2,700
Finance	2,941	4,152	3,200	3,200	3,200	3,200
Police Department	97,652	69,674	82,200	75,200	78,500	78,500
Public Works	382,903	347,596	335,750	341,191	364,250	360,750
Community Development	1,337	1,015	1,000	501	1,000	1,000
Recreation	72,673	56,473	77,711	73,437	64,800	58,800
Museum	11,048	10,892	7,000	4,233	7,000	7,000
Arts & Culture	10,857	4,618	375	550	2,700	2,700
<b>Total</b>	<b>\$589,981</b>	<b>\$501,164</b>	<b>\$511,236</b>	<b>\$501,276</b>	<b>\$525,900</b>	<b>\$516,400</b>

### TRAINING AND MEMBERSHIPS

The following table provides a history of the training and memberships budgets by department. Refer to the General Fund Department section for additional information.

	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
City Council	\$22,462	\$21,822	\$19,800	\$16,900	\$20,000	\$20,000
City Manager	15,802	5,681	8,000	1,000	10,000	10,000
Finance	2,810	1,961	1,000	1,500	3,600	4,100
Police	35,486	41,020	52,000	34,500	52,000	52,000
Public Works	1,654	2,796	2,500	1,300	2,000	2,000
Community Development	7,325	5,694	7,600	4,079	8,600	8,600
Recreation	4,312	8,586	3,875	2,998	11,499	10,999
<b>Total</b>	<b>\$89,851</b>	<b>\$87,559</b>	<b>\$94,775</b>	<b>\$62,277</b>	<b>\$107,699</b>	<b>\$107,699</b>

**INTERNAL SERVICES**

Internal Service Funds finance special activities and services performed by one City department for another on a cost and reimbursement basis. These funds share costs, designate targeted reserves levels, and allocate costs to all departments benefiting from the activities and services. The methodology for cost allocation for each Internal Service Fund is described in the Internal Service Fund section.

The FY 2021-22 proposed budget returns transfers to the Internal Service Funds near pre-pandemic levels.

<b>Internal Services</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Stores	\$ 37,250	\$ 37,250	\$ -	\$ -	\$ 20,000	\$ 20,000
Information Technology	292,741	247,900	50,000	45,025	197,900	197,900
Equipment Replacement	155,000	177,400	-	-	200,000	270,000
Self-Insurance Liability	419,301	403,486	473,021	473,021	429,163	447,740
Workers' Compensation	304,813	310,045	388,191	349,563	442,075	464,179
<b>Total</b>	<b>\$1,209,105</b>	<b>\$1,176,081</b>	<b>\$ 911,212</b>	<b>\$ 867,609</b>	<b>\$1,289,138</b>	<b>\$1,399,819</b>

**GENERAL FUND TRANSFERS**

General Fund Transfers move funds from the General Fund to a specific fund for a designated purpose. The CIP is detailed in a separate section and debt issuances are detailed in the Multi-Year Assets and Obligations section. Below is a summary of the transfers from the General Fund to other funds/reserves.

<b>General Fund Transfers</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Contingency Reserves	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 57,000
Emergency Reserves	-	30,000	-	-	-	38,000
Facilities Fund	90,000	108,000	-	-	-	50,000
PERS Contingency Reserve	-	-	-	-	-	-
CIP Capital Projects	1,082,663	1,351,736	-	-	960,066	979,267
Stores ISF	-	-	30,000	30,000	-	-
Information Technology	-	-	150,000	150,000	-	-
Equipment Replacement	100,000	80,000	200,000	200,000	-	-
Interfund transfer out Library fi	47,363	-	-	-	-	-
Compensated Absences	209,939	200,000	200,701	200,701	220,000	200,000
RTC Streets	-	-	-	-	-	-
Gas Tax	-	-	-	-	-	-
Wharf Fund	-	-	-	-	-	-
Parking Reserve	100,000	100,000	100,000	100,000	100,000	100,000
OPEB Trust Fund	-	-	-	-	-	-
Pacific Cove Lease	15,066	40,066	40,066	40,066	40,066	65,066
Pacific Cove Park	88,812	88,616	88,616	88,616	88,211	88,002
	-	-	-	-	-	-
<b>Total</b>	<b>\$1,733,843</b>	<b>\$2,023,418</b>	<b>\$809,383</b>	<b>\$809,383</b>	<b>\$1,408,343</b>	<b>\$1,577,335</b>

# DEPARTMENTAL BUDGETS



**CITY COUNCIL**

**GENERAL GOVERNMENT**

**DEPARTMENT PURPOSE**

The City Council is composed of five generally elected Council Members, serving four-year staggered terms. Council members select a Mayor and Vice Mayor annually. In 2002, the voters approved a consecutive term limit of two terms for Council Members. The City's Municipal elections are held the first Tuesday of November in even-numbered years. The Council meets regularly twice monthly, on the second and fourth Thursday.

The City Council establishes local law, sets policy, approves programs, allocates funds, and provides direction to the City Manager and staff to implement its policy. Council also appoints members to local and regional committees, commissions, and boards. Capitola is a General Law City, organized under the general laws of the state. Local laws are established by ordinance, compiled in the Municipal Code, and enforceable by the City. Other directives and policies of the City Council are implemented through Council Resolutions and recorded in Council Minutes.

**ESTABLISHED PRINCIPLES OF THE CITY**

- **Fiscal Policy** – practice sound financial management
- **Public Service** – uphold the public trust.
- **Public Improvement** – maintain a safe and healthy environment.

**FISCAL YEAR ACCOMPLISHMENTS – 2020/2021**

- Addressed the COVID-19 related impacts to the City of Capitola.
- Balanced budget with reduced revenues.
- Completed construction of Capitola Branch Library
- Completed construction for Measure F projects to renovate the Jetty and Flume.
- Provided services, staff, and equipment to ensure public safety and trust.
- Approved projects and programs to maintain and enhance quality of life in Capitola.
- Initiated negotiations on successor Memorandums of Understanding with bargaining units.

**FISCAL YEAR GOALS - 2021/22 and 2022/23**

- Ensure fiscal stability as City exits COVID-19 pandemic.
- Provide services, staff, and equipment to ensure public safety and trust.
- Develop projects and programs to maintain and enhance the quality of life in Capitola.
- Finalize plans and begin construction for Measure F projects to renovate the Wharf.
- City Council and staff to participate in unconscious/implicit bias training.

**CITY COUNCIL**

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-10-10-000	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenues</b>						
General Fund	\$ 147,380	\$ 96,777	\$ 74,360	\$ 65,246	\$ 91,725	\$ 92,005
<b>Revenue Total</b>	<b>\$ 147,380</b>	<b>\$ 96,777</b>	<b>\$ 74,360</b>	<b>\$ 65,246</b>	<b>\$ 91,725</b>	<b>\$ 92,005</b>
<b>Expenditures</b>						
Personnel	\$ 36,156	\$ 35,281	\$ 35,017	\$ 33,839	\$ 40,959	\$ 40,959
Contract services	71,631	24,820	10,000	6,200	16,500	16,500
Training & Memberships	22,462	21,822	19,800	16,900	20,000	20,000
Supplies	2,214	1,517	1,500	264	1,750	1,750
Internal service fund charges	14,917	13,338	8,043	8,043	12,516	12,795
<b>Expenditure Totals</b>	<b>\$ 147,380</b>	<b>\$ 96,777</b>	<b>\$ 74,360</b>	<b>\$ 65,246</b>	<b>\$ 91,725</b>	<b>\$ 92,005</b>
<b>Authorized Positions</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Vice Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Council Members	3.00	3.00	3.00	3.00	3.00	3.00
<b>FTE Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## CITY ATTORNEY

### GENERAL GOVERNMENT

#### DEPARTMENT PURPOSE

The City Attorney represents the City as primary Counsel in all legal matters. The City Attorney is appointed by the City Council. The City Attorney provides legal analysis and advice on interpretation and application of municipal code, State law, and Federal law, drafting legal documents, and labor-related issues. The City Attorney is currently a contract position with the firm of Burke, Williams & Sorensen

#### KEY CHANGES

Samantha Zutler of Burke, Williams & Sorensen is Capitola City Attorney

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Advised City on matters associated with pending legal actions.
- Advised City on legal matters related to City policies and procedures.
- Represented the City in litigation
- Assisted City in labor negotiations.

#### FISCAL YEAR GOALS – 2021/22 and 2022/23

##### FISCAL POLICY

- Advise Council on potential and pending litigation.
- Assist and advise staff on contracts, labor relations, and other legal assessments.
- Resolve existing litigation.

CITY ATTORNEY						
1000-10-16-000	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenue</b>						
General Fund	\$259,864	\$191,592	\$255,000	\$ 245,000	\$255,000	\$255,000
<b>Revenue Totals</b>	<b>\$259,864</b>	<b>\$191,592</b>	<b>\$255,000</b>	<b>\$ 245,000</b>	<b>\$255,000</b>	<b>\$255,000</b>
<b>Expenditures</b>						
Outside Legal Services	\$ 23,365	\$ 37,525	\$ 20,000	\$ 10,000	\$ 20,000	\$ 20,000
City Attorney Contract	133,615	120,459	135,000	135,000	135,000	135,000
City Attorney Special Services	102,884	33,607	100,000	100,000	100,000	100,000
<b>Expenditure Totals</b>	<b>\$259,864</b>	<b>\$191,592</b>	<b>\$255,000</b>	<b>\$ 245,000</b>	<b>\$255,000</b>	<b>\$255,000</b>

# CITY MANAGER SUMMARY

## GENERAL GOVERNMENT

### MISSION STATEMENT

The City Manager serves the Council and the Community by bringing together resources to meet City needs, provide excellent customer service, and prioritize available resources.

### DEPARTMENT PURPOSE

The City of Capitola is a Council-Manager form of government, under which City Council appoints a City Manager who serves as the City's chief administrative officer and is responsible for implementing Council policies.

The City Manager Department is responsible for overall administration of City objectives. The City Manager is the lead position within the City administrative structure and is appointed by Council. The City Manager provides administrative direction and leadership to all City departments, and directly oversees Personnel, City Clerk, Information Systems, and the Assistant to the City Manager

### KEY CHANGES

Incumbent Executive Assistant to the City manager retired. Recruited and hired part-time Deputy City Clerk and Personnel Analyst.

### FISCAL YEAR 2020/21 ACCOMPLISHMENTS

- Addressed the COVID-19 related impacts to the City of Capitola.
- Continued process to scan and make available public records in electronic formats.
- Implemented new website design to improve access and usability.
- Advised and informed the City Council on policy and action matters.
- Worked with City Waste hauling franchisee to ensure compliance with state regulations.
- Continued to work on improving medicines and sharps takeback program at pharmacies and Capitola Police station.
- Assisted departments in recruiting and retaining employees.
- Worked to improve risk management and reduce potential liability.
- Worked with Art and Cultural Commission on new public art projects.

### FISCAL YEAR GOALS - 2021/22 and 2022/23

#### FISCAL POLICY

- Ensure fiscal stability due to COVID-19 impacts.
- Work with Capitola Mall to improve the mall facility.
- Complete review & evaluation of Community Grant Program
- Continue to work to create a safer work environment and reduce employee injuries.
- Review and prioritize City services.
- Support economic development.
- Seek opportunities to partner with other agencies for greater outcome or savings.

#### PUBLIC SERVICE

- Encourage and improve citizen participation and communication.
- City Manager will provide "State of the City" report.
- Ensure programs in place to respond to public and private development projects.
- Continue to improve public meeting access.
- Improve communication capabilities with public.
- Continue efforts to increase transparency, including through the website, public records, and outreach.

- Use dedicated children's fund for youth programming.

**PUBLIC IMPROVEMENT**

- Continue recycling efforts and increase participation in waste diversion.
- Open Rispin Park to the public.
- Continue increased street and facility maintenance through use of Measure D resources.
- Work to develop projects to protect and enhance valuable City resources.
- Work with businesses to reduce use of non-reusable bags and plastics.
- Work with businesses to educate and find environmentally friendly food packaging.

**CITY MANAGER SUMMARY**

<b>City Manager Summary</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
<b>Revenue</b>						
General Fund	\$ 1,239,834	\$ 1,368,662	\$ 1,107,834	\$ 950,474	\$ 1,262,186	\$ 1,316,913
Licenses and permits	4,712	4,728	4,000	-	-	-
<b>Revenue Totals</b>	<b>\$ 1,244,546</b>	<b>\$ 1,373,390</b>	<b>\$ 1,111,834</b>	<b>\$ 950,474</b>	<b>\$ 1,262,186</b>	<b>\$ 1,316,913</b>
<b>Expenditures</b>						
Personnel	\$ 962,419	\$ 1,137,674	\$ 918,543	\$ 833,521	\$ 1,024,295	\$ 1,062,836
Contract services	132,368	112,372	118,775	49,237	121,825	135,825
Training & Memberships	15,802	5,681	8,000	1,000	10,000	10,000
Supplies	8,354	5,229	2,500	2,700	2,700	2,700
Internal service fund charges	125,601	112,435	64,016	64,016	103,366	105,552
<b>Expenditure Totals</b>	<b>\$ 1,244,545</b>	<b>\$ 1,373,391</b>	<b>\$ 1,111,834</b>	<b>\$ 950,474</b>	<b>\$ 1,262,186</b>	<b>\$ 1,316,913</b>

<b>Authorized Positions</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
City Manager	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	-	0.50	0.50	0.50	0.50
Assistant to the City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	-	-	-	-
Personnel Analyst	-	-	0.50	0.50	0.50	0.50
Information System Specialist	-	1.00	1.00	1.00	1.00	1.00
Records Coordinator	1.00	1.00	-	-	-	-
Receptionist	1.00	1.00	-	-	-	1.00
<b>FTE Total</b>	<b>6.00</b>	<b>7.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>



## CITY MANAGER ADMINISTRATION

### GENERAL GOVERNMENT

#### MISSION STATEMENT

The mission of the City Manager's Office is to ensure that all City programs and services are provided effectively and efficiently.

#### DEPARTMENT PURPOSE

The purpose of this division is to implement the policies of the City Council and provide leadership and direction to the city departments. Core services of the City Manager's Office are administrative direction and leadership for City departments, programs, and services to ensure the community receives a high level of service.

In addition, the City Manager's administrative arm oversees the Council agenda process, oversees public records, provides staff support to the Art and Cultural Commission and Library Advisory Commission, manages sustainability programs, manages the Community Grant process, and oversees Personnel, Information Systems, and the Historical Museum. The department maintains solid waste and recycling programs, management of franchise agreements, and human resources programs including risk management, employee training, safety programs, and benefits administration.

#### CITY MANAGER ADMINISTRATION

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>1000-10-11-000</b>						
<b>Revenues</b>						
General Fund	\$ 887,639	\$1,001,406	\$ 829,976	\$ 688,449	\$ 897,911	\$ 941,960
Licenses and permits	4,712	4,728	4,000	-	-	-
<b>Revenue Totals</b>	<b>\$ 892,351</b>	<b>\$1,006,134</b>	<b>\$ 833,976</b>	<b>\$ 688,449</b>	<b>\$ 897,911</b>	<b>\$ 941,960</b>
<b>Expenditures</b>						
Personnel	\$ 679,699	\$ 827,948	\$ 684,014	\$ 617,650	\$ 708,755	\$ 737,088
Contract services	82,601	70,047	88,400	16,037	86,700	100,700
Training & Memberships	15,802	5,681	8,000	1,000	10,000	10,000
Supplies	839	1,677	1,000	1,200	1,200	1,200
Internal service fund charges	113,409	100,782	52,562	52,562	91,256	92,972
<b>Expenditure Totals</b>	<b>\$ 892,351</b>	<b>\$1,006,134</b>	<b>\$ 833,976</b>	<b>\$ 688,449</b>	<b>\$ 897,911</b>	<b>\$ 941,960</b>
<b>Authorized Positions</b>						
City Manager	0.80	0.80	0.80	0.80	0.80	0.80
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	-	0.50	0.50	0.50	0.50
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Executive Assistant	0.50	0.50	-	-	-	0.00
Information System Specialist	-	1.00	1.00	1.00	1.00	1.00
Records Coordinator	1.00	1.00	-	-	-	-
Receptionist	1.00	1.00	-	-	-	1.00
<b>FTE Total</b>	<b>4.80</b>	<b>5.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>4.80</b>

## CITY MANAGER PERSONNEL

### GENERAL GOVERNMENT

#### MISSION STATEMENT

To provide excellent internal and external customer service and assist departments in recruiting and retaining exceptional employees.

#### DEPARTMENT PURPOSE

Personnel functions are the responsibility of the City Manager. Functions include employee recruitment and selection, benefits coordination, insurance and retirement programs, labor negotiations, compensation plan maintenance, regulatory training, and risk management.

#### CITY MANAGER PERSONNEL

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-10-12-000	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenues</b>						
General Fund	\$352,195	\$367,256	\$277,858	\$ 262,025	\$364,275	\$374,953
<b>Revenue Totals</b>	<b>\$352,195</b>	<b>\$367,256</b>	<b>\$277,858</b>	<b>\$ 262,025</b>	<b>\$364,275</b>	<b>\$374,953</b>
<b>Expenditures</b>						
Personnel	\$282,720	\$309,726	\$234,529	\$ 215,871	\$315,540	\$325,747
Contract services	49,767	42,325	30,375	33,200	35,125	35,125
Training & Memberships	-	-	-	-	-	-
Supplies	7,515	3,552	1,500	1,500	1,500	1,500
Internal service fund charges	12,192	11,653	11,454	11,454	12,110	12,580
<b>Expenditure Totals</b>	<b>\$352,195</b>	<b>\$367,256</b>	<b>\$277,858</b>	<b>\$ 262,025</b>	<b>\$364,275</b>	<b>\$374,953</b>
<b>Authorized Positions</b>						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	0.20	0.20	0.20	0.20	0.20	0.20
Personnel Analyst	-	-	0.50	0.50	0.50	0.50
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Executive Assistant	0.50	0.50	-	-	-	0.00
<b>FTE Total</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>

## FINANCE

### GENERAL GOVERNMENT

#### MISSION STATEMENT

The Finance Department's mission is to present timely, accurate and transparent financial information to the public while providing City Management with financial data to facilitate informed decision-making on the allocation of City resources. The department strives to provide excellent customer service to the public, elected officials, and all departments within the City.

#### DEPARTMENT PURPOSE

The Finance Department oversees all financial transactions of the City to ensure legal and accounting policies are adhered to. The Department maintains all City funds and oversees budget development, the Comprehensive Annual Financial Report, accounts payable, payroll, accounts receivable, cash receipts, banking, business licenses, and transient occupancy tax. The Department provides quarterly and annual financial reports to City Council and the public.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Monitored the financing plan for the Library including working with the Friends of the Capitola Library accounts for their fund-raising campaign
- Provided analytical support to operations departments
- Financially navigated the City through the fiscal impacts related to COVID-19
- Provided support for the Successor Agency wind-down

#### FISCAL YEAR GOALS – 2020/21 and 2022/23

- Prepare and maintain a balanced budget
- Plan for and meet future PERS increases
- Launch TOT vacation rental audit and enforcement program
- Work with the Finance Advisory Committee to identify future revenue opportunities and address increasing costs
- Meet regulatory financial reporting requirements and provide reports on the City website
- Develop long term financial plan for Measure F
- Continue partnerships with departments to maintain financial accountability and transparency
- Continue to improve City financial transparency to the public

**FINANCE**

<b>1000-10-17-000</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY 20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Revenue</b>						
General Fund	\$ 495,524	\$ 566,568	\$ 522,038	\$ 405,814	\$ 480,276	\$ 499,199
Taxes	307,930	324,619	290,000	269,194	298,700	301,687
Intergovernmental	6,377	6,032	5,700	5,167	5,700	5,700
Use of money & property	11,705	7,817	4,000	4,696	9,200	9,200
Other revenue	3,185	3,161	-	1,919	2,000	2,000
<b>Revenue Totals</b>	<b>\$ 824,721</b>	<b>\$ 908,197</b>	<b>\$ 821,738</b>	<b>\$ 686,790</b>	<b>\$ 795,876</b>	<b>\$ 817,786</b>

<b>Expenditures</b>						
Personnel	\$ 525,939	\$ 567,666	\$ 502,583	\$ 459,420	\$ 519,867	\$ 540,662
Contract services	191,669	195,933	194,250	178,250	205,250	204,250
Training & Memberships	2,810	1,961	1,000	1,500	3,600	4,100
Supplies	2,941	4,152	3,200	3,200	3,200	3,200
Internal service fund charges	74,633	67,710	44,420	44,420	63,959	65,574
<b>Expenditure Totals</b>	<b>\$ 797,993</b>	<b>\$ 837,422</b>	<b>\$ 745,453</b>	<b>\$ 686,790</b>	<b>\$ 795,876</b>	<b>\$ 817,786</b>

<b>Authorized Positions</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY 20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00
Accountant II	-	-	-	-	-	-
Accountant I	1.00	1.00	-	-	-	1.00
Accounts Clerk	0.75	0.75	0.75	0.75	0.75	0.75
Account Technician	-	-	-	-	-	-
<b>FTE Total</b>	<b>3.75</b>	<b>3.75</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>	<b>3.75</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## POLICE SUMMARY

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POLICE

### MISSION STATEMENT

The Capitola Police Department prides itself in providing the highest level of safety and service to enhance the quality of life of our community through professional, engaged, and empowered employees.

### VISION STATEMENT

A police department comprised of professional and dedicated members who strive to demonstrate high character, fairness, compassion, and the non-biased delivery of police services.

### CORE VALUES

We pride ourselves on representing the City of Capitola and providing police services based upon these *values*:

- Human Life - nothing is more valuable than the preservation of life
- Loyalty - simple loyalty to our best convictions
- Honesty - the essence of moral character
- Respect - our success is measured by how we treat others
- Integrity - values and morals that represent our sincerity and commitment
- Diversity - we value differences
- Ethics - our commitment to principles that govern behavior

### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Issue second retail cannabis license to The Apothecarium Capitola.
- Successfully completed field training program for new officer.
- Successfully recruited and hired three new recruits. Training to begin April 2021.
- Received private donation for 100% funding of police canine program for FY2020/21.

### FISCAL YEAR GOALS – 2021/22

- Replace outdated police patrol vehicles
- Continue efforts to expand the Neighborhood Watch Program.
- Complete Implementation of Records Management System and improve county-wide interoperability and information sharing.
- Complete Emergency Operations Plan and present to Council for resolution.
- Upgrade police motorcycle fleet to comply with best practices and ensure standardized equipment.
- Continue participation in county-wide police reform committee facilitated by the Santa Cruz County Criminal Justice Council.
- Recover from COVID impact with the re-introduction of in-person meetings and face to face community engagement efforts.
- Fully restore training budget.

**POLICE SUMMARY**

<b>Police Department Summary</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
<b>Revenue</b>						
General Fund	\$ 5,852,133	\$ 6,427,100	\$ 6,176,014	\$ 6,139,649	\$ 6,981,286	\$ 7,343,990
Licenses and permits	43,051	40,978	41,600	25,951	41,000	41,000
Intergovernmental revenues	59,093	67,370	77,536	24,796	60,000	60,000
Charges for services	56,663	34,143	18,000	11,880	22,750	22,750
Fines and forfeitures	523,766	519,754	482,900	319,298	517,000	517,000
Other revenues	1,120	9,768	18,000	27,001	-	-
<b>Revenue Totals</b>	<b>\$ 6,535,826</b>	<b>\$ 7,099,113</b>	<b>\$ 6,814,050</b>	<b>\$ 6,548,574</b>	<b>\$ 7,622,036</b>	<b>\$ 7,984,740</b>

<b>Expenditures</b>						
Personnel	\$4,586,541	\$5,111,480	\$4,906,895	\$4,705,556	\$5,549,474	\$5,854,990
Contract services	1,154,703	1,234,013	1,194,832	1,155,195	1,181,916	1,186,495
Training & Memberships	35,486	41,020	52,000	34,500	52,000	52,000
Supplies	97,652	69,674	82,200	75,200	78,500	78,500
Internal service fund charges	661,445	642,927	578,123	578,123	760,145	812,754
<b>Expenditure Totals</b>	<b>\$ 6,535,826</b>	<b>\$ 7,099,113</b>	<b>\$ 6,814,050</b>	<b>\$ 6,548,574</b>	<b>\$ 7,622,036</b>	<b>\$ 7,984,740</b>

<b>Authorized Positions</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY 20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00	1.00
Police Sergeant	5.00	5.00	5.00	5.00	5.00	5.00
Police Officer	15.00	15.00	15.00	15.00	14.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement Officer	3.00	3.00	2.00	2.00	2.00	2.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	-	-	-	1.00
Records Technician	1.75	1.75	1.75	1.75	1.75	1.75
Administrative Assistant	0.75	0.75	0.75	0.75	0.75	0.75
<b>FTE Total</b>	<b>31.50</b>	<b>31.50</b>	<b>29.50</b>	<b>29.50</b>	<b>28.50</b>	<b>30.50</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

# LAW ENFORCEMENT

POLICE

## LAW ENFORCEMENT

1000-20-20-000	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenue</b>						
General Fund	\$ 5,518,024	\$ 6,084,776	\$ 5,774,324	\$ 5,733,139	\$ 6,609,141	\$ 6,955,797
Licenses and permits	43,051	40,978	41,600	25,951	41,000	41,000
Intergovernmental revenues	59,093	67,370	77,536	24,796	60,000	60,000
Charges for services	56,663	34,143	18,000	11,880	22,750	22,750
Fines and forfeitures	173,567	134,421	184,700	51,142	142,000	142,000
Other revenues	1,120	9,768	18,000	27,001	-	-
<b>Revenue Totals</b>	<b>\$ 5,851,518</b>	<b>\$ 6,371,456</b>	<b>\$ 6,114,160</b>	<b>\$ 5,873,909</b>	<b>\$ 6,874,891</b>	<b>\$ 7,221,547</b>
<b>Expenditure</b>						
Personnel	\$ 4,368,893	\$ 4,878,074	\$ 4,686,292	\$ 4,485,378	\$ 5,291,581	\$ 5,586,882
Contract services	729,273	777,213	750,132	735,295	733,093	733,093
Training & Memberships	35,486	41,020	52,000	34,500	52,000	52,000
Supplies	88,185	62,608	75,000	68,000	70,000	70,000
Internal service fund charges	629,681	612,541	550,736	550,736	728,217	779,572
<b>Expenditure Totals</b>	<b>\$ 5,851,518</b>	<b>\$ 6,371,456</b>	<b>\$ 6,114,160</b>	<b>\$ 5,873,909</b>	<b>\$ 6,874,891</b>	<b>\$ 7,221,547</b>

Authorized Positions	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00	1.00
Police Sergeant	5.00	5.00	5.00	5.00	5.00	5.00
Police Officer	15.00	15.00	15.00	15.00	14.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	-	-	-	1.00
Records Technician	1.75	1.75	1.75	1.75	1.75	1.75
Administrative Assistant	0.75	0.75	0.75	0.75	0.75	0.75
<b>FTE Total</b>	<b>28.50</b>	<b>28.50</b>	<b>27.50</b>	<b>27.50</b>	<b>26.50</b>	<b>28.50</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## PARKING ENFORCEMENT

POLICE

### DEPARTMENT PURPOSE

The Parking Enforcement Unit enforces California Vehicle Code regulations and Municipal Parking Ordinances to minimize parking problems, reduce traffic congestion, and maximize access to parking by visitors and residents alike.

### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Upgraded all pay stations and refinish with new paint and decals.
- Improve user experience with parking pay stations.
- Issued more than 1,300 residential and employee parking permits.
- Train and transition new parking enforcement officer.

### FISCAL YEAR GOALS – 2021/22

- Add one PEO position to return to historical staffing number, recruit and hire candidate.
- Assess parking meter program/equipment and consider viable options for strategic replacement of older stations and/or needed upgrades.
- Improve upon maintenance and repair program.
- Utilize VIP deployment as parking ambassadors throughout the Village and 41<sup>st</sup> Avenue corridor.

### PARKING ENFORCEMENT

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-20-21-000	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenue</b>						
General Fund	\$ 200,948	\$ 183,813	\$ 233,598	\$ 238,417	\$ 196,276	\$ 207,601
Fines and forfeitures	350,200	385,333	298,200	268,156	375,000	375,000
<b>Revenue Totals</b>	<b>\$ 551,148</b>	<b>\$ 569,146</b>	<b>\$ 531,798</b>	<b>\$ 506,573</b>	<b>\$ 571,276</b>	<b>\$ 582,601</b>
<b>Expenditures</b>						
Personnel	\$ 217,647	\$ 233,406	\$ 220,603	\$ 220,178	\$ 257,893	\$ 268,109
Contract services	297,154	302,796	277,500	252,700	277,500	277,500
Supplies	9,463	7,065	7,200	7,200	8,500	8,500
Internal service fund charges	26,884	25,879	26,495	26,495	27,383	28,492
<b>Expenditure Totals</b>	<b>\$ 551,148</b>	<b>\$ 569,146</b>	<b>\$ 531,798</b>	<b>\$ 506,573</b>	<b>\$ 571,276</b>	<b>\$ 582,601</b>
<b>Authorized Positions</b>						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
Parking Enforcement Officer	2.00	2.00	3.00	3.00	3.00	3.00
<b>FTE Total</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
Seasonal Parking Enforcement Officer Hours	990	990	-	-	-	-



## LIFEGUARDS

POLICE

### DEPARTMENT PURPOSE

The Lifeguard Program protects swimmers, surfers, and waders in the Capitola Beach area during the summer months and the surrounding weekends. Lifeguards respond to water rescues, major and minor first aid calls, basic law enforcement issues on the beach, and various animal calls, in addition to educating the public on a variety of marine environmental issues. Lifeguard services have been contracted to the City of Santa Cruz Fire Department Marine Safety Division since May 2012.

### KEY CHANGES

Contract with City of Santa Cruz Fire Department for lifeguard services expired in October 2019. The City did not contract with City of Santa Cruz Fire Department for the 2020 season due to the pandemic.

### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Negotiated a 2-year extension with SCFD to provide lifeguard services through October 2022.

### FISCAL YEAR GOALS – 2021/22

- Continue to work with other departments and agencies to improve beach safety.

## LIFEGUARDS

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-20-22-000	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenues</b>						
General Fund	\$ 78,758	\$ 88,413	\$ 95,000	\$ 95,000	\$ 98,616	\$ 98,725
<b>Revenue Totals</b>	<b>\$ 78,758</b>	<b>\$ 88,413</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 98,616</b>	<b>\$ 98,725</b>
<b>Expenditures</b>						
Contract services	\$ 74,665	\$ 84,667	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Supplies	4	-	-	-	-	-
Internal service fund charges	4,089	3,746	-	-	3,616	3,725
<b>Expenditure Totals</b>	<b>\$ 78,758</b>	<b>\$ 88,413</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 98,616</b>	<b>\$ 98,725</b>

# ANIMAL SERVICES

POLICE

## DEPARTMENT PURPOSE

The Animal Services Unit (ASU) promotes and protects public safety and animal care through sheltering, pet placement programs, education, and animal law enforcement. Our purpose is to provide responsive, efficient, and quality animal control services that preserve and protect the public and promote animal safety.

### ANIMAL SERVICES

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-20-23-000	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenue</b>						
General Fund	\$ 54,402	\$ 70,098	\$ 73,092	\$ 73,092	\$ 77,253	\$ 81,867
Charges for services	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$ 54,402</b>	<b>\$ 70,098</b>	<b>\$ 73,092</b>	<b>\$ 73,092</b>	<b>\$ 77,253</b>	<b>\$ 81,867</b>
<b>Expenditures</b>						
Contract services	\$ 53,611	\$ 69,337	\$ 72,200	\$ 72,200	\$ 76,323	\$ 80,902
Supplies	-	-	-	-	-	-
Internal service fund charges	791	761	892	892	930	965
<b>Expenditure Totals</b>	<b>\$ 54,402</b>	<b>\$ 70,098</b>	<b>\$ 73,092</b>	<b>\$ 73,092</b>	<b>\$ 77,253</b>	<b>\$ 81,867</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## PUBLIC WORKS SUMMARY

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### PUBLIC WORKS

#### MISSION STATEMENT

The Public Works Department's mission is to provide a broad base of essential services and infrastructure to the community's residents, businesses, and visitors.

#### DEPARTMENT PURPOSE

The Public Works Department is composed of four divisions: Streets, Parks, Facilities and Fleet Maintenance. Each division has its own budget as detailed in the following pages.

#### KEY CHANGES

During 2020/21 the department continued to adjust its maintenance efforts to respond to the COVID-19 pandemic while maintaining service levels.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Completed construction of new library building
- Measure F Projects
  - Completed the Flume & Jetty Project for construction in Fall of 2020
  - Completed the environmental clearances and permitting for the Wharf project
- Continued to participate in local and regional storm water pollution prevention activities
- Completed the Capitola Avenue Sidewalk Project
- Completed the Brommer Street Project
- Completed the Park Avenue Storm Damage Repair Project

#### FISCAL YEAR GOALS - 2021/22 and beyond

##### PUBLIC IMPROVEMENT

- Award construction contract for the Wharf Rehabilitation Project
- Prepare a detailed 5-year Pavement Management program
- Complete improvements on Clares Street
- Continue to move funded CIP projects toward completion

**PUBLIC WORKS SUMMARY**

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
<b>Public Works Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Revenue</b>						
General Fund	\$ 2,687,770	\$ 2,587,483	\$ 2,376,897	\$ 2,329,611	\$ 2,837,161	\$ 2,988,389
Licenses and permits	34,035	37,367	35,000	21,367	30,000	30,000
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	8,150	8,250	4,000	5,121	4,000	4,000
Other revenues	18,055	47,668	4,000	17,040	4,000	4,000
<b>Revenue Totals</b>	<b>\$ 2,748,009</b>	<b>\$ 2,680,768</b>	<b>\$ 2,419,897</b>	<b>\$ 2,373,139</b>	<b>\$ 2,875,161</b>	<b>\$ 3,026,389</b>
<b>Expenditures</b>						
Personnel	\$ 1,571,147	\$ 1,540,874	\$ 1,508,730	\$ 1,484,983	\$ 1,646,924	\$ 1,712,801
Contract services	600,391	582,343	454,800	427,548	640,600	679,500
Training & Memberships	1,654	2,796	2,500	1,300	2,000	2,000
Supplies	382,903	347,596	335,750	341,191	364,250	360,750
Internal service fund charges	191,915	207,160	118,117	118,117	221,388	271,339
<b>Expenditure Totals</b>	<b>\$ 2,748,009</b>	<b>\$ 2,680,769</b>	<b>\$ 2,419,897</b>	<b>\$ 2,373,139</b>	<b>\$ 2,875,161</b>	<b>\$ 3,026,390</b>
<b>Authorized Positions</b>						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Maint. Superintendent	1.00	1.00	-	-	-	-
Field Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I & II	9.00	8.50	8.00	7.00	8.00	8.00
Maintenance Worker III	-	-	-	1.00	1.00	1.00
SR. Mechanic/Mechanic	1.50	2.00	2.00	2.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
<b>FTE Total</b>	<b>15.50</b>	<b>15.50</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

**STREETS****PUBLIC WORKS****MISSION STATEMENT**

The Public Works Street Department combines administration, engineering and maintenance activities into a cohesive unit to develop and maintain a responsive and coordinated team. The Department goals are to serve the public while developing employee growth and development. New and old technologies are used to best achieve outstanding results.

**DEPARTMENT PURPOSE**

The Street Department provides for maintenance and improvement of the City's streets. It also provides maintenance of Soquel Creek, Capitola Lagoon, City owned buildings and the municipal wharf. Project design and construction, pavement program management, and transportation and related grant oversight is also performed by this department. Public Works staffs the Commission on the Environment.

**STREETS**

	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY 20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>1000-30-30-000</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Revenues</b>						
General Fund	\$ 1,475,368	\$ 1,447,467	\$ 1,160,585	\$ 1,158,914	\$ 1,623,788	\$ 1,758,961
Licenses and permits	34,035	37,367	35,000	21,367	30,000	30,000
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	6,332	6,910	3,000	3,000	3,000	3,000
Other revenues	18,055	44,368	4,000	13,340	4,000	4,000
<b>Revenue Totals</b>	<b>\$ 1,533,789</b>	<b>\$ 1,536,112</b>	<b>\$ 1,202,585</b>	<b>\$ 1,196,621</b>	<b>\$ 1,660,788</b>	<b>\$ 1,795,961</b>
<b>Expenditures</b>						
Personnel	\$ 1,114,544	\$ 1,054,202	\$ 994,970	\$ 994,970	\$ 1,210,853	\$ 1,259,287
Contract services	224,501	252,826	72,000	67,336	206,600	245,500
Training & Memberships	519	2,056	2,500	1,200	2,000	2,000
Supplies	54,880	71,119	66,000	66,000	70,500	70,500
Internal service fund charges	139,345	155,909	67,115	67,115	170,835	218,674
<b>Expenditure Totals</b>	<b>\$ 1,533,789</b>	<b>\$ 1,536,112</b>	<b>\$ 1,202,585</b>	<b>\$ 1,196,621</b>	<b>\$ 1,660,788</b>	<b>\$ 1,795,961</b>
<b>Authorized Positions</b>						
	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY 20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Maint. Superintendent	1.00	1.00	-	-	-	-
Field Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I & II	5.00	5.50	5.00	5.00	4.00	5.00
Maintenance Worker III	-	-	-	1.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
<b>FTE Total</b>	<b>10.00</b>	<b>10.50</b>	<b>9.00</b>	<b>10.00</b>	<b>9.00</b>	<b>10.00</b>

**STORMWATER**

PUBLIC WORKS

**MISSION STATEMENT**

The Public Works Stormwater Pollution Prevention and Protection Program implements regulations and inspections to control the discharge of pollutants into the stormwater system, sensitive creek habitats, and the Monterey Bay.

**DIVISION PURPOSE**

The Stormwater Pollution Prevention and Protection Program ensures compliance with the provisions of the California State Water Resources Control Board's National Pollution and Discharge Elimination System(NPDES) General Permit.

**STORM WATER**

<b>1000-30-30-301</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY 20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Revenues</b>						
General Fund	\$ 113,500	\$ 119,282	\$ 127,751	\$ 126,630	\$ 144,374	\$ 147,729
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	1,818	1,340	1,000	2,121	1,000	1,000
Other revenues	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$ 115,318</b>	<b>\$ 120,622</b>	<b>\$ 128,751</b>	<b>\$ 128,751</b>	<b>\$ 145,374</b>	<b>\$ 148,729</b>
<b>Expenditures</b>						
Personnel	\$ 67,204	\$ 85,116	\$ 73,751	\$ 73,751	\$ 83,874	\$ 87,229
Contract services	48,115	35,506	55,000	55,000	61,500	61,500
Training & Memberships	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Internal service fund charges	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 115,318</b>	<b>\$ 120,622</b>	<b>\$ 128,751</b>	<b>\$ 128,751</b>	<b>\$ 145,374</b>	<b>\$ 148,729</b>

## FACILITIES

### PUBLIC WORKS

#### MISSION STATEMENT

The Public Works Facilities Department strives to improve and maintain existing City owned buildings and other facilities in such a way as to maximize the benefit to both the public and City staff.

#### DEPARTMENT PURPOSE

Maintenance and operation of all City owned buildings, including City Hall, Jade Street Community Center, Corporation Yard, and the Municipal Wharf.

FACILITIES						
1000-30-31-xxx	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenues</b>						
General Fund	\$240,831	\$200,307	\$249,141	\$ 237,556	\$290,053	\$290,418
Other revenues	-	3,300	-	3,700	-	-
<b>Revenue Totals</b>	<b>\$240,831</b>	<b>\$203,607</b>	<b>\$249,141</b>	<b>\$ 241,256</b>	<b>\$290,053</b>	<b>\$290,418</b>
<b>Expenditures</b>						
Contract services	\$143,477	\$111,090	\$153,800	\$ 144,701	\$190,500	\$190,500
Supplies	87,462	83,188	85,750	86,964	90,000	90,000
Internal service fund charges	9,892	9,329	9,591	9,591	9,553	9,918
<b>Expenditure Totals</b>	<b>\$240,831</b>	<b>\$203,607</b>	<b>\$249,141</b>	<b>\$ 241,256</b>	<b>\$290,053</b>	<b>\$290,418</b>

**FLEET**

PUBLIC WORKS

**MISSION STATEMENT**

The Public Works Fleet Department maintains all mobile equipment for the City in the safest operating condition possible while striving to minimize repair times and costs.

**DEPARTMENT PURPOSE**

This Department services all City vehicles, equipment, purchases fuel, and maintains a parts inventory.

**FLEET**

	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>1000-30-32-000</b>						
<b>Revenues</b>						
General Fund	\$383,187	\$383,065	\$399,938	\$391,095	\$281,252	\$285,958
Other revenues	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$383,187</b>	<b>\$383,065</b>	<b>\$399,938</b>	<b>\$391,095</b>	<b>\$281,252</b>	<b>\$285,958</b>
<b>Expenditures</b>						
Personnel	\$178,001	\$201,095	\$220,205	\$213,362	\$102,971	\$107,090
Contract services	2,082	948	5,000	5,000	2,500	2,500
Supplies	186,449	164,068	160,500	158,500	162,500	162,500
Internal service fund	16,655	16,954	14,233	14,233	13,281	13,868
<b>Expenditure Totals</b>	<b>\$383,187</b>	<b>\$383,065</b>	<b>\$399,938</b>	<b>\$391,095</b>	<b>\$281,252</b>	<b>\$285,958</b>
<b>Authorized Positions</b>						
Mechanic/Sr. Mechanic	1.50	1.50	1.50	1.50	1.00	1.00
<b>FTE Total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.00</b>	<b>1.00</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)



## PARKS

## PUBLIC WORKS

### MISSION STATEMENT

The Public Works Parks Department is committed to developing and maintaining City parks and other landscaped areas so that all members of our community can enjoy these jewels. Using professional staff and technologies to maintain top rated playing surfaces, beautiful landscaping and safe facilities are top priorities for this department.

### DEPARTMENT PURPOSE

To maintain City parks and landscaped areas throughout the City in a safe manner while conserving water and other resources.

### KEY CHANGES

Maintaining the status quo.

PARKS						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
1000-30-33-xxx	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Revenues</b>						
General Fund	\$474,884	\$437,362	\$439,482	\$ 415,416	\$497,694	\$505,323
<b>Revenue Totals</b>	<b>\$474,884</b>	<b>\$437,362</b>	<b>\$439,482</b>	<b>\$ 415,416</b>	<b>\$497,694</b>	<b>\$505,323</b>
<b>Expenditures</b>						
Personnel	\$211,398	\$200,461	\$219,804	\$ 202,900	\$249,225	\$259,194
Contract services	182,216	181,972	169,000	155,510	179,500	179,500
Training & Memberships	1,135	740	0	100	0	0
Supplies	54,112	29,220	23,500	29,728	41,250	37,750
Internal service fund charges	26,023	24,968	27,178	27,178	27,719	28,879
<b>Expenditure Totals</b>	<b>\$474,884</b>	<b>\$437,362</b>	<b>\$439,482</b>	<b>\$ 415,416</b>	<b>\$497,694</b>	<b>\$505,323</b>
<b>Authorized Positions</b>						
	FY18/19	FY19/20	FY 20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
Maintenance Worker I & II	4.00	3.00	3.00	2.00	2.00	2.00
Maintenance Worker III	0.00	0.00	0.00	1.00	1.00	1.00
<b>FTE Total</b>	<b>4.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

## COMMUNITY DEVELOPMENT

## COMMUNITY DEVELOPMENT

### MISSION STATEMENT

The Community Development Department (CDD) promotes safe and orderly development which provides economic vitality while preserving Capitola's unique cultural and historic character. The Department is dedicated to providing responsive, high-quality services and programs which enhance the quality of life for the City's residents, businesses, and visitors.

### DEPARTMENT PURPOSE

The CDD administers the City's land use policies and standards adopted by the City Council including the General Plan, Local Coastal Program, zoning ordinance, and other regulations. The Department's key functions include review of land development applications, application of the California Environmental Quality Act, maintenance of the General Plan, Housing Element, Local Coastal Program, building plan check and inspection services, building and zoning code compliance, ordinance and policy development, and implementation of affordable housing and CDBG programs. The Department provides staff support to the City Council, Planning Commission, and the Architectural and Site Review Committee.

### KEY CHANGES

During the past fiscal year, the department continued to operate without a Development Service Technician. The Development Service Technician assisted the building department and provided administrative services for the City's housing program. In response to the coronavirus epidemic, this position was frozen. During 20/21 fiscal year, housing has been administered by the Planning Division and the building administration was carried out by Building Inspector and Building Official. With the disruption from the coronavirus pandemic, the department immediately evolved from its traditional in-person customer service to remote customer service. The transition, although abrupt, was relatively smooth with applications accepted electronically. Customer service continues to be a focus with quick response times and guiding customers through the process. The department also played an instrumental role in coronavirus relief, including rolling out Covid-19 temporary use agreements to local businesses, administering CARES act funding through CDBG grants, and participating on multiple business recovery and economic development committees.

### FISCAL YEAR ACCOMPLISHMENTS – FY 2020-21 Highlights

- Continued to work on Coastal Commission certification the City's Local Coastal Program
- Issue certificates of occupancy for two conditional use permits for retail cannabis establishments within the Regional Commercial zoning.
- Issued 33 Covid-19 Temporary Use Permits for outdoor dining, retail, and personal services to function in compliance with social distancing requirements.
- Awarded SB2 grant for a total of \$160,000 to accelerate housing production through objective planning standards and preapproved prototype Accessory Dwelling Units (ADU).
- Awarded LEAP grant for a total of \$65,000 to update the City's Inclusionary Housing Ordinance and complete a Nexus Study for affordable housing impact fees.
- Awarded REAP for a total of \$65,000 to Update the City's Housing Element
- 153 planning permit applications submitted, July 1, 2020 through April 27, 2021.
- Issued 253 building permits / total valuation of just under \$10 million, July 1, 2020 through April 27, 2021.
- Responded to 26 code enforcement complaints, July 1, 2020 through April 27, 2021.

### FISCAL YEAR GOALS – 2021-22 and 2022-23

#### FISCAL POLICY

- Administer CARES act relief to local non-profit organization and rental assistance grants to local businesses.
- Adopt an update outdoor dining ordinance to include restaurants in the Central Village.

- Update inclusionary housing ordinance and complete housing nexus study to update fees.
- Adopt new objective planning standards utilizing funding from SB2 Grant.
- Create a new program for pre-approved Accessory Dwelling Unit (ADU) prototypes that fit within Capitola's typical lot sizes.
- Work with mall owners to facilitate mall redevelopment.
- Continue to process discretionary permit applications in a timely and cost-effective manner.
- Continue to perform timely building inspection services and efficiently process building permit applications.
- Seek grant opportunities to advance affordable housing goals and public infrastructure projects.
- Issue building permits and certificate of occupancy of second licensed cannabis retail establishments in the Regional Commercial district.

#### **PUBLIC SERVICE**

- Continue to work with local and regional partners to support ongoing economic development for Capitola businesses.
- Continue to improve remote application submittal process.
- Update the Green Building Ordinance.
- Continue to work with regional partners toward a regional bicycle share program.
- Continue to implement customer service improvements (applicant guidance documents, website improvements, etc.).

## COMMUNITY DEVELOPMENT

Community Development	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenue</b>						
General Fund	\$ 277,643	\$ 311,853	\$ 437,140	\$ 594,584	\$ 311,669	\$ 341,884
Licenses and permits	233,349	255,660	195,500	186,257	221,750	221,750
Charges for services	282,353	344,917	315,009	168,370	263,500	263,500
Fines and forfeitures	-	100	-	800	-	-
<b>Revenue Totals</b>	<b>\$ 793,344</b>	<b>\$ 912,531</b>	<b>\$ 947,649</b>	<b>\$ 950,011</b>	<b>\$ 796,919</b>	<b>\$ 827,134</b>

**Expenditures**

Personnel	\$ 683,089	\$ 709,623	\$ 668,913	\$ 668,913	\$ 717,144	\$ 745,830
Contract services	34,895	133,004	231,500	237,881	14,500	14,500
Training & Memberships	7,325	5,694	7,600	4,079	8,600	8,600
Supplies	1,337	1,015	1,000	501	1,000	1,000
Internal service charges	66,698	63,196	38,636	38,636	55,675	57,204
<b>Expenditure Totals</b>	<b>\$ 793,345</b>	<b>\$ 912,532</b>	<b>\$ 947,649</b>	<b>\$ 950,010</b>	<b>\$ 796,919</b>	<b>\$ 827,134</b>

Authorized Positions	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
Community Dev. Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner	-	-	-	-	-	-
Associate Planner	-	1.00	1.00	1.00	1.00	1.00
Assistant Planner	2.00	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00	1.00	1.00
Development Services Tech	1.00	1.00	-	-	-	1.00
<b>FTE Total</b>	<b>6.00</b>	<b>6.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>

**Officials Positions**

Planning Commissioners	5.00	5.00	5.00	5.00	5.00	5.00
Arch & Site Committee	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>

**Officials Annual Pay**

Planning Commissioners	\$ 9,250	\$ 9,250	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Arch & Site Committee	1,600	1,600	1,200	6,000	6,000	6,000
<b>Total</b>	<b>\$ 10,850</b>	<b>\$ 10,850</b>	<b>\$ 8,700</b>	<b>\$ 13,500</b>	<b>\$ 13,500</b>	<b>\$ 13,500</b>

## RECREATION

### CULTURE & LEISURE

#### MISSION

The City of Capitola Recreation Division's mission is to enhance recreation, healthy lifestyles, and quality of life for Capitola and the surrounding neighbors through affordable and fun activities and opportunities. The department has a commitment to excellence and continually strives to improve its programs, procedures, and services, to best meet the needs and interests of the community.

#### DEPARTMENT PURPOSE

The Recreation Division manages recreation and leisure services offered to residents of Capitola and the broader community. These services include City-staffed programs such as Junior Lifeguards, Camp Capitola, and Adult Sports Leagues, as well as over 500 classes offered by contract instructors. The department also manages the Capitola Community Center, Jade Street Park, and Monterey Park.

Camp Capitola and Junior Guards have enrollment of over 1,500 children annually. The Recreation Division receives an additional 3,000 class enrollments throughout the year. The division represents the City through programs offered, class instructors selected, seasonal youth hired and trained, and condition of facilities. The Recreation Program provides job training for young people through the Junior Lifeguard Captains Corps and Camp Capitola Junior Leader Program.

#### KEY CHANGES

The City entered into a contract with Central Fire Protection District to provide testing and training services that meet or exceed United States Lifesaving Association (USLA) for the Junior Lifeguard Instructors.

In partnership with Soquel Union Elementary School District (SUESD) Recreation provided an Afterschool enrichment program for the students of New Brighton Elementary.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Contracted with Central Fire Protection District to provide testing and training services that meet or exceed USLA standard.
- In partnership with SUESD Recreation piloted the Afterschool Rec Club at New Brighton Middle School. The program provides a healthy snack, homework support and recreational activities to participants. The City and SUESD partnered to provide a scholarship program for participants.
- Provided a diverse class schedule for adults and seniors and began providing Classes on the weekends.
- Produced updated Capitola Recreation brochures offering new programs, events and promotion of City sponsored events
- Hosted Capitola's first Food Truck Event in Monterey Park.
- Provided a Winter Movie Series, showing family friendly movies at the Community Center at no cost. Community sponsors provided candy, popcorn, churros and pizza to participants.
- Offered new classes with a focus on youth recreation activities.
- Earned accreditation from American Camp Association for Camp Capitola

#### FISCAL YEAR GOALS – 2021/22

- Grow relationship and contract with Central Fire Protection District to provide Lifeguard Services, including USLA standard training for Junior Lifeguard Instructor, for Capitola Beach.
- Complete strategic plan and initiate process that engages the community and identifies feasibility of desired services.
- Pilot an afterschool program for teen and younger youth in partnership with Soquel Union Elementary School District and other community partners
- Provide modified youth programs and recreation (classes, events) that support County Health Services guidelines in regards to the novel coronavirus pandemic.

## RECREATION

Recreation Summary 1000-50-50-xxx	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenue</b>						
General Fund	\$ 297,703	\$ 423,575	\$ 439,063	\$ 540,605	\$ 352,190	\$ 380,653
Recreation Classes	\$ 230,866	\$ 214,328	\$ 75,000	\$ 51,083	\$ 150,000	\$ 150,000
Capitola Junior Guards	245,951	159,619	121,548	60,161	197,757	197,757
OST Program	-	-	320,000	320,000	74,825	-
Sports	22,636	18,768	10,000	8,771	23,000	23,000
Camp Capitola	112,398	99,558	95,740	89,214	117,840	117,840
Afterschool Program	-	29,841	47,570	-	55,080	55,080
Events	-	-	5,000	-	46,345	46,345
<b>Total Charges for Svcs.</b>	<b>\$ 611,851</b>	<b>\$ 522,114</b>	<b>\$ 669,858</b>	<b>\$ 529,228</b>	<b>\$ 664,847</b>	<b>\$ 590,022</b>
Use of money & property	\$ 4,982	\$ 4,334	\$ 7,500	\$ 250	\$ 6,000	\$ 6,000
<b>Revenue Totals</b>	<b>\$ 914,536</b>	<b>\$ 950,023</b>	<b>\$1,116,421</b>	<b>\$1,070,083</b>	<b>\$1,023,037</b>	<b>\$ 976,675</b>
<b>Expenditures</b>						
Personnel	\$561,996	\$604,323	\$859,894	\$837,308	\$689,490	\$652,393
Contract services	211,460	220,319	122,082	103,481	194,217	189,217
Training & Memberships	4,312	8,586	3,875	2,998	11,499	10,999
Supplies	72,673	56,473	77,711	73,437	64,800	58,800
Internal service fund charges	64,094	60,323	52,859	52,859	63,031	65,266
<b>Expenditure Totals</b>	<b>\$ 914,536</b>	<b>\$ 950,023</b>	<b>\$1,116,421</b>	<b>\$1,070,083</b>	<b>\$1,023,037</b>	<b>\$ 976,675</b>
<b>Authorized Positions</b>						
	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	1.50	1.50	0.75	0.75	0.75	1.50
Recreation Assistant	0.75	0.75	2.00	2.00	2.00	2.00
Rec. Facilities Custodian	0.50	0.50	0.50	0.50	0.50	0.50
<b>FTE Total</b>	<b>3.75</b>	<b>3.75</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>5.00</b>
<b>Hourly Allocation</b>						
Beach Lifeguard Captain	-	720	-	-	-	-
Jr. Lifeguard Instructor	8,350	8,200	7,200	4,390	7,200	7200
Jr. Lifeguard Coordinator	800	800	1,200	828	1,200	1,200
Camp Capitola Leader	2,450	2,500	4,800	3,288	4,800	4800
Camp Capitola Coordinator	-	400	1,200	432	1,200	1200
CC Jr. Leader Coordinator	700	400	500	432	500	500
Youth Program Coordinator	-	-	720	951	720	720
Youth Program Leader	-	-	2,880	1,289	2,880	2,880
Recreation Admin Temps	1,285	2,400	1,560	816	1,560	1560
Sports Scorekeepers	865	900	900	900	900	900
Recreation Facilities Assistant	-	-	-	-	-	-
<b>Hours Total</b>	<b>14,450</b>	<b>16,320</b>	<b>20,960</b>	<b>13,326</b>	<b>20,960</b>	<b>20,960</b>

## MUSEUM

### CULTURE & LEISURE

#### MISSION

The Capitola Historical Museum preserves and promotes the history of Capitola through photos, displays, and stories.

#### DEPARTMENT PURPOSE

To promote, through the establishment and maintenance of a museum and allied projects, a program that will bring a better understanding and appreciation by the Capitola community of its history, architecture, culture, technology, and its creative and natural environments.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- Museum was closed to the public from March 2020 through May 2021
- Museum reopened to public in May 2021.
- Created Rispin Mansion Centennial Website.
- Participated in countywide museum discussions and lectures remotely.
- Documented, organized, and improved storage of Museum collections.
- Added content to the Museum YouTube and Facebook sites.
- Continued to provide the weekly “Focal Point” feature in the Santa Cruz Sentinel.
- Published three issues of its Capitola Sunset newsletter.

#### FISCAL YEAR GOALS - 2021/22 and 2022/23

- Exhibit “Capitola Obscura. Little-Known Facts About Capitola” will continue in 2021.
- Continue to improve community outreach to increase number of Museum volunteers.
- Restart Capitola history walks and lectures.
- Add interviews to the Capitola Memories Project.
- Digitize media for long term preservation of historical resources.
- Install new exhibits.

#### MUSEUM

Capitola Museum 1000-50-51-000	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenue</b>						
General Fund	\$ 63,713	\$ 60,055	\$ 46,974	\$ 48,910	\$ 59,890	\$ 61,667
Other revenues	6,764	6,509	6,500	2,555	-	-
<b>Revenue Totals</b>	<b>\$ 70,477</b>	<b>\$ 66,564</b>	<b>\$ 53,474</b>	<b>\$ 51,465</b>	<b>\$ 59,890</b>	<b>\$ 61,667</b>
<b>Expenditures</b>						
Personnel	\$39,616	\$41,211	\$36,629	\$36,629	\$40,742	\$42,372
Contract services	14,109	9,260	6,000	6,891	7,000	7,000
Training & Memberships	-	-	-	-	-	-
Supplies	11,048	10,892	7,000	4,233	7,000	7,000
Internal service fund charges	5,705	5,202	3,845	3,712	5,148	5,296
<b>Expenditure Totals</b>	<b>\$ 70,477</b>	<b>\$ 66,564</b>	<b>\$ 53,474</b>	<b>\$ 51,465</b>	<b>\$ 59,890</b>	<b>\$ 61,667</b>
<b>Authorized Positions</b>						
Museum Curator	0.50	0.50	0.50	0.50	0.50	0.50
<b>FTE Total</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

## ART & CULTURE

### CULTURE & LEISURE

#### MISSION

The mission of the Art & Cultural Commission is to foster, assist, and plan events for the City of Capitola and its residents to enhance the community's cultural fabric, support local artists, create an interesting environment for art and cultural growth, and allow residents and visitors to experience local flavor.

#### DEPARTMENT PURPOSE

The first Arts Commission was created in 1984. The commission was reorganized by Ordinance #851 effective May 10, 2003 under the new title of Art & Cultural Commission. With the adopted Arts & Cultural Master Plan, the Commission develops and reviews Public Art projects and creates opportunities for a variety of art and cultural experiences for City Council approval. The Commission continues to off-set nearly 50% of its budget by obtaining sponsors for the events.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020/21

- All public Art and Cultural Commission Events
- Sponsored a Streaming Virtual Concert Series with local musicians.
- Participated in streaming Fire Relief Concert.
- Added the professional winner of the Recreation art contest to the City's permanent collection.
- Recommended public art project to the City Council.

#### FISCAL YEAR GOALS - 2021/22 and 2022/23

- Will determine what events can be held in 2021/22.
- Return to full summer event schedule in 2022/23.
- Display artwork by community members at City facilities.
- Continue to look at public art opportunities.

### ART & CULTURE

Art & Cultural Commission 1000-50-52-000	FY18/19 Actual	FY19/20 Actual	FY 20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Revenue</b>						
General Fund	\$ 37,051	\$ 29,260	\$ 6,605	\$ 6,803	\$ 16,752	\$ 17,210
Other revenues	28,760	23,413	5,000	-	17,900	17,900
<b>Revenue Totals</b>	<b>\$ 65,811</b>	<b>\$ 52,673</b>	<b>\$ 11,605</b>	<b>\$ 6,803</b>	<b>\$ 34,652</b>	<b>\$ 35,110</b>
<b>Expenditures</b>						
Personnel	\$15,141	\$12,924	\$8,077	\$1,600	\$8,242	\$8,572
Contract services	35,715	27,789	-	1,500	19,800	19,800
Supplies	10,857	4,618	375	550	2,700	2,700
Internal service fund charges	4,097	3,790	3,153	3,153	3,910	4,038
<b>Expenditure Totals</b>	<b>\$ 65,811</b>	<b>\$ 49,122</b>	<b>\$ 11,605</b>	<b>\$ 6,803</b>	<b>\$ 34,652</b>	<b>\$ 35,110</b>
<u>Hourly Employee Allocation</u>						
Hours	503	516	480	480	270	480



# INTERNAL SERVICE FUNDS



## INTERNAL SERVICE FUNDS

**Stores (City Manager):** The Stores Fund accounts for general supplies, postage, and rental of office equipment.

**Information Technology (City Manager):** The Information Technology Fund provides funding for replacement and upgrade of the existing computer network. The number of personal computers, laptops, printers, and servers each department uses forms the basis for department allocations.

**Equipment Replacement (Public Works):** The Equipment Replacement Fund provides funding for the replacement of city vehicles, including passenger cars, parks maintenance vehicles, police vehicles and other specialty vehicles. Departments contribute to this replacement fund based on the depreciation expense of existing vehicles. This fund also receives the revenue received from the sale, or trade-in, of surplus vehicles.

**Self-Insurance Liability (City Manager):** The Self-Insurance Liability Fund collects funding from departments to pay for self-insured liability and property protection insurance premiums provided through the Monterey Bay Area Self Insurance Authority (MBASIA) joint powers authority.

**Workers' Compensation (City Manager):** The Workers' Compensation Fund collects funding from departments to pay for Workers' Compensation coverage through the MBASIA.

**Compensated Absences (Finance):** The Compensated Absences Fund accumulates money to pay future employee benefit costs, such as vacation and sick leave payouts, at termination or retirement. The City Council sets the policy to ensure the City can fulfill future obligations.

## STORES FUND

The Stores Fund accounts for general supplies and postage. This also includes the rental of the postage machine and the repair and maintenance of shared office equipment.

SOURCES AND USES						
Fund - 2210	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 32,547	\$ 46,576	\$ 60,721	\$ 60,721	\$ 73,720	\$ 73,720
<b>Revenue</b>						
Other Revenues	\$ 15	\$ 90	\$ -	\$ -	\$ -	\$ -
Internal Service Charges	37,250	37,250	-	-	20,000	20,000
General Fund Transfers	-	-	30,000	30,000	-	-
<b>Revenue Totals</b>	<b>\$37,265</b>	<b>\$37,340</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>Expenditures</b>						
Contract Services	\$ 5,800	\$ 5,869	\$ 7,500	\$ 5,042	\$ 6,000	\$ 6,000
Supplies	17,436	17,326	22,500	11,960	14,000	14,000
<b>Expenditure Totals</b>	<b>\$23,236</b>	<b>\$23,195</b>	<b>\$ 30,000</b>	<b>\$ 17,002</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>Fund Balance at 06/30</b>	<b>\$46,576</b>	<b>\$60,721</b>	<b>\$ 60,721</b>	<b>\$ 73,720</b>	<b>\$ 73,720</b>	<b>\$ 73,720</b>

## INFORMATION TECHNOLOGY FUND

The Information Technology Fund collects and designates funds for the future replacement of citywide hardware and software. Annual on-going information technology costs are allocated based on the distribution of resources.

SOURCES AND USES						
Fund - 2211	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 139,846	\$ 199,411	\$ 292,300	\$ 292,300	\$ 187,479	\$ 191,479
<b>Revenue</b>						
Other Revenues	\$ 3,468	\$ 3,468	\$ 3,500	\$ 3,243	\$ 4,000	\$ 4,000
Internal Service Charges	292,741	247,900	50,000	45,025	197,900	197,900
Other Financing Sources	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$296,209</b>	<b>\$251,368</b>	<b>\$ 53,500</b>	<b>\$ 48,268</b>	<b>\$ 201,900</b>	<b>\$ 201,900</b>
<b>Expenditures</b>						
Contract Services	\$ 147,770	\$ 75,704	\$ 93,400	\$ 83,008	\$ 90,400	\$ 90,400
Training & Memberships	130	130	750	156	-	-
Supplies	77,359	82,645	97,500	58,328	97,500	97,500
Capital Outlay	11,385	-	10,000	11,596	10,000	10,000
<b>Expenditure Totals</b>	<b>\$236,644</b>	<b>\$158,479</b>	<b>\$201,650</b>	<b>\$153,088</b>	<b>\$ 197,900</b>	<b>\$ 197,900</b>
<b>Fund Balance at 06/30</b>	<b>\$ 199,411</b>	<b>\$ 292,300</b>	<b>\$ 144,150</b>	<b>\$ 187,479</b>	<b>\$ 191,479</b>	<b>\$ 195,479</b>

## EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is designed to provide funding for replacement of City vehicles, including passenger cars, maintenance vehicles, police vehicles and other specialty vehicles. Departments contribute to this replacement fund based on the depreciation costs of existing vehicles. This fund receives revenue from trade-ins and surplus equipment sales. The General Fund charges for services based on the prior year fleet depreciation costs adjusted by the CPI index.

During the annual budget process, the Public Works and the Police Department review the current vehicle inventory listing and make recommendations for vehicle acquisitions and replacements, considering on-going maintenance costs. In FY 13/14, \$198,730 was transferred from the General Fund to assist in restoring the Equipment Fund's balance and to purchase a street sweeper. Typically, new street sweepers are financed with gas tax revenues. However, to achieve interest savings and maintain the City's debt ratio, the General Fund purchased the equipment. The operating lease with the Gas Tax Fund covers the cost of the street sweeper.

### FY 2021-22 CAPITAL OUTLAY

Mini Sweeper – PW	\$ 100,000
Truck with Dump Bed – PW	45,000
Patrol Vehicle – PD (2)	<u>125,000</u>
	<u>\$ 270,000</u>

### SOURCES AND USES

Fund - 2212	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ 128,447	\$ 387,376	\$ 478,833	\$ 478,833	\$ 684,836	\$ 614,836
<b>Revenue</b>						
Other revenues	\$ 7,500	\$ -	\$ -	\$ 6,003	\$ -	\$ -
Internal Service Charges	155,000	177,400	-	-	200,000	270,000
Other Financing Sources	154,000	81,950	200,000	200,000	-	-
<b>Revenue Totals</b>	<u>316,500</u>	<u>259,350</u>	<u>200,000</u>	<u>206,003</u>	<u>200,000</u>	<u>270,000</u>
<b>Expenditures</b>						
Capital Outlay	\$ 57,571	\$ 167,893	\$ -	\$ -	\$ 270,000	\$ 270,000
<b>Expenditure Totals</b>	<u>\$ 57,571</u>	<u>\$ 167,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,000</u>	<u>\$ 270,000</u>
<b>Fund Balance at 06/30</b>	<b>\$ 387,376</b>	<b>\$ 478,833</b>	<b>\$ 678,833</b>	<b>\$ 684,836</b>	<b>\$ 614,836</b>	<b>\$ 614,836</b>

## SELF-INSURANCE LIABILITY FUND

The Self-Insurance Liability Fund accumulates funds for deductible expenditures and excess incidents above the City's liability coverage. The fund pays for the following expenses:

- Excess Insurance Premiums - The City belongs to the Monterey Bay Area Self Insurance Authority (MBASIA) joint powers authority. MBASIA covers all liability expenses, fire, property protection, and general liability claims up to \$10,000 per occurrence.
- Property Insurance – The City receives property insurance through the Public Entity Property Insurance Program and is insured by Lexington. The City's premium is \$20,000.
- Vehicle and Equipment Insurance Coverage - Coverage for vehicles and equipment with a purchase value of \$25,000 or more. The annual premium is \$4,000 with a \$2,000 deductible.
- Unemployment Insurance - The California Employment Development Department (EDD) defines the City as a "State Unemployment Insurance Reimbursement Client". The City does not pay unemployment insurance premiums to the State. When an employee files for and receives unemployment benefits from the State, the City is responsible for that benefit.

Charges for services are allocated to each General Fund department based on their percent of the total operating budget from the prior fiscal year less the budget for unanticipated events.

### SOURCES AND USES

Fund - 2213	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ 194,905	\$ 153,890	\$ 103,092	\$ 103,092	\$ 103,786	\$ 152,186
<b>Revenue</b>						
Other Revenue	\$ 16,990	\$ 54,832	\$ -	\$ -	\$ 48,280	\$ -
Internal Service Charges	419,301	403,486	473,021	473,021	429,163	447,740
Other Financing Sources	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$436,291</b>	<b>\$458,318</b>	<b>\$473,021</b>	<b>\$473,021</b>	<b>\$477,443</b>	<b>\$ 447,740</b>
<b>Expenditures</b>						
Contract Services	\$477,121	\$509,116	\$473,000	\$472,327	\$429,042	\$ 447,619
Supplies	185	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$477,306</b>	<b>\$509,116</b>	<b>\$473,000</b>	<b>\$472,327</b>	<b>\$429,042</b>	<b>\$ 447,619</b>
<b>Fund Balance at 06/30</b>	<b>\$ 153,890</b>	<b>\$ 103,092</b>	<b>\$ 103,113</b>	<b>\$ 103,786</b>	<b>\$ 152,186</b>	<b>\$ 152,307</b>

## WORKERS' COMPENSATION FUND

The Workers' Compensation Fund satisfies the requirements of Capitola municipal code section 3.24.030, which states, "The City Manager and City Treasurer shall establish a reserve fund for purposes of paying future workers' compensation claims and shall, hereafter, make such annual deposits into that fund as the city is advised are actually necessary to provide a suitable reserve". This program also covers City volunteers.

The City belongs to a Joint Powers Authority (JPA), Monterey Bay Area Self Insurance Authority, composed of several local agencies: Del Rey Oaks, Gonzales, Greenfield, Hollister, King City, Marina, Sand City, Scotts Valley and Soledad. The City retains exposure to temporary disability payments as long as the injured worker remains an employee of the City. MBASIA purchases excess coverage beyond \$500,000 per occurrence up to statutory requirements.

The annual premium that is assessed to each of the participating cities in the JPA is based on three primary factors: the number of employees in each of the two major categories (Safety & Miscellaneous), the experience rate (cost incurred) of each participating agency, and debt service allocation.

When an employee files a claim, the City pays the employee's salary portion directly from the general fund based upon the standard workers' compensation formula, for the "temporary" claim. The formulas for employees receiving workers' compensation are as follows:

1. Public Safety: Compensation is 100% of salary, non-taxable
2. Miscellaneous: Compensation is 2/3 of salary with a cap of \$840 per week, non-taxable.

For non-safety staff, City policy allows that accruals (i.e. sick, vacation, etc.) may be used to supplement workers' compensation payments. If the person becomes "permanently disabled" then the JPA picks up the salary portion. The JPA pays all other costs including legal and medical. While on workers' compensation status, the safety and non-safety staff continue to accrue sick and vacation leave balances.

### Distribution to General Fund Departments:

The allocation methodology for workers' compensation charges to the General Fund Departments corresponds closely to the cost allocation method used by the JPA. The City divides employees into three classifications: Sworn, Non-Sworn and Volunteers, with cost per FTE calculated. A fund balance accommodates future premium fluctuations, deductibles and excess liability.

SOURCES AND USES						
Fund - 2214	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 231,642	\$ 231,641	\$ 318,798	\$ 318,798	\$ 202,279	\$ 202,279
<b>Revenue</b>						
Other Revenue	-	-	-	-	-	-
Internal Service Charges	\$ 304,813	\$ 310,045	\$ 388,191	\$ 349,563	\$ 442,075	\$ 464,179
<b>Revenue Totals</b>	<b>\$ 304,813</b>	<b>\$ 310,045</b>	<b>\$ 388,191</b>	<b>\$ 349,563</b>	<b>\$ 442,075</b>	<b>\$ 464,179</b>
<b>Expenditures</b>						
Contract Services	\$ 304,814	\$ 222,888	\$ 388,189	\$ 466,082	\$ 442,075	\$ 464,179
Other Financing Uses	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 304,814</b>	<b>\$ 222,888</b>	<b>\$ 388,189</b>	<b>\$ 466,082</b>	<b>\$ 442,075</b>	<b>\$ 464,179</b>
<b>Fund Balance at 06/30</b>	<b>\$ 231,641</b>	<b>\$ 318,798</b>	<b>\$ 318,800</b>	<b>\$ 202,279</b>	<b>\$ 202,279</b>	<b>\$ 202,279</b>

## COMPENSATED ABSENCES LIABILITY FUND

The Compensated Absences Liability Fund accumulates reserves to pay for employee cash-outs, such as accumulated sick leave and vacation, due to employees upon termination or retirement. The following is an itemized description of the various liabilities of this fund.

Vacation > 360 hours: An employee who has accumulated more than 360 hours (504 hours for POA) as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly rate for hours exceeding 360 (504 for POA). The hourly rate includes specialty pays.

Vacation - Voluntary Cash Out: In accordance with various memoranda of understanding between the employee bargaining groups and the City of Capitola, employees may elect voluntary cash outs up to 80 hours of vacation.

Police Captain Cashable Sick Leave: Refer to contract.

Final Pay: Upon resignation, employees are eligible for vacation cash outs.

Severance Pay: The City provides the following severance payout packages:

City Manager	12 months
Police Chief	6 months
Public Works Director	4 months
Community Development Director	4 months
Finance Director	4 months

### SOURCES AND USES

Fund - 2216	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ (23,009)	\$ (55,701)	\$ (63,133)	\$ (63,133)	\$ 37,568	\$ 37,568
<b>Revenue</b>						
Other financing sources	\$ 209,939	\$ 200,000	\$ 200,701	\$ 200,701	\$ 220,000	\$ 220,000
<b>Revenue Totals</b>	\$ 209,939	\$ 200,000	\$ 200,701	\$ 200,701	\$ 220,000	\$ 220,000
<b>Expenditures</b>						
Personnel	\$ 242,631	\$ 207,432	\$ 75,000	\$ 100,000	\$ 220,000	\$ 220,000
<b>Expenditure Totals</b>	\$ 242,631	\$ 207,432	\$ 75,000	\$ 100,000	\$ 220,000	\$ 220,000
<b>Fund Balance at 06/30</b>	\$ (55,701)	\$ (63,133)	\$ 62,568	\$ 37,568	\$ 37,568	\$ 37,568



# SPECIAL REVENUE FUNDS



## SPECIAL REVENUE FUNDS

**Supplemental Law Enforcement Services (Police):** Funds provided by a State of California COPS grant to provide funding for Community Oriented Policing & Problem Solving (COPPS) programs.

**Restricted Transient Occupancy Tax (TOT) (City Council):** Capitola voters passed Measure J in 2018 increasing the TOT from 10% to 12% and restricting 0.4% for local business groups and 0.35% for early childhood and youth programming.

**Road Maintenance and Rehabilitation Act (Public Works):** Funds received from the state and used for road maintenance, rehabilitation, and critical safety projects on local streets and roads.

**Regional Transportation Commission (RTC) Streets (Public Works):** Santa Cruz County voters passed a 0.5 percent user sales tax to fund local roads. The RTC Streets fund will be utilized to increase the City's street program.

**Gas Tax (Public Works):** Funds received from gasoline tax revenue from the state and used for new construction, maintenance and the reconstruction of City streets.

**Wharf (Public Works):** Accounts for rental income generated from wharf operations and expended on operations and major repairs and improvements.

**General Plan Update and Maintenance (Community Development):** Funds received as General Plan Maintenance Fee to support future updates to the City's General Plan, implementing ordinances and plans.

**Green Building (Community Development):** Green Building funds are solely for program management, training, publications, public educational purposes, incentive programs, materials and supplies to promote sustainable development, water conservation, storm water pollution prevention, and climate action planning.

**Public Art (City Manager):** This fund accumulates money received as public art fees to acquire works of art to be displayed in or about public places within the city.

**Parking Reserve (Public Works):** In 2009 the Council authorized a special reserve fund from the Village parking meters for parking-related projects.

**Technology Fee (Community Development):** 5% of building permit fee funds permit processing technology.

**Public Education & Government Cable TV Access (City Manager):** This special revenue fund accounts for PEG cable television fees. The expenditures are restricted to PEG access-related activities.

**Capitola Village & Wharf Business Improvement Area (Finance):** Established to generate revenue for the exclusive purpose of promoting business in the Capitola Village and Wharf Business Improvement Area.

**Community Development Block Grants (Community Development):** This fund accounts for active CDBG reimbursement grants that are awarded to the City on a project-by-project basis.

**Community Development Block Grant Program Income (Community Development):** This fund accounts for income from housing loans that are funded with Community Development Block Grant funds. Loans and interest repaid to the fund are restricted to CDBG approved uses.

**Library (City Manager):** The Capitola Branch Library has been planned for many years. The City began construction in the fall of 2018 and anticipates completing the project in the spring of 2020.

**HOME Program Reuse (Community Development):** This fund accounts for housing loans due to the City from the recipients of previous HOME Program grants. Receipts in the Home Program Reuse Fund are restricted to affordable housing activities in accordance with the federal HOME program re-use guidelines.

**Housing Trust (Community Development):** City Council adopted an Inclusionary Housing Ordinance in November 2004, which created an Affordable Housing Trust Fund. It is funded from in-lieu fees, which can be used for new affordable housing and rehabilitation of existing affordable housing.

**Capitola Housing Successor (Community Development):** When the Capitola Redevelopment Agency dissolved, the City elected to become the Housing Successor to the former Low- and Moderate-Income Housing Fund of the RDA.

## SUPPLEMENTAL LAW ENFORCEMENT SERVICES

### POLICE

The City of Capitola receives money each year from the State of California Citizens Option for Public Safety (COPS) program. The COPS program requires the funds to be for front-line law enforcement services and not supplant existing funding. These funds were used last year to fund police vehicles and equipment.

The City purchased new police vehicles in FY 2016/17, FY 2017/18 and FY 2018-19. In addition to front line equipment, the Police Department transferred \$25,000 to the Equipment Fund to pay for a portion of the Police Communications Radio Tower relocation and \$65,000 to purchase new radios.

#### SOURCES AND USES

Fund - 1300 SLESF	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	<b>\$ 10,101</b>	<b>\$ 16,594</b>	<b>\$ 71,563</b>	<b>\$ 71,563</b>	<b>\$ 49,963</b>	<b>\$ 60,363</b>
<b>Revenue</b>						
Intergovernmental revenues	\$100,000	\$100,000	\$100,000	\$ 100,000	\$100,000	\$100,000
Use of money & property	263	667	400	400	400	400
Other revenues	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$100,263</b>	<b>\$100,667</b>	<b>\$100,400</b>	<b>\$ 100,400</b>	<b>\$100,400</b>	<b>\$100,400</b>
<b>Expenditures</b>						
Contract services	\$ 1,975	\$ 2,089	\$ 3,000	\$ 2,000	\$ 2,500	\$ 2,500
Supplies	13,795	43,609	95,000	95,000	75,000	75,000
Capital outlay	25,000	-	50,000	25,000	12,500	12,500
Other financing uses	53,000	-	-	0	-	-
<b>Expenditure Totals</b>	<b>\$ 93,770</b>	<b>\$ 45,698</b>	<b>\$148,000</b>	<b>\$ 122,000</b>	<b>\$ 90,000</b>	<b>\$ 90,000</b>
<b>Fund Balance at 06/30</b>	<b>\$ 16,594</b>	<b>\$ 71,563</b>	<b>\$ 23,963</b>	<b>\$ 49,963</b>	<b>\$ 60,363</b>	<b>\$ 70,763</b>

## RESTRICTED TRANSIENT OCCUPANCY TAX (TOT)

CITY COUNCIL

This fund accounts for the 0.75% of restricted Transient Occupancy Tax (TOT) as approved by Capitola voters in 2018. The Restricted TOT Fund is used receive and distribute the 0.40% of restricted TOT revenues for local business groups and the 0.35% of restricted TOT revenue dedicated to early childhood and youth programming.

### SOURCES AND USES

Fund - 1305	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
TOT Restricted Revenue	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ -	\$ 8,419	\$ 24,045	\$ 24,045	\$ 30,365	\$ 30,364
<b>Revenue</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transient Occupancy Tax	30,811	81,900	62,920	62,920	77,244	77,720
Use of money & property	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$ 30,811</b>	<b>\$ 81,900</b>	<b>\$ 62,920</b>	<b>\$ 62,920</b>	<b>\$ 77,244</b>	<b>\$ 77,720</b>
<b>Expenditures</b>						
Community Grants	\$ 14,312	\$ 40,435	\$ 37,950	\$ 37,950	\$ 49,156	\$ 49,458
Other Financing Uses	8,080	25,840	18,650	18,650	28,089	28,262
<b>Expenditure Totals</b>	<b>\$ 22,392</b>	<b>\$ 66,275</b>	<b>\$ 56,600</b>	<b>\$ 56,600</b>	<b>\$ 77,245</b>	<b>\$ 77,720</b>
<b>Fund Balance at 06/30</b>	<b>\$ 8,419</b>	<b>\$ 24,045</b>	<b>\$ 30,365</b>	<b>\$ 30,365</b>	<b>\$ 30,364</b>	<b>\$ 30,364</b>
Local Business Groups	\$ 8,080	\$ 25,840	\$ 18,650	\$ 18,650	\$ 28,089	\$ 28,262
Early Childhood/Youth Programs	\$ 14,312	\$ 40,435	\$ 37,950	\$ 37,950	\$ 49,156	\$ 49,458
	<b>\$ 22,392</b>	<b>\$ 66,275</b>	<b>\$ 56,600</b>	<b>\$ 56,600</b>	<b>\$ 77,245</b>	<b>\$ 77,720</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

# ROAD MAINTENANCE & REHABILITATION ACT (SB1)

PUBLIC WORKS

This fund accounts for receipt and expenditure of revenue as provided by state law. The Road Maintenance & Rehabilitation Act Fund is primarily used to cover the expenses related to street maintenance and rehabilitation projects on City roads and streets.

## SOURCES AND USES

Fund - 1308 RMRA SB 1	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ 1,545	\$ 196,957	\$ 16,885	\$ 16,885	\$ 17,385	\$ 17,385
<b>Revenue</b>						
Intergovernmental revenues	\$193,706	\$ 163,042	\$ 193,401	\$ 193,401	\$ 193,401	\$ 193,401
Other financing sources	1,706	1,886	-	500		-
<b>Revenue Totals</b>	<b>\$195,413</b>	<b>\$ 164,928</b>	<b>\$ 193,401</b>	<b>\$ 193,901</b>	<b>\$ 193,401</b>	<b>\$ 193,401</b>
<b>Expenditures</b>						
Contract services						
Capital outlay	\$ -	\$ 345,000	\$ 193,401	\$ 193,401	\$ 193,401	\$ 193,401
<b>Expenditure Totals</b>	<b>\$ -</b>	<b>\$ 345,000</b>	<b>\$ 193,401</b>	<b>\$ 193,401</b>	<b>\$ 193,401</b>	<b>\$ 193,401</b>
<b>Fund Balance at 06/30</b>	<b>\$196,957</b>	<b>\$ 16,885</b>	<b>\$ 16,885</b>	<b>\$ 17,385</b>	<b>\$ 17,385</b>	<b>\$ 17,385</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

**REGIONAL TRANSPORTATION COMMISSION (RTC) STREETS**

PUBLIC WORKS

This fund accounts for receipts and expenditures of money received from the Santa Cruz County Regional Transportation Commission. A description of proposed projects is listed in the summary section of this budget.

**SOURCES AND USES**

Fund - 1309 RTC Streets	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$417,615	\$ 411,115	\$ (325,606)	\$(325,606)	\$ 526,143	\$ 526,143
<b>Revenue</b>						
Intergovernmental revenues	\$330,161	\$ 308,522	\$ 250,000	\$ 253,000	250,000	\$ 250,000
Other financing sources	8,693	7,928	-	698,749	-	-
<b>Revenue Totals</b>	<b>\$338,854</b>	<b>\$ 316,450</b>	<b>\$ 250,000</b>	<b>\$ 951,749</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>Expenditures</b>						
Contract services	\$345,355	\$1,053,171	250,000	100,000	250,000	250000
Capital outlay	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$345,355</b>	<b>\$1,053,171</b>	<b>\$ 250,000</b>	<b>\$ 100,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>Fund Balance at 06/30</b>	<b>\$411,115</b>	<b>\$ (325,606)</b>	<b>\$ (325,606)</b>	<b>\$ 526,143</b>	<b>\$ 526,143</b>	<b>\$ 526,143</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

**GAS TAX****PUBLIC WORKS**

This fund accounts for receipt and expenditure of gasoline tax revenue as provided by state law. The Gas Tax Fund is primarily used to cover the expenses related to maintenance and operation of the City's traffic signals and streetlights. Other Gas Tax Fund programs includes street maintenance patching and striping project, street sweeper lease payments, and engineering.

The Gas Tax funds must be spent within 5 years of receipt. Future Gas Tax funds cannot be pledged for current projects with future repayment, therefor the funds can only be spent once they have been received.

**SOURCES AND USES**

<b>Fund - 1310</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Gas Tax</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	\$ -	\$ 20,701	\$ 8,344	\$ 8,344	\$ 8,344	\$ 8,344
<b>Revenue</b>						
Intergovernmental revenues	\$219,070	\$236,866	\$259,800	\$ 259,800	\$259,800	\$259,800
Use of money & property	79	277	-	-	-	-
Other revenues	-	-	-	-	-	-
Other financing sources	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$219,149</b>	<b>\$237,143</b>	<b>\$259,800</b>	<b>\$ 259,800</b>	<b>\$259,800</b>	<b>\$259,800</b>
<b>Expenditures</b>						
Contract Services	\$193,111	\$246,386	\$259,800	\$ 259,800	\$259,800	\$259,800
Debt service	5,337	3,113	-	-	-	-
Interfund Transfer	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$198,448</b>	<b>\$249,499</b>	<b>\$259,800</b>	<b>\$ 259,800</b>	<b>\$259,800</b>	<b>\$259,800</b>
<b>Fund Balance at 06/30</b>	<b>\$ 20,701</b>	<b>\$ 8,344</b>	<b>\$ 8,344</b>	<b>\$ 8,344</b>	<b>\$ 8,344</b>	<b>\$ 8,344</b>



**WHARF****PUBLIC WORKS**

The Wharf Fund accounts for rental income generated from wharf operations and expended on operating costs as well as major repairs and improvements. The Wharf Fund accumulates these revenues in order to help meet the majority of its expenditure demands. Major repairs that tend to occur in a 3-5 year cycle require occasional general fund support in order to keep this key public facility open.

With the passage of Measure F, the City will begin to design and construct an improved wharf. The Measure F funds are accounted for in the Capital Improvement Fund (CIP). The Wharf Funds are for maintenance and repair of the current Wharf.

<b>SOURCES AND USES</b>						
<b>Fund - 1311</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Wharf</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ 43,115</b>	<b>\$ 64,658</b>	<b>\$ 91,218</b>	<b>\$ 91,218</b>	<b>\$103,718</b>	<b>\$103,718</b>
<b>Revenue</b>						
Use of money & property	98,826	74,915	88,100	100,000	110,500	110,500
Other financing sources	1,469	1,786	-	600	-	-
<b>Revenue Totals</b>	<b>\$100,296</b>	<b>\$ 76,701</b>	<b>\$ 88,100</b>	<b>\$100,600</b>	<b>\$110,500</b>	<b>\$110,500</b>
<b>Expenditures</b>						
Contract services	\$ 66,661	\$ 44,460	\$ 75,100	\$ 75,100	\$110,500	\$110,500
Supplies	12,091	5,681	13,000	13,000	-	-
Capital Outlay	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 78,752</b>	<b>\$ 50,141</b>	<b>\$ 88,100</b>	<b>\$ 88,100</b>	<b>\$110,500</b>	<b>\$110,500</b>
<b>Fund Balance at 06/30</b>	<b>\$ 64,658</b>	<b>\$ 91,218</b>	<b>\$ 91,218</b>	<b>\$103,718</b>	<b>\$103,718</b>	<b>\$103,718</b>

# GENERAL PLAN UPDATE & MAINTENANCE

## COMMUNITY DEVELOPMENT

In 2002, the State Legislature passed AB 2936 to enable cities to collect fees “reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations”. The General Plan Maintenance Fee is currently 0.5% of the total building valuation with a cap of \$100,000 to cover the cost of a future comprehensive update of the City’s General Plan.

Valuation is calculated on a cost per square foot basis. The City of Capitola uses \$200/square foot valuation for the average house, and \$300/square foot for houses with increased values.

The City adopted a General Plan Update in June 2014, and a Climate Action Plan and General Plan Housing Element in 2015. Staff recently completed a comprehensive update to the Zoning Code and is currently working toward certification by the California Coastal Commission. The adopted budget provides adequate resources to fund consultant contracts and staff time to continue these efforts.

### SOURCES AND USES

<b>Fund - 1313</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>General Plan</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	\$ 86,693	\$113,665	\$145,723	\$145,723	\$153,023	\$157,023
<b>Revenue</b>						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	55,240	73,709	37,500	47,000	50,000	50,000
Use of money & property	2,869	2,135	-	800	-	-
<b>Revenue Totals</b>	<b>\$ 58,109</b>	<b>\$ 75,844</b>	<b>\$ 37,500</b>	<b>\$ 47,800</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Expenditures</b>						
Contract services	\$ 31,137	\$ 43,786	\$ 50,000	\$ 40,000	\$ 45,000	\$ 45,000
Supplies	-	-	1,000	500	1,000	1,000
<b>Expenditure Totals</b>	<b>\$ 31,137</b>	<b>\$ 43,786</b>	<b>\$ 51,000</b>	<b>\$ 40,500</b>	<b>\$ 46,000</b>	<b>\$ 46,000</b>
<b>Fund Balance at 06/30</b>	<b>\$113,665</b>	<b>\$145,723</b>	<b>\$132,223</b>	<b>\$153,023</b>	<b>\$157,023</b>	<b>\$161,023</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## GREEN BUILDING

## COMMUNITY DEVELOPMENT

The Green Building Ordinance (Chapter 17.10 to the Capitola Municipal Code) was adopted in May 2008 and later amended in November 2014. The Green Building Ordinance establishes the Green Building Fund, which provides funding for the administration and implementation of the Green Building program and related sustainability initiatives. The intent of the Green Building fund is to provide resources for programs and initiatives which promote environmental sustainability, resource conservation, greenhouse gas emission reductions, and solid waste reduction.

Application and Use of Funds (per City municipal code): The Capitola Green Building Regulation applies to non-residential additions and/or exterior remodels totaling 1,000 or more square feet and residential additions and/or remodels totaling 350 square feet or more. Building permits which are required to comply with the Green Building Regulations shall be assessed a fee of 0.0025 times the overall valuation of the project. Revenues collected shall be maintained by the Finance Department as a revolving Green Building Fund and shall be used only for program management, training, publications, public educational purposes, incentive programs, materials and supplies necessary to promote sustainable development, water conservation, storm water pollution prevention, and climate action planning activities.

### SOURCES AND USES

<b>Fund - 1314</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Green Building</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$157,413</b>	<b>\$167,801</b>	<b>\$182,375</b>	<b>\$182,375</b>	<b>\$185,875</b>	<b>\$194,125</b>
<b>Revenue</b>						
Charges for services	\$ 16,808	\$ 57,474	\$ 11,250	\$ 20,000	\$ 11,250	\$ 11,250
<b>Revenue Totals</b>	<b>\$ 16,808</b>	<b>\$ 57,474</b>	<b>\$ 11,250</b>	<b>\$ 20,000</b>	<b>\$ 11,250</b>	<b>\$ 11,250</b>
<b>Expenditures</b>						
Contract services	\$ 5,525	\$ 42,900	\$ 15,000	\$ 15,000	\$ -	\$ -
Training & Memberships	-	-	1,000	500	1,000	\$ 1,000
Supplies	895	-	2,000	1,000	2,000	\$ 2,000
<b>Expenditure Totals</b>	<b>\$ 6,420</b>	<b>\$ 42,900</b>	<b>\$ 18,000</b>	<b>\$ 16,500</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>
<b>Fund Balance at 06/30</b>	<b>\$167,801</b>	<b>\$182,375</b>	<b>\$175,625</b>	<b>\$185,875</b>	<b>\$194,125</b>	<b>\$202,375</b>

## PUBLIC ART

CITY MANAGER

The City established a Public Arts fee in 2004. The purpose is to ensure that 2% of the cost of eligible municipal capital improvement, renovation, or restoration projects funded in whole or in part by the City of Capitola or any private, non-residential development project with a total building permit valuation of \$250,000 or more is set aside for the acquisition of works of art to be displayed in or about public places within the City. For a private development, there is an in-lieu option to contribute 1% of the total budget to the Public Art Program. As part of the program expenses, up to 20% of the art allocations may be expended on program administration, project management and community outreach activities. There will be 125 hours of the Administrative Assistant for the Art & Cultural Commission time allocated to administering projects.

### Completed Art Projects

- Mural at Monte Skatepark
- Sea Lion climbable sculpture

### SOURCES AND USES

<b>Fund - 1315</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Public Art</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$204,307</b>	<b>\$172,041</b>	<b>\$178,791</b>	<b>\$178,791</b>	<b>\$173,791</b>	<b>\$148,791</b>
<b>Revenue</b>						
Charges for services	\$ 7,436	\$ 10,950				
<b>Revenue Totals</b>	<b>\$ 7,436</b>	<b>\$ 10,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Personnel			\$ 3,000			
Contract services	36,567	4,200	30,000	3,500	25,000	25,000
Supplies	3,135			1,500		
<b>Expenditure Totals</b>	<b>\$ 39,702</b>	<b>\$ 4,200</b>	<b>\$ 33,000</b>	<b>\$ 5,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>Fund Balance at 06/30</b>	<b>\$172,041</b>	<b>\$178,791</b>	<b>\$145,791</b>	<b>\$173,791</b>	<b>\$148,791</b>	<b>\$123,791</b>

**PARKING RESERVE**

PUBLIC WORKS

In 2009, as part of a parking meter rate increase, the City Council established the Parking Reserve Fund. Revenues deposited into this fund represent 16% of parking meter revenues from the Village area (Parking Meter Zone A1). The fund was established to fund parking improvement projects throughout the Village.

<b>SOURCES AND USES</b>						
<b>Fund - 1316</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Parking Reserve</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737
<b>Revenue</b>						
Other financing sources	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>Revenue Totals</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>Expenditures</b>						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	100,000	100,000	100,000	100,000	100,000	100,000
<b>Expenditure Totals</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>Fund Balance at 06/30</b>	<b>\$ 737</b>	<b>\$ 737</b>	<b>\$ 737</b>	<b>\$ 737</b>	<b>\$ 737</b>	<b>\$ 737</b>

**TECHNOLOGY FEE****COMMUNITY DEVELOPMENT**

On November 12, 2009, the City of Capitola adopted a resolution establishing the Technology Fee. The fee is 5% of the Community Development and Public Works permit fees. The City has updated building, planning, and public works permitting software. The system better coordinates plan review activities among departments and will allow the public to inquire and search records and monitor progress of applications through the internet. The City will continue to make changes to the system in order to provide better service to the public and to improve internal processes. The zoning update process and its implementation will also benefit from the system's data resources and enhanced reporting capabilities.

**SOURCES AND USES**

<b>Fund - 1317</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Technology Fee</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ 55,091</b>	<b>\$ 65,409</b>	<b>\$ 72,960</b>	<b>\$ 72,960</b>	<b>\$ 76,460</b>	<b>\$ 78,460</b>
<b>Revenue</b>						
Charges for services	\$ 14,193	\$ 14,108	\$ 9,000	\$ 11,500	\$ 9,000	\$ 9,000
<b>Revenue Totals</b>	<b>\$ 14,193</b>	<b>\$ 14,108</b>	<b>\$ 9,000</b>	<b>\$ 11,500</b>	<b>\$ 9,000</b>	<b>\$ 9,000</b>
<b>Expenditures</b>						
Contract services	\$ 3,875	\$ 6,358	\$ 7,000	\$ 7,000	\$ 5,000	\$ 5,000
Supplies	-	199	2,000	1,000	2,000	2,000
<b>Expenditure Totals</b>	<b>\$ 3,875</b>	<b>\$ 6,557</b>	<b>\$ 9,000</b>	<b>\$ 8,000</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>
<b>Fund Balance at 06/30</b>	<b>\$ 65,409</b>	<b>\$ 72,960</b>	<b>\$ 72,960</b>	<b>\$ 76,460</b>	<b>\$ 78,460</b>	<b>\$ 80,460</b>

## PUBLIC EDUCATION/GOVERNMENT CABLE TV ACCESS (PEG)

CITY MANAGER

This Special Revenue Fund accounts for Public, Education & Government (PEG) cable television fees. The PEG Access fee from all cable service providers is 64 cents per subscriber and is due to the City concurrent with the Franchise Fee Payments. The City is required to segregate PEG access fees and related purchases.

The funds received through PEG fees are retained by the City and utilized for capital equipment purchases in support of PEG access only. PEG channels are set aside for the following purposes:

- Public - available for use by the public
- Education - available for use by educational institutions for educational programming
- Government – available for programming by local governments

### SOURCES AND USES

<b>Fund - 1320</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>Public Education &amp; Gov't.</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ 77,941</b>	<b>\$ 80,870</b>	<b>\$ 83,630</b>	<b>\$ 83,630</b>	<b>\$ 75,530</b>	<b>\$ 75,530</b>
<b>Revenue</b>						
Licenses and permits	\$ 15,386	\$ 15,384	\$ 15,000	\$ 8,000	\$ 15,000	\$ 15,000
Use of money & property	1,831	1,665	-	400	-	-
<b>Revenue Totals</b>	<b>\$ 17,217</b>	<b>\$ 17,049</b>	<b>\$ 15,000</b>	<b>\$ 8,400</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Expenditures</b>						
Contract services	\$ -	\$ -	\$ 1,000	\$ 500	\$ -	\$ -
Supplies	14,288	14,288	15,000	15,000	10,000	10,000
Capital Outlay	-	-	5,000	1,000	5,000	5,000
<b>Expenditure Totals</b>	<b>\$ 14,288</b>	<b>\$ 14,288</b>	<b>\$ 21,000</b>	<b>\$ 16,500</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Fund Balance at 06/30</b>	<b>\$ 80,870</b>	<b>\$ 83,630</b>	<b>\$ 77,630</b>	<b>\$ 75,530</b>	<b>\$ 75,530</b>	<b>\$ 75,530</b>

**CAPITOLA VILLAGE/WHARF BUSINESS IMPROVEMENT AREA (BIA)**

FINANCE

In June 2005, the City of Capitola adopted Ordinance No. 889, which added Chapter 5.10 to the Capitola Municipal Code establishing the Capitola Village and Wharf Business Improvement Area (BIA). It was established to generate revenue for the sole purpose of promoting business in Capitola village and on the wharf. State law requires certain annual actions and public hearing to continue this assessment district. The program is run with the assistance of a BIA Board of Directors, which provides city council with an annual budget proposal.

**SOURCES AND USES**

<b>Fund - 1321 CVWBIA</b>	<b>FY18/19 Actual</b>	<b>FY19/20 Actual</b>	<b>FY20/21 Amended</b>	<b>FY20/21 Estimated</b>	<b>FY21/22 Proposed</b>	<b>FY22/23 Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ 22,241</b>	<b>\$ 29,018</b>	<b>\$ 41,313</b>	<b>\$ 41,313</b>	<b>\$ 6,528</b>	<b>\$ 3,805</b>
<b>Revenue</b>						
Charges for services	\$ 72,156	\$ 74,945	\$ 37,325	\$ 30,129	\$ 91,888	\$ 91,888
Use of money & property	862	917	29,000	5,000		
Restricted TOT	12,989	21,840	14,500	20,086	28,089	29,493
<b>Revenue Totals</b>	<b>\$ 86,008</b>	<b>\$ 97,702</b>	<b>\$ 80,825</b>	<b>\$ 55,215</b>	<b>\$119,977</b>	<b>\$121,381</b>
<b>Expenditures</b>						
Contract services	\$ 60,310	\$ 67,618	\$100,380	\$ 75,000	\$117,700	\$117,700
Supplies	18,921	17,789	4,000	15,000	5,000	5,000
<b>Expenditure Totals</b>	<b>\$ 79,231</b>	<b>\$ 85,407</b>	<b>\$104,380</b>	<b>\$ 90,000</b>	<b>\$122,700</b>	<b>\$122,700</b>
<b>Fund Balance at 06/30</b>	<b>\$ 29,018</b>	<b>\$ 41,313</b>	<b>\$ 17,758</b>	<b>\$ 6,528</b>	<b>\$ 3,805</b>	<b>\$ 2,486</b>



## COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

### COMMUNITY DEVELOPMENT

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. The program is funded through the Federal Department of Housing and Urban Development (HUD) and Capitola participates in the competitive Small Cities Grant Program administered by the California Department of Housing and Community Development.

In recent years, the City has been awarded with CDBG grants to fund the Green Economy/Environmental Economic Analysis and 41<sup>st</sup> Avenue/Capitola Mall Re-Visioning Plan and a 2008 Disaster Recovery Initiative (DRI) grant for \$250,000 to develop the City's Local Hazard Mitigation Plan (LHMP) and Safety Element of the General Plan Update. In 2014, the City was awarded with a \$500,000 CDBG grant to reinstate the City's Housing Rehabilitation and Mortgage Assistance Programs.

SOURCES AND USES						
Fund - 1350 CDBG Grants	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ 41,903	\$ 39,813	\$ 39,313	\$ 39,313	\$ 14,313	\$ 13,313
<b>Revenue</b>						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revenue Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>						
Contract services	\$ 2,090	\$ 500	\$ 70,750	\$ 25,000	\$ 1,000	\$ -
Supplies	\$ -					
Grants and subsidies	-	-	-	-	-	-
<b>Expenditure Totals</b>	\$ 2,090	\$ 500	\$ 70,750	\$ 25,000	\$ 1,000	\$ -
<b>Fund Balance at 06/30</b>	\$ 39,813	\$ 39,313	\$ (31,437)	\$ 14,313	\$ 13,313	\$ 13,313

# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME

## COMMUNITY DEVELOPMENT

This special revenue fund accounts for issuance and repayment of CDBG-funded housing loans made by the City to income-qualifying households. These funds are referred to as CDBG Program Income. CDBG Program Income must be used for CDBG-approved purposes. The three primary sources of CDBG Program Income are the payoff of Loma Vista Mobile Home Park resident loans, CDBG-funded First Time Homebuyer Program loans, and CDBG-funded Rehabilitation Program loans.

If the total amount of Program Income received in any fiscal year is less than \$25,000, the funds received are not subject to Federal CDBG regulations. If the amount exceeds \$25,000, all Program Income received during that fiscal year is restricted to CDBG-approved Federal spending guidelines. Since the FY 2019-20 Program Income exceeds \$25,000, these funds will be spent according to CDBG-approved Federal spending guidelines.

### SOURCES AND USES

Fund - 1351	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
CDBG Program Income	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 29,361	\$ 98	\$ 83,839	\$ 83,839	\$ 31,839	\$ 31,839
<b>Revenue</b>						
Use of money & property	\$ 29,416	\$ 83,741	\$ -	\$ 28,000	\$ -	\$ -
<b>Revenue Totals</b>	<b>\$ 29,416</b>	<b>\$ 83,741</b>	<b>\$ -</b>	<b>\$ 28,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Contract services	\$ 58,679		\$168,641	\$ 80,000	\$ -	\$ -
Interfund transfer out						
<b>Expenditure Totals</b>	<b>\$ 58,679</b>	<b>\$ -</b>	<b>\$168,641</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Fund Balance at 06/30</b>	<b>\$ 98</b>	<b>\$ 83,839</b>	<b>\$ (84,802)</b>	<b>\$ 31,839</b>	<b>\$ 31,839</b>	<b>\$ 31,839</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## LIBRARY

CITY MANAGER

This special revenue fund accounts for revenue and expenses related to the design and construction of the new Capitola Branch Library. The former Redevelopment Agency contributed \$2.6 million to the County of Santa Cruz which was held in a trust fund for the future construction of a new branch library.

The Voters of Santa Cruz County authorized the Santa Cruz Libraries Facilities Financing Authority to issue general obligation bonds in an aggregate principal amount not exceeding \$67 million. The City of Capitola will receive \$10.0 million from the bonds to be used towards the construction of the new branch library bringing the City's total available funds to \$12.6 million.

The City started utilizing the County Trust Fund money in FY 2016/17 to hire a project manager to oversee the development of plans and ultimately the construction of the Library. Under the trust fund agreement, the City can utilize 15 percent of the funds for pre-construction activities.

The City began construction of the new Library in November 2018 with an anticipated completion date in early 2020. The FY 2019/20 proposed budget includes funds to continue the construction of the library.

### SOURCES AND USES

Fund - 1360 Library	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	<b>\$1,884,392</b>	<b>\$4,588,609</b>	<b>\$ 4,406,467</b>	<b>\$4,406,467</b>	<b>\$ (0)</b>	<b>\$ (0)</b>
<b>Revenue</b>						
Intergovernmental	\$5,016,653	\$6,740,074	\$ 1,962,700	\$ 525,000	\$ -	\$ -
Othe financing sources	250,885	254,893	-	\$ 110,000	-	-
<b>Revenue Totals</b>	<b>\$5,267,538</b>	<b>\$6,994,967</b>	<b>\$ 1,962,700</b>	<b>\$ 635,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Contract Services	\$ 380,620	\$ 143,338	\$ 1,962,700	\$ 71,550	\$ -	\$ -
Construction Services	2,182,702	7,033,771	-	4,969,917	-	-
<b>Expenditure Totals</b>	<b>\$2,563,321</b>	<b>\$7,177,109</b>	<b>\$ 1,962,700</b>	<b>\$5,041,467</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance at 06/30</b>	<b>\$4,588,609</b>	<b>\$4,406,467</b>	<b>\$ 4,406,467</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>

**HOME PROGRAM REUSE****COMMUNITY DEVELOPMENT**

This special revenue fund accounts for revenue from the repayment of Federal Home Investments Partnership Program (HOME) loans. Expenditures in this fund must be used for affordable housing activities in accordance with the Federal HOME Program Reuse Guidelines, including first-time homebuyer loans, owner-occupied rehabilitation projects, and affordable housing assistance projects. As loans are paid off, those funds are returned to the Home Program Reuse Fund and become available for affordable housing activities.

Annual revenue of \$12,300 represents principal and interest payments on the 30-year \$238,000 Wharf Road Manor Mobile Homeowners Association Acquisition and Rehabilitation Project loan. The funds were loaned in October 2004 with payments deferred until January 2008 after completion of on-site rehabilitation work, including hazardous material abatement and demolition of a building on site, and installation of two new mobile homes.

In January 2009, the City of Capitola entered a Standard Agreement with the California Department of Housing and Community Development for a HOME grant in the amount of \$2,000,000 for rehabilitation expenses related to the 109-unit Bay Avenue Senior Apartments Project. Construction of the project was completed in May 2011. The grant was provided to First Community Housing, the Bay Avenue Senior Apartments project developer, as a residual receipts loan at 3% interest. In May 2011, the HOME program increased the grant award by \$1.2 million dollars to cover additional costs related to required rent level revisions, which are lower than estimated in the original pro-forma. The grant funds have been received and dispersed.

**SOURCES AND USES**

<b>Fund - 1370</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
<b>HOME Reuse</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ 206,675</b>	<b>\$ 530,197</b>	<b>\$ 552,971</b>	<b>\$ 552,971</b>	<b>\$ 595,571</b>	<b>\$ 595,571</b>
<b>Revenue</b>						
Use of money & property	\$ 327,222	\$ 23,274	\$ -	\$ 50,000	\$ -	\$ -
<b>Revenue Totals</b>	<b>\$ 327,222</b>	<b>\$ 23,274</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Contract services	\$ 3,700	\$ 500	\$ 7,400	\$ 7,400		
Other financing uses	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 3,700</b>	<b>\$ 500</b>	<b>\$ 7,400</b>	<b>\$ 7,400</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Fund Balance at 06/30</b>	<b>\$ 530,197</b>	<b>\$ 552,971</b>	<b>\$ 545,571</b>	<b>\$ 595,571</b>	<b>\$ 595,571</b>	<b>\$ 595,571</b>

## HOUSING TRUST

### COMMUNITY DEVELOPMENT

In November 2004, the City Council adopted an inclusionary housing ordinance as part of the City's ongoing efforts to provide affordable housing. This ordinance created the Affordable Housing Trust Fund to use as a flexible local source of funding for the creation of new affordable housing, rehabilitation of existing affordable housing, funding of local programs to assist lower and moderate income buyers purchase affordable housing, or as leverage of local funds for larger State and Federal grants. This housing activity is funded through in-lieu fees collected from development projects and do not impact the General Fund.

The Affordable Inclusionary Housing Ordinance refers to a City Municipal Code Section that requires that fifteen percent (15%) of the units in a new for-sale residential construction project be made available to low or moderate-income buyers. Condominium conversion projects are also covered under this ordinance. As outlined in the ordinance, project developers provide the affordable set-aside units or under certain conditions can -lieu fee.

The City's Housing Trust Fund allows for up to \$75,000 per year to be spent on affordable housing program administration. This includes working with developers on fee collection, administration of the Housing Trust Fund, and implementation of the Inclusionary Ordinance.

#### SOURCES AND USES

Fund - 1372 Housing Trust	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	<b>\$ 70,989</b>	<b>\$ 75,017</b>	<b>\$111,862</b>	<b>\$111,862</b>	<b>\$132,862</b>	<b>\$157,862</b>
<b>Revenue</b>						
Charges for services	\$ 50,965	\$ 57,386	\$ 30,000	\$ 44,000	\$ 50,000	\$ 50,000
Other revenue	3,063	4,459		2,000		
<b>Revenue Totals</b>	<b>\$ 54,028</b>	<b>\$ 61,845</b>	<b>\$ 30,000</b>	<b>\$ 46,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Expenditures</b>						
Contract services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	50,000	25,000	25,000	25,000	25,000	25,000
<b>Expenditure Totals</b>	<b>\$ 50,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>Available Fund Balance at 06/30</b>	<b>\$ 75,017</b>	<b>\$111,862</b>	<b>\$116,862</b>	<b>\$132,862</b>	<b>\$157,862</b>	<b>\$182,862</b>

## CAPITOLA HOUSING SUCCESSOR

### COMMUNITY DEVELOPMENT

In 2011, the California State Legislature passed ABX1 26 to dissolve redevelopment agencies. The legislation was contested and upheld by the California Supreme Court. It requires a number of actions to be taken by the city in the winding down of the RDA. Among other things, it allows cities to elect to retain the former RDA Low- and Moderate-Income Housing Fund. The Capitola City Council elected to retain the former RDA Housing with the following new city special revenue fund, the Capitola Housing Successor.

A further requirement of the legislation is establishment of a program income fund to segregate loan payoffs received by the Housing Successor after the dissolution of the Redevelopment Agency. These funds were initially restricted in their use, repayment, and reuse and the Housing Successor continues this restriction. As payments are received on loans associated with the original RDA Low- and Moderate-Income Housing Fund or the Capitola Housing Successor it will be applied to the Capitola Housing Successor.

Newly implemented SB341 requires annual reporting on the Housing Successor Assets to be included with the Annual Financial Statements and the Housing and Community Development (HCD) Annual Progress Report on the Housing Element of the General Plan.

#### SOURCES AND USES

Fund - 5552 Capitola Housing	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	<b>\$181,068</b>	<b>\$ 181,264</b>	<b>\$ 162,810</b>	<b>\$ 162,810</b>	<b>\$ 177,260</b>	<b>\$ 114,760</b>
<b>Revenue</b>						
Use of money & property	\$ 6,111	\$ 5,706		\$ 1,000		
Other revenues	25,250			78,600		
<b>Revenue Totals</b>	<b>\$ 31,361</b>	<b>\$ 5,706</b>	<b>\$ -</b>	<b>\$ 79,600</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Contract Services			\$ 40,150	\$ 40,150	\$ 30,000	\$ 30,000
Supplies						
Grants and Subsidies	31,165	24,161	50,000	25,000	32,500	32,500
<b>Expenditure Totals</b>	<b>\$ 31,165</b>	<b>\$ 24,161</b>	<b>\$ 90,150</b>	<b>\$ 65,150</b>	<b>\$ 62,500</b>	<b>\$ 62,500</b>
<b>Available Fund Balance at 06/30</b>	<b>\$181,264</b>	<b>\$ 162,810</b>	<b>\$ 72,660</b>	<b>\$ 177,260</b>	<b>\$ 114,760</b>	<b>\$ 52,260</b>

# RESERVES



## RESERVES

**Emergency Reserves** (Finance Department): The City Council established the Emergency Reserve Fund to accumulate funds to meet future unanticipated needs. The City of Capitola Administrative Policy III-3, Financial Management Policy, amended on February 28, 2013, to increase the required level of emergency reserves from five to ten percent of operating expenditures.

**Contingency Reserve** (Finance Department): The City Council established the Contingency Reserve Fund to accumulate a prudent level of financial resources to protect the City against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. The City of Capitola Administrative Policy III-3, Financial Management Policy, amended on February 28, 2013, to increase the level of contingency reserves from 10 to 15 percent of operating expenditures.

**PERS Contingency Reserve** (Finance Department): The City Council established the PERS Contingency Reserve Fund in FY 2015/16. The Council discussed possible uses of a General Fund positive ending balance and wanted to set aside funds for future PERS increases. In FY 2017-18 an additional \$500,000 was deposited into the Trust to add to the original \$300,000 deposit.

**Facilities Reserve** (Finance Department): The City Council established the Facilities Reserve Fund to serve as a resource to fund capital improvements and major repairs on City facilities. Based on the National Research Council Stewardship of Federal Facility guidelines, the City's goal is to provide annual contributions equal to two percent of the facility replacement values. This annual contribution will be determined each budget year.



## EMERGENCY RESERVES

The City of Capitola adopted an Emergency Reserve Policy as part of the City's Financial Management Policies. This reserve protects against significant one-time costs that arise from major unpredictable emergency events. In FY 2012/13, the City amended the Financial Management Policies to increase the funding level of Emergency Reserves from five to ten percent of the General Fund budgeted expenditures, or approximately \$1.5 million in FY 2021-22.

The Emergency Reserve fund was nearly depleted in March of 2011 due to an underground storm drain failure that flooded Capitola Village and the surrounding area. The City was required to recognize a \$1.4 million extraordinary loss on the FY 2010/11 and FY 2011/12 financial statements. An additional \$200,000 was needed to fund a related retaining wall project. In FY 2012/13, a settlement was reached with the City's insurance carrier to pay \$1.35 million in damages to the City.

The March 2011 pipe failure repairs were paid from the City's Emergency Reserve Fund. As funding in the Emergency Reserve Fund fell short of the flood-related costs, additional funding to respond to the flood event was provided through interfund loans from the Contingency Reserve Fund and Capital Improvement Fund. In FY 2011/12, the Emergency Reserve Fund balance was \$410,000 lower than the targeted balance. In FY 2012/13, funds were transferred from the internal service funds, Measure O revenue receipts, and the General Fund operating balance to assist in replenishing the reserves.

In FY 2014/15 and FY 2015/16, \$465,100 and \$213,000, respectively, were budgeted for transfer to the fund to prepare for any unforeseeable emergencies and to meet the new Emergency Reserve targeted levels. As the chart below shows, the reserve balance was above the target level for FY 2020-21, however, it should be noted that the requirement was lower as a result of drastic budget reductions due to COVID-19. As anticipated, the target balance has returned to prior year levels in FY 2021-22.

SOURCES AND USES						
Fund - 1020	FY18/19	FY19/20	FY20/21	FY20/21	FY21/22	FY22/23
	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 1,344,206	\$ 1,344,206	\$ 1,374,206	\$ 1,374,206	\$ 1,374,206	\$ 1,374,206
<b>Revenue</b>						
Other Financing Sources	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 38,000
<b>Revenue Totals</b>	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 38,000
<b>Expenditures</b>						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditure Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance at 06/30</b>	<b>\$ 1,344,206</b>	<b>\$ 1,374,206</b>	<b>\$ 1,374,206</b>	<b>\$ 1,374,206</b>	<b>\$ 1,374,206</b>	<b>\$ 1,412,206</b>
Gen. Fund Exp. - Excl. Tfrs & Isf	\$12,619,885	\$13,362,270	\$12,638,531	\$12,023,562	\$13,652,345	\$14,118,601
Target Balance (10%)	\$ 1,261,988	\$ 1,336,227	\$ 1,263,853	\$ 1,202,356	\$ 1,365,235	\$ 1,411,860
Over / (Short) of Target	\$ 82,218	\$ 37,979	\$ 110,353	\$ 171,850	\$ 8,971	\$ 346

## CONTINGENCY RESERVES

The City of Capitola adopted a Contingency Reserve Policy as part of the City's Financial Management Policies. This reserve was established to provide a prudent level of financial resources to protect against temporary revenue shortfalls, unanticipated operating costs, and/or to meet short-term cash flow requirements. In FY 2012/13, the City amended the Financial Management Policies to increase the Contingency Reserve target from 10 to 15 percent of General Fund budgeted expenditures, or approximately \$2.25 million in FY 2021-22.

Due to the expenses associated with the March 2011 pipe failure, a loan was made from the Contingency Reserves Fund to the Emergency Reserves Fund. As a result, Contingency Reserves were \$727,000 below their Financial Management Policy funding goal in FY 2011/12. In FY 2012/13, funds were transferred from the Internal Service Funds, Measure O revenue receipts, and the General Fund operating balance to assist in replenishing and building the reserves.

In FY 2014/15 and FY 2015/16, a total of \$182,600 and \$89,400 were transferred to the fund to meet the new Contingency Reserve targeted levels. As the chart below shows, the reserve balance was above the target level for FY 2020-21, however, it should be noted that the requirement was lower as a result of drastic budget reductions due to COVID-19. As anticipated, the target balance has returned to prior year levels in FY 2021-22.

### SOURCES AND USES

	FY18/19	FY19/20	FY20/21	FY20/210	FY21/22	FY22/23
Fund - 1010	Actual	Actual	Amended	Estimated	Proposed	Planned
<b>Beginning Fund Balance</b>	\$ 2,036,346	\$ 2,036,346	\$2,061,346	\$2,061,346	\$2,061,346	\$2,061,346
<b>Revenue</b>						
Other Financing Sources	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 57,000
<b>Revenue Totals</b>	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 57,000
<b>Expenditures</b>						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditure Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance at 06/30</b>	<b>\$ 2,036,346</b>	<b>\$2,061,346</b>	<b>\$2,061,346</b>	<b>\$2,061,346</b>	<b>\$2,061,346</b>	<b>\$2,118,346</b>
Gen. Fund Exp. - Excl. Tfrs & Isf	\$12,619,885	\$13,362,270	\$12,638,531	\$12,023,562	\$13,652,345	\$14,118,601
Target Balance (15%)	\$ 1,892,983	\$ 2,004,340	\$ 1,895,780	\$ 1,803,534	\$ 2,047,852	\$ 2,117,790
Over / (Short) of Target	\$ 143,363	\$ 57,006	\$ 165,566	\$ 257,812	\$ 13,494	\$ 556

## PERS CONTINGENCY RESERVES

The City of Capitola established a PERS Contingency Reserve as part of the FY 2015/16 Budget process. The fund was setup to help stabilize the City's finances and help manage future increases in PERS contributions.

The PERS Contingency Fund initially funded with a \$300,000 transfer from the General Fund. The \$300,000 allows for two years of PERS projected increases and time to evaluate options to address the larger unfunded liability and yearly obligations

In December 2016, \$300,000 was invested in a moderately conservative trust fund with Public Agency Retirement Services (PARS). The FY 17/18 budget transferred an additional \$500,000 into the PERS trust fund to offset rising pension costs.

<b>SOURCES AND USES</b>						
<b>Fund - 1015</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/210</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	\$ 815,856	\$ 867,088	\$ 916,861	\$ 916,861	\$ 986,861	\$ 1,036,861
<b>Revenue</b>						
Use of money & property	51,232	49,773	10,000	70,000	50,000	50,000
Other Financing Sources	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$ 51,232</b>	<b>\$ 49,773</b>	<b>\$ 10,000</b>	<b>\$ 70,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Expenditures</b>						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditure Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance at 06/30</b>	<b>\$ 867,088</b>	<b>\$ 916,861</b>	<b>\$ 926,861</b>	<b>\$ 986,861</b>	<b>\$ 1,036,861</b>	<b>\$ 1,086,861</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

## FACILITIES RESERVES

The Facilities Reserve Fund was established in FY 2014/15 to serve as a resource to fund capital improvements and major repairs on City facilities. The National Research Council Stewardship of Federal Facilities recommends setting aside two to four percent of building replacement costs to preserve or extend the life of facilities. The estimated replacement value of the City's facilities is \$17.5 million.

The Facilities Reserve is used to fund future facility needs of the City. The proposed FY 2021-22 budget includes funds for facility maintenance.

### SOURCES AND USES

<b>Fund - 1025</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/210</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	\$ 449,433	\$ 482,517	\$ 555,914	\$ 555,914	\$ 555,914	\$ 505,914
<b>Revenue</b>						
Other Financing Sources	90,000	108,000	-	-	-	50,000
<b>Revenue Totals</b>	<b>\$ 90,000</b>	<b>\$ 108,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>Expenditures</b>						
Contract Services	\$ 56,916	\$ 34,603	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Other Financing Uses	-	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 56,916</b>	<b>\$ 34,603</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Fund Balance at 06/30</b>	<b>\$ 482,517</b>	<b>\$ 555,914</b>	<b>\$ 505,914</b>	<b>\$ 555,914</b>	<b>\$ 505,914</b>	<b>\$ 505,914</b>

# MULTI-YEAR ASSETS & OBLIGATIONS



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## MULTI-YEAR ASSETS & OBLIGATIONS

**City & Joint Powers Authority (JPA) Multi-Year Obligations:** The City of Capitola has six multi-year obligations, two of which are part of a Joint Powers Authority. The obligations are paid from various funding sources.

**Pacific Cove Lease Financing:** In March 2011, a pipe failure flooded the City-owned Pacific Cove Mobile Home Park. The City of Capitola entered into a \$2,390,000 lease/sublease agreement to finance the relocation of mobile home residents and close the park.

**Beach and Village Parking Lot II:** The City of Capitola initiated a \$1,372,500 California Infrastructure and Economic Development Bank (I-Bank) loan to fund the development of a parking lot and related improvements at the site of the former Pacific Cove Mobile Home Park.

## CITY/JOINT POWERS AUTHORITY MULTI-YEAR ASSETS & OBLIGATIONS

### GENERAL GOVERNMENT

The City of Capitola has seven multi-year obligations, three of which are part of a Joint Powers Authority. The obligations are paid from various funding sources. All obligations are shown in the budgets of the applicable funds and all payments are current.

City Multi-Year Obligations	Principal balance June 30, 2021	Form of payment	Original Obligation	Other Terms
Current employee compensated absences (a)	\$ 758,313	Accrual	Ongoing	On-going. No interest due. (Refer to Compensated Absence Fund)
Net Pension Liability	\$ 26,018,188	Actuarial	N/A	Pension Liability to CalPERS.
Pacific Cove Lease Financing	\$ 945,434	Financing Lease	20 years	\$2,390,000 loan - 20 year term beginning 9/2012, 3.25% fixed rate through 10 years, then resets to 10 Yr. T-Bill + 1.5%.
Beach & Village Parking Lot II Lease Financing	\$ 960,092	Tax Exempt Lease	20 years	\$1,372,500 I-Bank loan - 20 year term beginning FY 2013/14, 2.26% interest.
<b>Total City Multi-Year Obligation</b>	<b>\$ 28,682,027</b>			

(a) Compensated absences and Net Pension Liability are as of June 30, 2020.

JPA Bond Obligations	Original Principal	Form of payment	Original Obligation	Other Terms
Monterey Bay Area Self-Insurance Authority (MBASIA) JPA Bond	\$ 5,150,000	JPA membership and paid via premiums	30 years	On Oct. 1, 2004, MBASIA issued \$5.15 million in debt. The debt service is included in the MBASIA budget and used to determine each member agency's premium.
Santa Cruz Consolidated Emergency Communications Center (SCCECC) JPA Bond	\$ 3,965,000	JPA membership and paid via premiums	22 years	In 2002, SCCECC issued \$5.76 million in lease revenue refunding bonds, which were refinanced in April 2012, at \$3,965,000. Payments are made to Santa Cruz Regional 911 from the Police Department's contracts services budget. The Use Agreement between Capitola and SCCECC is effective through 2024.



## PACIFIC COVE LEASE FINANCING

### DEBT SERVICE

The City of Capitola owns 426 Capitola Avenue, which formerly housed the 41 mobile home Pacific Cove Mobile Home Park. On March 24, 2011, a 72" storm drain that carries Noble Gulch Creek water from Bay Avenue to Soquel Creek catastrophically failed following a heavy rain storm. This resulted in flooding of the Pacific Cove Mobile Home Park, City Hall and village residences and businesses. The initial estimate to bring the park up to code was \$1.33 million. Due to the high cost and potential for future liability, Capitola City Council approved a Relocation Impact Report (RIR) for the closure of Pacific Cove Mobile Home Park in January 2012. The RIR provided a cost estimate for relocating residents and professional relocation consultants to help displaced residents find suitable replacement housing. The City executed a \$2.39 million lease/sublease agreement using the existing City Hall site and adjacent upper parking lot as the pledged property. The City verified income status as part of the relocation process and determined that a percentage of Housing Trust Fund monies could be used to repay the debt service at a proportion no greater than the number of low income mobile home occupants that were relocated. The funding sources for debt service payments will be determined annually. Any General Fund monies for the share of allowable costs from other funding sources may be reimbursed in subsequent years as funds become available.

At the time the loan was issued, there was some uncertainty as to whether the property would be developed for public or private use. This resulted in the City entering into a 20-year taxable lease/sublease agreement at an interest rate of 5.14%. In FY 12/13, the City determined that the site would be converted to a public parking lot, now named Beach & Village Parking Lot II (BVPL II). This public use allows the City to refinance the existing debt at a 3.25% tax-exempt interest rate with a 10-year Treasury Bill reset + 1.5% in year 10. As a result of the refinancing, annual loan payments were reduced by approximately \$28,000, with an estimated nine-year interest savings of approximately \$350,000. In FY 12/13 the City reached a \$1.35 million insurance settlement related to the pipe failure. This resulted in a principal reduction of \$476,200, with a prepayment penalty of \$23,800.

SOURCES AND USES						
Fund - 1420	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	<b>\$ 133,326</b>	<b>\$ 54,799</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>
<b>Revenue</b>						
Use of money & property	\$ 1,472	\$ 300	\$ -	\$ -	\$ -	\$ -
Other Financing Sources	165,066	165,066	165,066	165,066	165,066	165,066
<b>Revenue Totals</b>	<b>\$ 166,538</b>	<b>\$ 165,366</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>
<b>Expenditures</b>						
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	165,066	165,066	165,066	165,066	165,066	165,066
Other financing uses	80,000	-	-	-	-	-
<b>Expenditure Totals</b>	<b>\$ 245,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>	<b>\$ 165,066</b>
<b>Fund Balance at 06/30</b>	<b>\$ 54,799</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>	<b>\$ 55,099</b>

**Pacific Cove Financing Lease Debt Service**

<b>Payment Date</b>	<b>Principal</b>	<b>Interest /Prepmt penalty</b>	<b>Total</b>	<b>Fiscal Year</b>
9/1/2012	\$ 30,815	\$ 53,893	\$ 84,708	
3/1/2013	35,871	60,632	96,503	
6/28/2013	476,200	23,810	500,010	\$ 681,221
9/1/2013	42,440	22,843	65,283	
3/1/2014	53,207	29,326	82,533	147,816
9/1/2014	46,196	36,337	82,533	
3/1/2015	46,947	35,586	82,533	165,066
9/1/2015	47,710	34,823	82,533	
3/1/2016	48,485	34,048	82,533	165,066
9/1/2016	49,273	33,260	82,533	
3/1/2017	50,074	32,459	82,533	165,066
9/1/2017	50,887	31,645	82,533	
3/1/2018	51,714	30,819	82,533	165,066
9/1/2018	52,555	29,978	82,533	
3/1/2019	53,409	29,124	82,533	165,066
9/1/2019	54,277	28,256	82,533	
3/1/2020	55,159	27,374	82,533	165,066
9/1/2020	56,055	26,478	82,533	
3/1/2021	56,966	25,567	82,533	165,066
9/1/2021	57,891	24,641	82,533	
3/1/2022	58,832	23,701	82,533	165,066
9/1/2022	59,788	22,745	82,533	
3/1/2023	60,760	21,773	82,533	165,066
9/1/2023	61,747	20,786	82,533	
3/1/2024	62,751	19,782	82,533	165,066
9/1/2024	63,770	18,763	82,533	
3/1/2025	64,807	17,726	82,533	165,066
9/1/2025	65,860	16,673	82,533	
3/1/2026	66,930	15,603	82,533	165,066
9/1/2026	68,017	14,515	82,533	
3/1/2027	69,123	13,410	82,533	165,066
9/1/2027	70,246	12,287	82,533	
3/1/2028	71,387	11,145	82,533	165,066
9/1/2028	72,548	9,985	82,533	
3/1/2029	57,304	7,887	65,191	147,724
9/1/2029	-	-	-	
3/1/2030	-	-	-	-
9/1/2030	-	-	-	
3/1/2031	-	-	-	-
9/1/2031	-	-	-	
3/1/2032	-	-	-	-
<b>TOTAL</b>	<b>\$2,390,000</b>	<b>\$897,681</b>	<b>\$3,287,681</b>	<b>\$ 3,287,681</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

**BEACH & VILLAGE PARKING II – LEASE FINANCING****DEBT SERVICE**

In April 2013, the City of Capitola received \$1,372,000 in funding from the California Infrastructure and Economic Development Bank (I-Bank) for development of a parking lot on the former Pacific Cove Mobile Home Park site. The funding was used to create the 226 space Beach & Village Parking Lot II. The project included grading, pay station installation, shuttle bus stops, landscaping, pedestrian walkways, and pay stations for the upper parking lot. The I-Bank loan is 2.26% tax exempt reimbursement financing.

This project improved parking capacity for Capitola Village, Capitola Beach, and Capitola Wharf, and is especially helpful during peak seasons. The additional parking spaces are also anticipated to facilitate the development of a hotel. The parking lot contributes about \$44,000 annual revenue to the General Fund and the I-Bank annual debt service of \$88,616 is paid with funds transferred from the General Fund.

<b>SOURCES AND USES</b>						
<b>Fund - 1421</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Planned</b>
<b>Beginning Fund Balance</b>	<b>\$ (39,185)</b>	<b>\$ (39,186)</b>	<b>\$ (39,186)</b>	<b>\$ (39,186)</b>	<b>\$ (38,986)</b>	<b>\$ (38,986)</b>
<b>Revenue</b>						
Interfund Transfers	\$ 88,812	\$ 88,616	\$ 88,616	\$ 88,616	\$ 88,211	\$ 88,002
Other Financing Sources	-	-	-	-	-	-
<b>Revenue Totals</b>	<b>\$ 88,812</b>	<b>\$ 88,616</b>	<b>\$ 88,616</b>	<b>\$ 88,616</b>	<b>\$ 88,211</b>	<b>\$ 88,002</b>
<b>Expenditures</b>						
Construction Svcs. & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	88,813	88,617	88,416	88,416	88,211	88,002
<b>Expenditure Totals</b>	<b>\$ 88,813</b>	<b>\$ 88,617</b>	<b>\$ 88,416</b>	<b>\$ 88,416</b>	<b>\$ 88,211</b>	<b>\$ 88,002</b>
<b>Fund Balance at 06/30</b>	<b>\$ (39,186)</b>	<b>\$ (39,186)</b>	<b>\$ (38,986)</b>	<b>\$ (38,986)</b>	<b>\$ (38,986)</b>	<b>\$ (38,986)</b>

### Beach & Village Parking Lot II Lease Financing Debt Service

Payment Dates	Principal	Interest	Total	Fiscal Year
8/1/2014	\$ 55,040	15,922	70,962	
2/1/2015		14,887	14,887	\$ 85,849
8/1/2015	56,284	18,840	75,124	
2/1/2016		14,251	14,251	89,375
8/1/2016	57,556	18,035	75,591	
2/1/2017		13,601	13,601	89,192
8/1/2017	58,857	17,212	76,069	
2/1/2018		12,936	12,936	89,004
8/1/2018	60,187	16,370	76,557	
2/1/2019		12,256	12,256	88,812
8/1/2019	61,547	15,509	77,056	
2/1/2020		11,560	11,560	88,616
8/1/2020	62,938	14,629	77,567	
2/1/2021		10,849	10,849	88,416
8/1/2021	64,360	13,729	78,089	
2/1/2022		10,122	10,122	88,211
8/1/2022	65,815	12,809	78,624	
2/1/2023		9,378	9,378	88,002
8/1/2023	67,302	11,868	79,170	
2/1/2024		8,618	8,618	87,788
8/1/2024	68,823	10,905	79,728	
2/1/2025		7,840	7,840	87,568
8/1/2025	70,379	9,921	80,300	
2/1/2026		7,045	7,045	87,344
8/1/2026	71,969	8,915	80,884	
2/1/2027		6,231	6,231	87,116
8/1/2027	73,596	7,886	81,482	
2/1/2028		5,400	5,400	86,881
8/1/2028	75,259	6,833	82,092	
2/1/2029		4,549	4,549	86,641
8/1/2029	76,960	5,757	82,717	
2/1/2030		3,680	3,680	86,396
8/1/2030	78,699	4,657	83,356	
2/1/2031		2,790	2,790	86,146
8/1/2031	80,478	3,531	84,009	
2/1/2032		1,881	1,881	85,890
8/1/2032	82,297	2,380	84,677	
2/1/2033		951	951	85,627
8/1/2033	84,156	1,204	85,360	85,360
<b>Total</b>	<b>\$ 1,372,500</b>	<b>\$ 375,736</b>	<b>\$ 1,748,236</b>	<b>\$ 1,748,236</b>

Attachment: !2022 Budget - Proposed Budget (Special Budget Meeting - Proposed 2021-2022 Fiscal Year Budget)

# SUCCESSOR AGENCY



## SUCCESSOR AGENCY

### CAPITOLA OVERSIGHT BOARD

California Redevelopment Agencies were dissolved February 1, 2012. The City of Capitola elected to become the Successor Agency of the former Capitola Redevelopment Agency and oversee the winding down of its obligations. The full obligations of the Successor Agency were approved by the California State Department of Finance (DOF), the State Controller's Office (SCO), and the Santa Cruz County Auditor-Controller's Office. Subsequent actions of the Successor Agency in paying these obligations are reviewed, approved, and audited by each these agencies, as well as by a representative seven-member Oversight Board. Payments are authorized through Recognized Obligation Payment Schedules (ROPS) and paid for with allocations of property tax proceeds. The DOF, SCO, and County Auditor-Controller audit each ROPS submission, prior period reconciliation, and Redevelopment Property Tax Trust Fund (RPTTF) cash flow and balance.

#### FISCAL YEAR ACCOMPLISHMENTS – 2020-21

- Received approval for ROPS 20-21
- Receive Department of Finance approval for future ROPS submissions
- Completed annual SB341 Housing Successor Status

#### FISCAL YEAR GOALS – 2021-22

##### FISCAL POLICY

- Wind down Successor Agency obligations in an expedient manner
- Submit Final ROPS to California Department of Finance

SOURCES AND USES						
Fund - 5501 Successor Agency	FY18/19 Actual	FY19/20 Actual	FY20/21 Amended	FY20/21 Estimated	FY21/22 Proposed	FY22/23 Planned
<b>Beginning Fund Balance</b>	\$ 347,644	\$ 248,979	\$ 194,979	\$ 194,979	\$ 168,976	\$ 168,976
<b>Revenue</b>						
Intergovernmental	\$ 50,000		\$ -	\$ -	\$ -	\$ -
<b>Revenue Totals</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
Contract Services	\$ 30,000	\$ 30,000				
Grants and subsidies	118,665	24,000		26,003		
Debt service						
Other financing uses						
<b>Expenditure Totals</b>	<b>\$ 148,665</b>	<b>\$ 54,000</b>	<b>\$ -</b>	<b>\$ 26,003</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance at 06/30</b>	<b>\$ 248,979</b>	<b>\$ 194,979</b>	<b>\$ 194,979</b>	<b>\$ 168,976</b>	<b>\$ 168,976</b>	<b>\$ 168,976</b>