

City of Capitola Agenda



Mayor: Michael Termini
Vice Mayor: Stephanie Harlan
Council Members: Kirby Nicol
Dennis Norton
Sam Storey
Treasurer: Jacques Bertrand

CAPITOLA CITY COUNCIL REGULAR MEETING THURSDAY, JUNE 14, 2012 CLOSED SESSION – 6:00 PM CITY MANAGER'S OFFICE

An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only.

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Jamie Goldstein, City Manager

Employee Organizations: Association of Capitola Employees, Capitola Police Captains, Capitola Police Officers Association, Confidential Employees, Mid-Management Group, and Department Head Group.

Negotiator: John Barisone, City Manager
City Manager's Contract

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of GC §54956.9: Two cases:

1. City of Capitola Insurance Coverage Claim Against Lexington Insurance (Noble Gulch Storm Drain Failure);
2. Pacific Cove Mobile Home Park Pipe Failure and Closure;
3. Consideration of lawsuit against the Department of Finance – Disputed Recognized Obligations of the Successor Agency.

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

1. Kevin Calvert, D.D.S. and Pamela Calvert vs. City of Capitola, et al. [Superior Court of the State of California for County of Santa Cruz, Case #CV 172804];
2. Katie Saldana vs. City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 172324];
3. Foremost Insurance Company vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 173228];
4. Truck Insurance vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV173071];
5. David Ross; Carousel Taffy Morro Bay, Inc.; Village Mouse dba; The Thomas Kinkade Gallery Capitola; Judith Ferro vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 173642];
6. American Alternative Insurance Corporation; Central Fire Protection District of Santa Cruz County vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV173926].

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code §54957)

City Council's Performance Evaluation of City Attorney

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Claudia Monjaraz
Agency claimed against: City of Capitola

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Stephanie Harlan, Dennis Norton, Kirby Nicol, Sam Storey, and Mayor Michael Termini

2. PRESENTATIONS

A. Proclamation honoring Amateur Radio Week - June 17 thru June 24, 2012.

3. REPORT ON CLOSED SESSION**4. ADDITIONS AND DELETIONS TO AGENDA****5. PUBLIC COMMENTS**

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

6. COUNCIL/STAFF ANNOUNCEMENTS**7. COMMITTEE APPOINTMENTS**

ALL MATTERS LISTED ON THE REGULAR MEETING OF THE CAPITOLA CITY COUNCIL AGENDA SHALL BE CONSIDERED AS PUBLIC HEARINGS.

8. CONSENT CALENDAR

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

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

A. Consideration of denying a liability claim of Claudia Monjaraz in the amount of \$720.00 and forward to the City's liability insurance carrier.

RECOMMENDED ACTION: Deny Liability Claim.

B. Approve City Council Minutes of the Regular Meeting of April 26, 2012.

RECOMMENDED ACTION: Approve Minutes.

8. CONSENT CALENDAR (continued)

- C. Consideration of approving the First Amendment to City Manager Employment Agreement.
RECOMMENDED ACTION: Approve Agreement.
- D. Consideration of approving the following agreements:
1. Memorandum of Understanding with the Mid-Management Employees Bargaining Unit for a Term of July 1, 2012 expiring June 30, 2015;
 2. Memorandum of Understanding with the Confidential Employees Bargaining Unit for a Term of July 1, 2012 expiring June 30, 2015;
 3. Sixth Amendment to the Employment Agreement for the Public Works Director recognizing negotiated changes in salary and benefits for July 1, 2012 – June 30, 2015.
 4. First Amendment to the Employment Agreement for the Finance Director recognizing negotiated changes in salary and benefits for July 1, 2012 – June 30, 2015;
 5. First Amendment to the Employment Agreement for the Administrative Services Director recognizing negotiated changes in salary and benefits for July 1, 2012 – June 30, 2015;
- RECOMMENDED ACTION: Approve Agreements.
- E. Consideration of a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2012-2013, which receives the Capitola Village and Wharf Business Improvement Area Annual Report and the proposed Fiscal Year 2012-2013 Budget; sets a public hearing to receive oral or written protests on the levy of assessments for Fiscal Year 2012-2013 for Thursday, June 28, 2012; and directs required noticing of the public hearing by the City Clerk and the Capitola Village and Wharf Business Improvement Area.
RECOMMENDED ACTION: Adopt Resolution, receive annual report, and set public hearing for June 28, 2012.
- F. Consideration of the purchase of an unmarked detective vehicle for the Police Department in the amount of \$20,695.73 and surplus the police vehicle to be replaced.
RECOMMENDED ACTION: Approve vehicle purchase.
- G. Consideration of a Resolution amending Resolution No. 3820 and Resolution No. 3869 pertaining to Gann Appropriation Limits for Fiscal Years 2010-11 and 2011-12 respectively; recommendation by Teaman Ramirez and Smith (City's previous audit firm).
RECOMMENDED ACTION: Adopt Resolution.
- H. Consideration of a Resolution establishing a Gann Appropriation Limit pursuant to Article XIII B of the California Constitution for Fiscal Year 2012-2013.
RECOMMENDED ACTION: Adopt Resolution.

8. CONSENT CALENDAR (continued)

- I. Consideration of awarding a janitorial bid to Clean Building Maintenance in the amount of \$47,783.50 per year.
RECOMMENDED ACTION: Authorize the agreement.
- J. Receive Planning Commission Action Minutes for the Regular Meeting of June 7, 2012.
RECOMMENDED ACTION: Receive Minutes.
- K. Consideration of a Resolution implementing the provisions of Section 414(H)(2) of the Internal Revenue Code related to the 2.5% at 55 Retirement Plan for Miscellaneous Employees and 3% at 50 Plan for Public Safety Employees.
RECOMMENDED ACTION: Adopt Resolution.
- L. Adoption of a Resolution adopting the proposed 2012/2013 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and the Capital Improvement Budgets.
RECOMMENDED ACTION: Adopt Resolution.
- M. Receive the Mayor's appointment of Frank Phanton as an alternate member to the Architectural and Site Review Committee.
RECOMMENDED ACTION: Receive Appointment.
- N. Consideration of approving a request to proceed with recruitment for the vacancy of the unexpired term youth member to the Commission on the Environment.
RECOMMENDED ACTION: Approve extension.

9. GENERAL GOVERNMENT/PUBLIC HEARINGS

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

- A. 220 Oakland Avenue – Project Application # 12-044
Appeal of Planning Commission decision to approve a Fence Permit and a Major Revocable Encroachment Permit to construct a wall within the City right-of-way as part of a single-family residential use in the R-1 (Single-Family Residence) Zoning District [APN 036-124-20]. Filed 3/29/12. Property Owner: Christann A. Bohnet. Representative: John Draga.
RECOMMENDED ACTION: Deny the application.
- B. Consider report and presentation on traffic evaluation for Gilroy Avenue.
RECOMMENDED ACTION: Accept report and provide direction to the Police Department.

9. GENERAL GOVERNMENT/PUBLIC HEARINGS (continued)

- C. Consideration of a Resolution regarding a Visitor Service Fee (Transient Occupancy Tax) Measure for November 6, 2012 Election.
RECOMMENDED ACTION: Discuss and provide direction, adopt Resolution.
- D. Consideration of adopting a Resolution authorizing certain Council Members to file written arguments for or against City Measure(s) and filing of rebuttal arguments for City Measure(s) submitted at the November 6, 2012 General Municipal Election, and approve timeline for filing Arguments/Rebuttals for City Measure(s).
RECOMMENDED ACTION: Adopt Resolution.
- E. Designation of Voting Delegate and Alternate for the League of California Cities Annual Conference in San Diego, California, from September 5 to 7, 2012.
RECOMMENDED ACTION: Designate a Voting Delegate and Alternate to the Annual League Conference.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

10. COUNCIL/STAFF COMMUNICATIONS

A. Staff CommentsB. City Council/Treasurer Comments/Committee Reports

City Council Members /City Treasurer may comment on matters of a general nature or identify issues for staff response or future council consideration. Council Members/Committee Representatives may present oral updates from standing committees at this time.

11. ADJOURNMENT

Adjourn to the next Regular Meeting of the City Council to be held on Thursday, June 28, 2012, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

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

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

Agenda and Agenda Packet Materials: The City Council Agenda and the complete agenda packet are available on the Internet at the City's website: www.ci.capitola.ca.us. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. Need more information? Contact the City Clerk's office at 831-475-7300.

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

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

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed at 12:00 Noon on the Saturday following the meetings on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.ci.capitola.ca.us by clicking on the Home Page link "**View Capitola Meeting Live On-Line.**" Archived meetings can be viewed from the website at anytime.



Item #: 8.A.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: LIABILITY CLAIMS

RECOMMENDED ACTION: Deny liability claim and forward to the City's liability insurance carrier.

DISCUSSION:

The following claimant has filed a liability claim against the City of Capitola:

1. Claudia Monjaraz: \$720.00

ATTACHMENTS: None

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

Reviewed and Forwarded
by City Manager: 



Item #: 8.B.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: OFFICE OF THE CITY CLERK

SUBJECT: APPROVAL OF THE APRIL 26, 2012 REGULAR COUNCIL MEETING CAPITOLA
CITY COUNCIL MINUTES

RECOMMENDED ACTION: Approve the subject minutes as submitted.

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

ATTACHMENTS

1. April 26, 2012 Minutes

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

NOT OFFICIAL UNTIL APPROVED BY COUNCIL

CITY OF CAPITOLA
CITY COUNCILApril 26, 2012
Capitola, California**MINUTES OF A REGULAR MEETING
5:30 P.M. – CLOSED SESSION – CITY MANAGER’S OFFICE****CALL TO ORDER**

Mayor Termini called the meeting to order at 5:30 p.m. Council Members present: Council Member Harlan, Council Member Nicol, Council Member Storey, and Mayor Termini. Council Member Norton was absent. Mayor Termini made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of GC §54956.9: Two cases:

1. City of Capitola Insurance Coverage Claim Against Lexington Insurance (Noble Gulch Storm Drain Failure);
2. Pacific Cove Mobile Home Park Pipe Failure and Closure.

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

1. Kevin Calvert, D.D.S. and Pamela Calvert vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 172804];
2. Katie Saldana vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 172324];
3. Foremost Insurance Company vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV173228];
4. Truck Insurance vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV173071];
5. David Ross; Carousel Taffy Morro Bay, Inc.; Village Mouse dba The Thomas Kinkade Gallery Capitola; Judith Ferro vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV173642].

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Jamie Goldstein, City Manager

Employee Organizations: Association of Capitola Employees, Capitola Police Captains, Capitola Police Officers Association, Confidential Employees, Mid-Management Group, and Department Head Group.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code §54957)

Title: City Manager

Mayor Termini noted that there was no one in the audience; therefore, the City Council recessed at 5:30 p.m. to the Closed Session in the City Manager’s Office.

7:00 P.M. – OPEN SESSION

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL

CALL TO ORDER

Mayor Termini called the Regular Meeting of the Capitola City Council to order at 7:15 p.m. on Thursday, February 23, 2012, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE:

PRESENT: Council Members Stephanie Harlan, Kirby Nicol, Sam Storey, and Mayor Michael Termini

ABSENT: Council Member Dennis Norton

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Jamie Goldstein, City Attorney John Barisone, Public Works Director Steve Jesberg, Finance Director Tori Hannah, and City Clerk Susan Sneddon

2. PRESENTATIONS: None provided.

3. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone stated that items the City Council discussed in Closed Session are the items listed on the April 26, 2012, Closed Session Agenda. The City Council discussed with Attorney Gumbiner (special counsel), City Manager Goldstein, and City Attorney Barisone the potential first party insurance coverage lawsuit against Lexington Insurance Company's failure to honor the City's claim for property damages from the March 2011 pipe failure incident; a status report was received, and the City Council provided direction regarding the potential prosecution of the lawsuit. **City Attorney Barisone** stated that the City Council provided direction regarding the numerous potential litigation cases arising out of the Pacific Cove Mobilehome Park closure. He stated that the City Council did not discuss the litigation cases against the City of Capitola, arising out of the March 2011 pipe failure by third-party property owners, because there were no new developments to report. He stated that the City Council received a status report from the City Manager and the Administrative Services Director, the City's labor negotiators, regarding the following employee bargaining organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains; (3) Capitola Police Officers Association; (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Head Group; the Council took no reportable action. **Mr. Barisone** stated that the labor negotiators took instruction from the Council with regard to ongoing negotiations. He stated that due to time constraints the City Manager's performance evaluation did not occur.

4. ADDITIONS AND DELETIONS TO AGENDA

None provided.

5. PUBLIC COMMENTS

Angela Flynn stated that the last day to opt-out of getting a SmartMeter installed at a residence is May 1, 2012.

Marilyn Garrett stated she opposes SmartMeters.

Carol Lerno, Pacific Cove Mobile Home Park, Space 66, stated her brother is experiencing difficulty in relocating a residence as a result of the Pacific Cove Mobile Home Park closure.

6. COUNCIL/STAFF ANNOUNCEMENTS (None provided)**7. COMMITTEE APPOINTMENTS (None provided)****8. CONSENT CALENDAR**

- A. Approve City Council Minutes of the Regular Meetings of March 8, 2012, and March 22, 2012.**
- B. Receive the City Check Register Reports dated March 16, 2012; March 23, 2012; March 30, 2012; April 6, 2012; and April 13, 2012. [300-10]**
- C. Approve an amendment to the Administrative Policy Regarding the Memorial Program. [100-10/1040-50]**
- D. Receive Planning Commission Action Minutes for the Special Meeting of April 19, 2012. [740-50]**
- E. Art & Cultural Commission 2011 Annual Report. [1010-60]**
- F. Consideration of Resolution amending the Bylaws of the Capitola Art & Cultural Commission regarding membership. [1010-60]**
- G. Consideration of approving the purchase of one police patrol vehicle and a police equipment package in the amount of \$37,305, not to exceed \$38,000; request to surplus the police vehicle being replaced. [370-40/370-10]**

Council Member Storey requested that **Item 8.C.** be pulled for discussion.

Council Member Nicol requested that **Item 8.G.** be pulled for discussion.

Motion by Council Member Harlan, seconded by Council Member Storey, to approve Items No. 8. A, B, D, E, and F on the Consent Calendar. The motion was unanimously carried.

Following actions on the Consent Calendar, the City Council then discussed Item 8.C. and Item 8.G. and took separate action on those items.

- C. **Approve an amendment to the Administrative Policy Regarding the Memorial Program. [100-10/1040-50]**

Council Member Storey asked if a family who provided a memorial plaque would be contacted if the plaque were lost or damaged from a natural disaster. (**Administrative Services Director Murphy** responded the family would be contacted).

ACTION: Motion by Council Member Harlan, seconded by Council Member Storey, to approve an amendment to the Administrative Policy Regarding the Memorial Program. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: Council Member Norton. ABSTAIN: None.

- G. **Consideration of approving the purchase of one police patrol vehicle and a police equipment package in the amount of \$37,305, not to exceed \$38,000; and request to surplus the police vehicle being replaced. [370-40/370-10]**

Police Chief Escalante introduced this item.

ACTION: Motion by Council Member Storey, seconded by Council Member Nicol, to approve the purchase of one police patrol vehicle and a police equipment package in the amount of \$37,305, not to exceed \$38,000; request to surplus the police vehicle being replaced. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: Council Member Norton. ABSTAIN: None.

9. GENERAL GOVERNMENT/PUBLIC HEARINGS

- A. **Receive report and recommendations regarding the Reposa Avenue Traffic Analysis; consideration of an amendment to Title 10 (Vehicles and Traffic) of the Capitola Municipal Code to prohibit commercial traffic on Reposa Avenue. [490-20]**

Public Works Director Jesberg introduced this item. He stated that the Public Works Department conducted a traffic impact analysis on Reposa Avenue as part of the approval of the Fairfield Inn and Suites Hotel Project.

Council Member Storey asked about the purpose of the median island built as part of the hotel project.

Public Works Director Jesberg responded that the median was installed to prevent vehicles from turning left off Brommer Street into the hotel; the median will probably be relocated in the southerly direction to make the westbound lane wider.

Mayor Termini opened this item to the public.

Bonnie Ford, 4055 Reposa Avenue, spoke in favor of this proposal.

Ron Graves, 420 Riverview Avenue, asked if banning commercial traffic would affect those who operate their businesses out of their residences on Reposa Avenue.

City Attorney Barisone responded that those operating businesses out of their homes would be exempt from the ban on commercial traffic on Reposa Avenue.

Mayor Termini closed this item to the public.

ACTION: Motion by Council Member Nicol, seconded by Council Member Storey, to approve an ordinance to a second reading amending Sections 10.48.010 and 10.48.040 of the Capitola Municipal Code to prohibit commercial traffic on Reposa Avenue and amending the code to be consistent with State law, and authorize the Department of Public Works to redesign the 41st Avenue/Brommer Street intersection to improve truck movements from southbound 41st Avenue on to westbound Brommer Street, including removal or relocating the raised median [1st Reading]. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: Council Member Norton. ABSTAIN: None.

- B. Consideration of a contract with the City of Santa Cruz for \$67,000 to perform lifeguard services on the beaches in the City of Capitola and authorize a budget adjustment in the amount of \$5,352. [1020-50/500-10 A/C: City of Santa Cruz] [Budget Adjustment 330-10]**

Police Chief Escalante introduced this item. He stated that the goal is to continue to provide maximum sustainable, certified lifeguard services to the community, while being efficient with our available resources. He reviewed the benefits of contracting with the City of Santa Cruz to perform lifeguard services.

Council Member Storey asked if the lifeguard recertification for the City of Santa Cruz is more stringent than the City's lifeguard training. He asked about the cost savings for the proposed contract for lifeguard services.

Police Chief Escalante stated that the costs of the proposed contract fall over two different fiscal year budget cycles. The City has already spent a portion of lifeguards' personnel expenses this fiscal year, which is an additional cost that will increase the salaries for the Police Department by approximately \$5,352.

City Manager Goldstein stated this contract will provide another full-time Community Service Officer during the summer months.

Mayor Termini opened this item to the public.

Ron Graves, 420 Riverview Avenue, stated concerns regarding additional costs to the City if the proposed contract is approved.

Mayor Termini closed this item to the public.

Council Member Storey asked if emergency mutual aid is provided county-wide.

Captain Oatey, Santa Cruz Fire Department Marine Safety Division, stated that county-wide mutual aid services are provided, and he presented a brief summary of lifeguard services to be provided on the beaches in the City of Capitola.

ACTION: Motion by Council Member Storey, seconded by Council Member Nicol, to authorize a contract with the City of Santa Cruz for \$67,000 to perform lifeguard services on the beaches in the City of Capitola, and authorize a budget adjustment in the amount of \$5,352. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: Council Member Norton. ABSTAIN: None.

C. Consideration of options for the Rispin Property consistent with State requirements to dispose of property owned by the former Redevelopment Agency (RDA). [275-10]

Mayor Termini introduced this item and requested public input and City Council direction.

City Manager Goldstein reviewed the establishment of the Oversight Board charged with overseeing the winding down of the RDA's activities. He stated that the Rispin property is considered an asset of the former RDA and the Mayor, who is a member of this Board, is requesting direction regarding the methodology in complying with the state law requirements and direction regarding reducing the minimum administrative cost allowance as prescribed in the state legislation. He provided a brief history of the Rispin property and stated that the Board may decide to transfer the property back to the City with concessions, or will decide to dispose of the property by selling it on the open market. He noted that the property is limited by the City's public access and conservation easements. He suggested that the Mayor, as a Board member, be provided direction to either seek to have the property transferred back to the City, which would likely include concessions on the note; or that the property be sold, and new uses of the property be limited by the zoning (City's public access and conservation easements). Any changes to the historic structure would be subject to CEQA requirements.

Mayor Termini stated that the state law is clear; the City is to be given a minimum of \$250,000 per year for administrative fees, unless the City agrees to a lesser amount.

City Manager Goldstein stated the staff recommendation is for Council to not voluntarily reduce the administrative cost allowance as specified in the state law.

Mayor Termini opened the public hearing.

Peter Latour, Santa Cruz Hostel, proposed that the building on the Rispin property be utilized as a hostel.

Mayor Termini closed the public hearing.

Council Member Nicol stated the Oversight Board's disposition of the Rispin property could be a windfall because the City has the public access and conservation easements that run with the property, and there may be an acceptable future proposal. He stated that the City should get the money back because the Rispin property was sold to the RDA for the same amount that the City paid for it (\$1,365,000).

Council Member Harlan stated that her preference would be for the City to keep the Rispin property and plan how it could be open for public use.

Council Member Storey stated that he would like the City to keep control of the Rispin property; he stated concerns regarding the City losing control if the Oversight Board decides to sell the property.

Mayor Termini stated this is new legal territory, and the Council may decide to keep the property and forgive the note; however, the state may have a different idea. He will forward Council's comments/concerns to the next Oversight Board meeting. He stated that he understands that the Council does not desire to voluntarily reduce the minimum administrative cost allowance for the Capitola Successor Agency.

D. Consideration of reentering loan agreements between the City and the Successor Agency to the former Redevelopment Agency (RDA) of the City of Capitola. [500-10/780-40 A/C: City/Successor Agency]

City Manager Goldstein stated that as part of the RDA dissolution process, the Oversight Board approved the Certified Recognized Obligation Payments Schedule (ROPS); the period for the California State Department of Finance to challenge the ROPS has expired. He stated that the certified ROPS provide the City an opportunity to re-enter into the Loan and Repayment Agreement (\$618,028) and the Rispin Purchase Loan (\$1,350,000) as debts of the Successor Agency.

Mayor Termini opened this item to the public

Peter Latour, Santa Cruz Hostel, invited the Council and staff to tour the Santa Cruz hostel.

Mayor Termini closed this item to the public

ACTION: Motion by Council Member Kirby, seconded by Mayor Termini, to approve re-entering the loan agreements between the City and the Successor Agency to the former Redevelopment Agency of the City of Capitola. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Nicol,

Storey, and Mayor Termini. NOES: None. ABSENT: Council Member Norton. ABSTAIN: None.

10. COUNCIL/STAFF COMMUNICATIONS

City Manager Goldstein stated that the north side of the City Hall parking lot has been temporarily closed for tree removal.

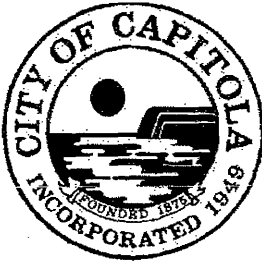
Public Works Director Jesberg announced plans for the Pacific Cove Mobilehome and City Hall property will be discussed at 9:30 a.m. at the Saturday, May 12th General Plan Workshop. In addition, he stated that the owner of Crest Apartments obtained a permit from the California Coastal Commission to fill a sea cave; the project has created jack hammer noise at the end of Esplanade Park.

Council Member Nicol requested the Public Works Director look into modifying the lane configuration on eastbound Clares Street between 40th Avenue and 41st Avenue.

Mayor Termini stated that he attended a special luncheon hosted by Paradise Beach Grille Restaurant, where he provided Mayor Proclamations to wounded soldiers who participated in a nonprofit program called Operation Surf; this program provides surfing lessons to active military amputees.

11. ADJOURNMENT

Mayor Termini adjourned at 8:40 p.m. to the next Regular Meeting of the City Council to be held on Thursday, May 10, 2012, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: CITY ATTORNEY

SUBJECT: CITY MANAGER EMPLOYMENT AGREEMENT – FIRST AMENDMENT

RECOMMENDED ACTION: Approve the First Amendment to the City Manager Employment Agreement.

BACKGROUND: The Department Head contracts and all of the bargaining units have been in negotiations regarding the terms and conditions of their agreements and MOU's. Traditionally the City Manager's contract is also reviewed when the Department Head contracts are considered.

DISCUSSION: The City Manager's employment agreement contains many basic provisions which are shared with other employee groups. There are several provisions however which the City Manager's contract does not contain. This amendment is intended to make the City Manager's contract more consistent with other employee groups

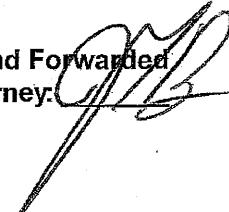
- **Vacation Cap:** Amend the cap to allow for any hours above 360 to be automatically cashed out, preventing the employee from accumulating more than 360 hours. Currently when the employee reaches 360 hours, the hours do not accumulate and are not cashable.
- **Personal Holidays:** Add three personal holidays. Consistent with all employees.
- **PERS Retirement Cap:** Cap the employer contribution rate at 16.488%. All miscellaneous employees except the City Manager have an employer contribution cap. The City currently pays the full PERS rate. On July 1, 2012 the employee portion will be 8.267%. In exchange for the employee paying the 8.267%, the City will contribute the same amount to a 457 Deferred Compensation account. Future PERS rate increases will be paid by employee.

FISCAL IMPACT: The implementation of the PERS cap of 16.488% will eventually save the City money as the PERS rates are expected to continue to increase each year while the 457 deferred compensation contribution of 8.267% will not change. In FY13-14 the PERS rate for the employee will increase to 8.987%, therefore the City will save 0.72%.

ATTACHMENT:

- 1) First Amendment to City Manager Employment Agreement
- 2) Original Agreement

Report Prepared By: Lisa G. Murphy
Administrative Services Director

Reviewed and Forwarded
by City Attorney: 

FIRST AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT

This first Amendment to City Manager Employment Agreement is entered into on _____, 2012 with an effective date of _____, 2012, by and between the City of Capitola, a municipal corporation (hereinafter referred to as "City"), and Jamie Goldstein, an individual (hereinafter referred to as "Employee"), and is intended to amend that particular City Manager Employment Agreement dated February 12, 2010 subsequently modified by an undated "First Waiver" that went into effect as of June 4, 2010 (hereinafter collectively referred to as the "Original Agreement").

1. Section 7.A.2 of the Original Agreement is hereby amended to read as follows:

"2. Vacation – Cap. If Employee has accumulated more than 360 hours of vacation as of the last pay period in April of any year, he shall be paid in cash at a rate equal to 100% of his current hourly pay rate for all hours in excess of 360. The payment will be included with the paycheck for the first pay period in May."

2. Section 7.J is hereby added to the Original Agreement to read as follows:

"J. Personal Holidays. Employee is entitled to three (3) personal holidays per calendar year. Unused personal holidays are not cumulative."

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

"A. PERS Retirement. Employee shall be authorized to participate in the City's Public Employees Retirement System (PERS) operated by the State of California. Benefits (including 2.5% at 55 and the single highest year option) provided are detailed in separate publications. The provisions of Resolution No. 3627 regarding employer-paid member contributions and the reporting thereof are applicable to Employee.

Employee is required to pay any PERS cost amount in excess of the 16.488% cap."

4. Section 9.E is hereby added to the Original Agreement to read as follows:

"E. The City shall make contributions to a 457 Deferred Compensation Account (or equivalent account as approved by the City Attorney and Employee) in an amount equal to 8.267% of employee's regular salary (not including Flex Credit, cell phone allowance, or other compensation.)"

5. Except as hereinabove stated, all other terms and conditions of the Original Agreement remain in full force and effect, are hereby re-stated and are hereby incorporated herein by reference as if fully set forth.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the City Manager Employment Agreement the day and year written above.

Dated: _____

CITY OF CAPITOLA

By: _____
Michael Termini, Mayor

Dated: _____

EMPLOYEE

By: _____
Jamie Goldstein

Approved as to Form

John G. Barisone, City Attorney

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of July 12, 2010, by and between the City of Capitola, a California municipal corporation (hereinafter "Employer" or "City"), and Jamie Goldstein (hereinafter "Employee"), with reference to the following recitals:

WHEREAS, Employee has been employed by Employer since October 2008 in the "at-will" position of Community Development Director for the City of Capitola;

WHEREAS, Employer now desires to employ Employee in the "at will" position of City Manager for the City of Capitola, as provided for in the Capitola Municipal Code;

WHEREAS, it is the desire of the Capitola City Council (hereinafter "Council") to provide certain benefits and to establish certain conditions of employment for Employee as City Manager;

WHEREAS, it is the further desire of the Council to: (1) secure and retain the services of Employee as City Manager and to provide inducement for him to remain in such employment; (2) to maximize Employee's productivity by assuring Employee's morale and peace of mind with respect to future job security; (3) to create a deterrent against malfeasance or dishonesty for personal gain on the part of Employee; and (4) to provide a just means for terminating Employee's services as City Manager at such time as Employee or Employer may so desire; and

WHEREAS, Employee desires to continue employment with Employer in the "at will" position of City Manager for the City of Capitola;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Employee and Employer agree as follows:

Section 1. Duties

City agrees to employ Employee as City Manager of City on an "at-will" basis to perform the city manager functions and duties specified in the Capitola Municipal Code and California Government Code, and to perform other legally permissible and proper duties and functions as the Council may assign from time to time. In addition, Employer agrees that Employee shall serve as Executive Director for the Capitola Redevelopment Agency.

Section 2. Term

A. This Agreement shall take effect on July 12, 2010. Thereafter the Council may terminate the services of Employee at any time, subject to the provisions set forth in Sections 4 or 5 of this Agreement and any applicable local, State or federal laws, rules, regulations, or applicable court decisions or rulings.

B. Employee agrees to remain in the exclusive employment of City and not to become employed by any other employer until this Agreement is terminated. The term "employed" shall not be construed to include occasional teaching, writing, or consulting with the prior permission of the Council.

C. The Agreement shall remain in force and effect until this Agreement is terminated as provided for in Sections 4 or 5 of this Agreement.

Section 3. Suspension

The Council may, in the exercise of its discretion, suspend Employee with pay and benefits at any time during the term of this Agreement, if after a public hearing or closed session and an opportunity for Employee to be heard, a majority of Council votes to suspend Employee. Upon further investigation by the Council and a further opportunity for Employee to be heard, the Council may suspend Employee without pay or benefits should the Council find that Employee committed any of the offenses set forth in Section; 4.B below, otherwise violated any City, State or federal statute, rule regulation or policy or otherwise engaged in malfeasance or misconduct, and upon said finding a majority of the Council votes to suspend Employee without pay.

Section 4. Termination

A. With severance compensation. The Council may, in the exercise of its discretion, terminate Employee's employment with or without cause. However, Employee's employment may not be terminated pursuant to this Subsection A within ninety (90) days of a general municipal election at which one or more City Council members are elected or re-elected to office. If Employee is terminated, or if Employee resigns following a request by a majority of the Council at a public meeting or closed session that he resign, during a time that Employee is otherwise willing and able to perform his duties under this Agreement, then Employer agrees to provide sixty days written notice of termination or to accept Employee's written resignation effective sixty days from the date of Employee's resignation letter, and to make severance payments as follows (in addition to compensation for certain accrued benefits as hereinafter provided) to Employee beginning at the conclusion of said sixty-day period.

<u>Number of full years of completed employment</u>	<u>Number of months of severance pay</u>
Less than two	9 months
Two or more	12 months

"Severance pay" includes salary as set forth in Section 6, insurance premiums as set forth in Section 9, and flexible spending plan contributions as set forth in Section 9. No vacation, sick leave, administrative leave, or any other leave time shall accrue during the severance pay period, nor shall PERS contributions be made. Severance pay may be paid, at the option of the Employee, in (1) lump sum upon date of termination; (2) lump sum on January 1 of the calendar year following termination; or (3) four equal monthly

installments. Such payment will release City from any further obligations arising out of the employment.

B. Without severance. Employee may be immediately discharged without severance payments (but without loss of accrued benefits as hereinafter set forth) for any of the following:

- (i) Conviction of a felony.
- (ii) Conviction of any criminal offense involving Employee's illegal personal gain;
- (iii) Willful misconduct in the performance of Employee's duties as City Manager.

C. If City, at any time during the term of this Agreement, reduces the salary or other financial benefits of Employee in a greater percentage than an across-the-board reduction for City department heads; or in the event Employer refuses, following written notice, to comply with any other material provision of this Agreement benefiting Employee herein; or if Employee resigns following a request by a majority of the Council at a public meeting or closed session that he resign; then in that event, Employee may, at Employee's option, be deemed to be terminated as of the date of such salary reduction or such refusal to comply for purposes of the severance pay provisions set forth in Subsection A above.

D. In the event Employee voluntarily resigns his position with City, Employee shall provide City a minimum of sixty (60) days written notice of resignation, unless the parties otherwise agree.

E. For purposes of Subsection A, this Agreement will be deemed to have been terminated should any of the following occur:

1. The majority of the Council votes to terminate Employee as authorized in Subsection A at a duly authorized public meeting or closed session.
2. The Employer, citizens or Council act to amend any provision of the Capitola Municipal Code pertaining to the role, powers, duties, authority, or responsibilities of the City Manager so as to substantially change the form of Capitola city government, and the Employee within thirty (30) days thereafter provides written notice to Employer that Employer has thereby terminated this Agreement.
3. The Employer reduces or citizens vote to reduce the base salary, compensation or any other financial benefit to the Employee, unless it is applied in no greater percentage than the average reduction of all other City department heads, and the Employee within

thirty (30) days thereafter provides written notice to Employer that Employer has thereby terminated this Agreement.

4. A breach of contract is declared by either Employee or Employer in writing provided that a thirty-day cure period is extended by the non-breaching party to the breaching party and the breaching party fails to cure the breach within said thirty-day cure period.

F. Should this Agreement be terminated pursuant to Subsection A prior to January 1, 2012, Employee, prior to the effective date of termination, shall have the option to terminate the employment of the then-current Community Development Director, reinstate his Capitola Community Development Director's contract and resume his employment as Capitola Community Development Director with the salary and benefits that were in place for that position as of July 11, 2010.

Section 5. Disability

If Employee is unable to perform his duties because of sickness, accident, injury, mental incapacity, or poor health for a period of four consecutive months, at the conclusion of such four-month period the Council shall have the option to terminate this Agreement. If Employee is thereby terminated because of disability, he shall be compensated in a lump sum for any benefits which accrue per Sections 5, 6 and 9 of this Agreement. However, Employer shall have no obligation to make severance payments pursuant to Section 4.A of this Agreement.

Section 6. Salary

A. Beginning upon Employee's first day of employment as City Manager, July 12, 2010, Employee shall be paid a base monthly salary of \$11,917. As it is expected the City's furlough program will be continued through the 2010/11 fiscal year, Employee's base monthly salary of \$11,917 as of July 12, 2010, shall be reduced by 4.6% to a furlough monthly salary of \$11,369.

B. Beginning July 1, 2011, Employee's base monthly salary shall be increased to \$12,500. Should the City's furlough program be continued into the 2011/12 fiscal year, Employee's base monthly salary of \$12,500 as of July 1, 2011, shall be reduced by 4.6% to a furlough monthly salary of \$11,925.

C. Employee shall receive the same benefits from the furlough program, such as furlough time off, in the same manner as other employees participating in the City's furlough program.

D. Beginning July 1, 2012, Employee's base monthly or furlough monthly salary shall be annually increased by a percentage corresponding to the previous year's (May through April) percentage increase in the San Francisco-Oakland all consumers Consumer Price Index ("CPI"). Any other salary adjustments following the July 1, 2012 salary adjustment called for in Subsection B shall be subject to negotiation between

Employee and the Council.

E. Should at any time during the term of this Agreement the City adopt a reduced work schedule in lieu of a furlough program for non-safety employees (e.g. a permanent four-day/36-hour work week with a corresponding ten percent salary reduction), Employee shall work the same reduced work schedule and receive the same corresponding salary reduction.

Section 7. Leave/Holidays/Furlough

A. VACATION.

1. Commencing on July 12, 2010 Employee will accrue vacation at the rate of 17 days per year (1.4 days per month). Commencing on July 1, 2013 Employee will accrue vacation at the rate of 22 days per year (1.8 days per month). Commencing on July 1, 2023 Employee will accrue vacation at the rate of 27 days per year (2.25 days per month). Employer acknowledges that as of July 12, 2010, Employee has accumulated 165.98 vacation hours to which Employee shall remain entitled subject to the provisions of this Subsection A. These hours will also be subject to accrual and use until Employee assumes the position of City Manager, at which time the balance as may have been properly adjusted will transfer to Employee's benefit as City Manager.

2. Employee may accumulate a maximum of thirty vacation days (240 hours). If Employee has accumulated more than thirty vacation days (240 hours) as of the last pay period in April of any year, Employee shall then be paid in cash at a rate equal to 100% of his current monthly pay rate for vacation hours in excess of 240 up to a maximum of eighty (80) such excess vacation hours. Any such "cash out" payment will be included with the paycheck for the first full pay period in May. Employee shall discontinue accumulating vacation days, should accumulated vacation hours reach the 240 hour maximum and the maximum 80 hour cash out not decrease vacation hours below the 240 hour maximum.

3. Upon termination of this Agreement, except as set forth in Section 4.F above (where Employee upon termination resumes employment as the City's Community Development Director), Employee shall be paid for all accumulated vacation to the date of Employee's separation from service to the City, at a rate equal to 100% of his current monthly pay rate.

B. SICK LEAVE. Sick leave shall accumulate at the rate of twelve days per year (8 hours per month; 96 hours per year). Employee shall not be entitled to "cash out" unused sick leave. Sick leave may be used by Employee for any of the purposes set forth in pertinent State or federal statutes or regulations. Employer acknowledges that as of the end of the pay period January 23, 2010, Employee has accumulated 93.93 hours of sick leave to which Employee shall remain entitled subject to the provisions of this Subsection. These hours will also be subject to accrual and use until Employee assumes the position of City Manager, at which time the balance as may have been properly adjusted will transfer to Employee's benefit as City Manager.

C. BEREAVEMENT LEAVE. Leave of absence with pay because of a death in Employee's immediate family shall be granted for a period not to exceed three days. Entitlement to a bereavement leave of absence under this Subsection shall be in addition to any other entitlement for leave provided for in this Agreement. For purposes of this Subsection "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law, grandparents, and any individual to whom Employee is serving in loco parentis.

D. FAMILY & MEDICAL LEAVE. With respect to Employee's employment hereunder, the City shall follow the provisions governing family leave as specified in the federal Family Medical Leave Act of 1993 and the California Family Rights Act as those Acts apply to public employees.

E. LEAVE OF ABSENCE WITHOUT PAY. A leave of absence without pay may be granted by the Council, in its sole discretion, upon the request of Employee; however no such leave of absence may be for longer than one year.

F. JURY DUTY. Leave of absence with pay shall be granted by City to Employee while Employee serves on jury duty. Time spent commuting from home to jury duty or vice versa is not compensable. Time spent traveling from court to City Hall or vice versa is compensable. Any jury fee paid to Employee shall be deposited with the City Treasurer.

G. HOLIDAYS/FURLOUGHS.

1. Employee shall be granted twelve (12) holidays annually. The holidays to be observed are set forth below. To the extent that the City's bargaining unit MOU's should in the future be amended to revise the City's holiday schedule, this Agreement shall be deemed automatically amended to reflect the revised holiday schedule.

Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Friday Following Thanksgiving
Christmas Day
New Year's Day
Martin Luther King Day
Lincoln's Birthday
Presidents' Day
Memorial Day

Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays listed above occurring on a Sunday shall be observed on Monday.

In addition, when City Hall is closed for one week during the Christmas holidays Employee shall be permitted to use vacation, administrative leave or sick leave in order not to lose compensation.

H. ADMINISTRATIVE LEAVE. Beginning on July 12, 2010, Employee shall accrue ten (10) days (eighty hours) administrative leave annually which shall be awarded on July 1 of each year, the first such award to occur July 1, 2011. Employee may accrue a maximum of 240 hours of administrative leave. Employee shall not be entitled to "cash out" unused administrative leave. Employer acknowledges that as of the end of the pay period January 23, 2010, Employee has accumulated 80 hours of administrative leave which Employee shall remain entitled to subject to the provisions of this Subsection. These hours will also be subject to accrual and use until Employee assumes the position of City Manager, at which time the balance as may have been properly adjusted will transfer to Employee's benefit as City Manager.

I. In the event of Employee's termination of employment under this Agreement, none of the foregoing leaves shall continue to accrue following the date of employment termination or during any severance pay period.

Section 8. Business Expenses

A. Employer agrees to budget and pay for professional dues and subscriptions necessary for Employee's continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for Employee's continued professional participation, growth, development and advancement, and for the good of Employer.

B. Employer agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, short courses, institutes, seminars and other educational conferences so as to adequately continue Employee's professional development and Employee's participation in necessary official functions on Employer's behalf, including but not limited to the ICMA Annual Conference, the League of California Cities Annual Conference and City Manager Meetings, and such other national, regional, state, and local governmental groups and committees in which Employee may serve as a member relative to the Employee's employment as a city manager.

C. Mileage Reimbursement. When Employee is required to use his personal vehicle while on City business, Employer will reimburse Employee at the Internal Revenue Service mileage rate then in effect.

Section 9. Benefits

A. PERS Retirement.

Employee shall be authorized to participate in the City's Public Employees Retirement System (PERS) operated by the State of California. Benefits (including 2.5% at 55 and the single highest year option) provided are detailed in separate publications. The City shall pay Employee's share of the PERS retirement contributions.

B. Insurance.

The City will provide Employee with a policy of term life insurance in the amount of \$50,000 and a policy of long-term disability insurance. Employer shall pay for all insurance premiums necessary to keep these policies in effect.

D. Flexible Spending Arrangement Contributions.

Employer shall make flexible spending arrangement ("Flex Plan") contributions on behalf of Employee. Should Employee select health coverage through PERS, from the monthly Flex Plan contribution set forth herein, \$97 per month will be paid to PERS for what is sometimes referred to as the "employer contribution". The monthly Flex Plan contribution paid by the City pursuant to this Subsection 9.D shall be \$650.

Should Employee verify to the City's satisfaction that: he has equivalent health coverage for medical (including dental & vision) provided through his spouse, which will remain in effect until the next enrollment date; or should Employee purchase a PERS Health Plan and dental and vision coverage, but not use the entire monthly contribution, Employee may then use the remaining contribution funds to purchase benefits other than medical (including dental & vision) coverage or, alternatively, may receive that amount in cash. If a cash payment is elected, it will not be included in Employee's compensation for purposes of the City's PERS retirement plan.

The City reserves the option of adding additional programs to the cafeteria plan as they may become available.

Should during the term of this Agreement any non-safety City MOU be enacted or amended to provide for City Flex Plan contributions in an amount other than \$650 or otherwise revise the MOU's Flex Plan provisions, this Agreement shall be deemed automatically amended to reflect that new Flex Plan contribution or revision.

Section 10. Hours of Work

Employee shall devote all of his employment time to his position as City Manager and shall generally work normal office hours. It is recognized that Employee must devote substantial time outside normal office hours to City business or related City business activities, meetings and functions, and to that end Employer acknowledges that Employee will need to exercise a flexible work schedule.

Section 11. Outside Activities

Outside activities shall not interfere with the performance of Employee's duties under this Agreement.

Section 12. Performance Evaluation

A. The Council shall review and evaluate Employee's performance at least once annually on a date to be determined by the Council. The Council shall provide Employee with an adequate opportunity to discuss his evaluation in closed session.

B. Annually, the Council, after consulting with Employee, shall define such goals and performance objectives which it determines are necessary for the proper operation of the City and the attainment of the Council's policy objectives, and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing, and shall generally be attainable within the specified time limitations and within the annual operation and capital budgets and appropriations adopted by the Council.

Section 13. Indemnification

A. Except as provided in Government Code Section 995.2, City shall provide a legal defense to Employee including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of potential civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, Employee shall immediately reimburse City, and if he fails to do so, City may offset any such amounts against compensation otherwise due Employee under this Agreement.

B. The City shall provide and pay for the costs of any surety or other bonds required of the Employee.

Section 14. Fair Labor Standards Act-Exempt

Employee's employment as City Manager is covered by appropriate sections of the Fair Labor Standards Act of 1935, and is specifically subject to Rule No. 54.118 (salaried executive employees are not paid at a higher rate for what might otherwise be labeled "overtime"; correspondingly, their salary is not reduced "for any week in which (s)he performs any work without regard to the number of days or hours worked." Accordingly, bi-weekly time sheets will not result in adjustments to the compensation for the period, but will be used merely for a yearly evaluation of whether the City Manager's position is, after factoring in administrative leave, over or under-staffed. However,

Employee's time off for sick leave purposes shall be reported and reflected in accumulated sick leave calculations.

Section 15. Residence

The Council hereby acknowledges that Employee resides in the City of Santa Cruz. In accordance with Capitola Municipal Code Section 2.08.020, the City's execution of this agreement shall constitute the Council's approval of Employee's continued residence outside of the City.

Section 16. Other Terms and Conditions of Employment

The Council, in consultation with the Employee, may fix any such other terms and conditions of Employee's employment, provided any such additional terms or conditions do not conflict with the provisions of this Agreement.

Section 17. Notices

Notices pursuant to this Agreement shall be given in person or by U.S. mail addressed as follows:

Employee: Jamie Goldstein
320 Moore Street
Santa Cruz, CA 95060
(831) 477-6501

City: Capitola City Council
420 Capitola Avenue
Capitola, CA 95010
(831) 475-7300

The parties shall advise each other of any change in address or phone number.

Section 18. General Provisions

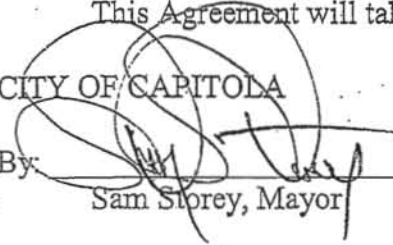
- A. This Agreement constitutes the entire agreement between the parties.
- B. Both parties shall comply with all applicable City, State and federal laws.
- C. Employee will not be required or expected to violate any City, State or federal laws, rules, regulations, or resolutions.
- D. This Agreement shall be binding upon and inure to the benefit of the heirs and executors of Employee.
- E. This Agreement shall be administered and interpreted in accordance with California law.

IN WITNESS WHEREOF, the City of Capitola has caused this Agreement to be signed and executed on its behalf by its Mayor whose signature is duly attested to by its City Clerk, and the Employee has signed and executed this Agreement, both in duplicate, on or before February 12, 2010 in Capitola, California.

This Agreement will take effect on July 12, 2010.

CITY OF CAPITOLA

By:

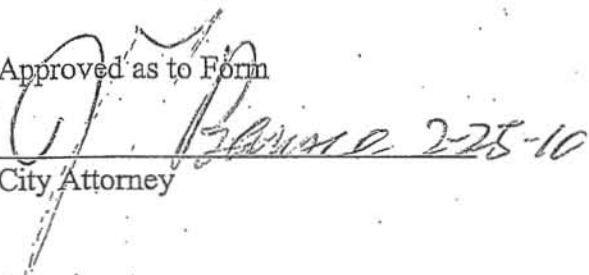

Sam Storey, Mayor

EMPLOYEE

By:


Jamie Goldstein

Approved as to Form


City Attorney

CITY MANAGER EMPLOYMENT AGREEMENT

FIRST WAIVER

WHEREAS, on February 11, 2010 the City of Capitola (CITY) and Benjamin (Jamie) Goldstein (EMPLOYEE) entered into an City Manager Employment Agreement (AGREEMENT).

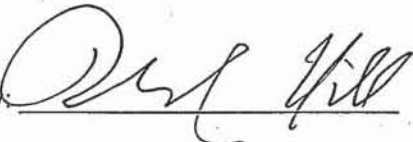
WHEREAS, Section 4(F) of the Agreement states:

F. Should this Agreement be terminated pursuant to Subsection A prior to January 1, 2012, Employee, prior to the effective date of termination, shall have the option to terminate the employment of the then-current Community Development Director, reinstate his Capitola Community Development Director's contract and resume his employment as Capitola Community Development Director with the salary and benefits that were in place for that position as of July 11, 2010.

NOW, THEREFORE, with the execution of this agreement/waiver, Section 4(F) of the AGREEMENT is removed from the AGREEMENT and no longer a part of the AGREEMENT, and at no time will EMPLOYEE in his capacity as City Manager be able to dismiss or terminate the Community Development Director for the sole purpose of resuming his employment as the Capitola Community Development Director.

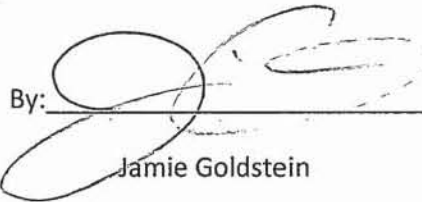
This Waiver will take effect on June 4, 2010.

CITY OF CAPITOLA

By: 

Rich Hill, City Manager

EMPLOYEE

By: 

Jamie Goldstein



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: MID-MANAGEMENT & CONFIDENTIAL MEMORANDUM OF UNDERSTANDING (MOU) AGREEMENTS; PUBLIC WORKS, FINANCE & ADMINISTRATIVE SERVICES DIRECTORS EMPLOYEE CONTRACTS

RECOMMENDED ACTION: Authorize the City Manager to approve the negotiated changes in salary and benefits for July 1, 2012 – June 30, 2015 for the following:

- 1) MOU for the Mid-Management Employees' Bargaining Unit
- 2) MOU for the Confidential Employees' Bargaining Unit
- 3) Sixth Amendment to the Employment Agreement for the Public Works
- 4) First Amendment to the Employment Agreement for the Finance Director
- 5) First Amendment to the Employment Agreement for the Administrative Services Director

BACKGROUND: The Mid-Management and Confidential Employees' Bargaining Unit Memorandum of Understanding (MOU) expires on June 30, 2012. As required by state law the City has negotiated with the bargaining units on working conditions, salary and benefit changes, and has reached agreement with both units.

The Department Heads include the Public Works Director, Finance Director and the Administrative Services Director, all of whom are employed through individual contract agreements. The City has also negotiated adjustments to their contracts and has reached agreement with the Department Heads.

DISCUSSION: After several weeks of good faith negotiations with the employee bargaining units and the Department Heads, the City negotiating team recommends a three year contract expiring June 30, 2015 which includes a requirement that new employees pay 5% more toward their pension costs during their first five years with the City. Below are the negotiated changes listed by the year the changes will be implemented for all of the agreements.

YEAR	COST OF LIVING INCREASE	HEALTH CARE	PERS REFORM
Yr 1: 7/1/12	0%	+\$25 for Emp/\$50 for Emp+1 or more	Employer Cap on contribution of 11.488% for new hires.
Yr 2: 7/1/13	0%	+\$25 for Emp/\$50 for Emp+1 or more	
Yr 3: 7/1/14	1 year average of CPI		

Year 1: Effective July 1, 2012: COLA: 0% Cost of Living Increase; Health Care: an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance.

Year 2: Effective July 1, 2013: COLA: 0% Cost of Living Increase; Health Care: an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance.

JUNE 14, 2012: CITY MEMORANDUM OF UNDERSTANDING AGREEMENTS AND DEPARTMENT HEADS EMPLOYEE CONTRACTS

Year 3: Effective July 1, 2014: COLA: the employees will receive a cost of living increase based on the one year average of the San Francisco-Oakland-San Jose Consumer Price Index for All Urban Consumers January 2013 through December 2013.

In addition, the Mid-Management Group's optional vacation cash out hours will be increased from 40 to 80 hours which is consistent with the Confidential Employee Unit. The Department Heads will receive a 5% longevity pay after 12 years of service. Finally, the agreement includes the following statement: "If the Police Officers Association should be granted any salary or health care flex plan increase during the term of the agreement, the members of Mid-Management, Confidential and the Department Heads shall receive the same increase at the same time."

FISCAL IMPACT: Below is a summary table with the cumulative fiscal impact of the agreements. Year three is based on a 1% salary increase. Year three fiscal impacts will be dependent upon the actual CPI, but by knowing the impact of 1% one is able to formulate a fiscal scenario.

	Year 1	Year 2	Year 3 @ 1%
Confidential	\$ 1,200	\$ 1,200	\$ 2,400
Mid-Managers	\$ 2,100	\$ 2,100	\$ 5,200
Dept. Heads	\$ 1,800	\$ 8,050	\$ 10,250
Added Cost per year	\$ 5,100	\$ 11,350	\$ 17,850
Total Cumulative added cost	\$ 5,100	\$ 16,450	\$ 34,300

The 5% PERS cap reduction for new employees will result in limited savings in the next fiscal year as it is unlikely the City will hire a significant number of new employees. Over the long term it is anticipated the costs savings from the PERS cap reduction, if applied to all bargaining units in the City, will average approximately \$50,000 – \$70,000/year, or 1% of payroll.

ATTACHMENTS:

- 1) MOU for the Mid-Management Employees' Bargaining Unit
- 2) MOU for the Confidential Employees' Bargaining Unit
- 3) Sixth Amendment to the Employment Agreement for the Public Works
- 4) First Amendment to the Employment Agreement for the Finance Director
- 5) First Amendment to the Employment Agreement for the Administrative Services Director

Report Prepared By: Lisa G. Murphy
Administrative Services Director

Reviewed and Forwarded
by City Manager: 

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MID-MANAGEMENT EMPLOYEES AND CITY OF CAPITOLA
PERIOD
7/01/2012 to 6/30/15
TABLE OF CONTENTS**

	<u>Page</u>
SECTION I WAGE SCHEDULES/EMPLOYMENT STATUS.....	1
Service.....	2
Acting Appointment Compensation.....	2
Overtime.....	2
Effective Date of Pay Increase.....	3
 SECTION II: LEAVE PROVISIONS	 3
Vacation	3
Sick.....	4
Personal Holidays.....	4
Bereavement.....	4
Holiday Schedule.....	4
Jury Duty.....	5
Leave of Absence without pay.....	5
Accruals after date of separation.....	5
 SECTION III: BENEFITS	 5
Flexible Spending.....	5
Retirement.....	6
Shoes & Apparel.....	6
Physical Exams.....	7
Insurance.....	7
Mileage Reimbursement.....	7
 SECTION IV: INCENTIVE PROGRAMS	 7
Longevity.....	7
Education.....	7
Bilingual Pay.....	7
SECTION V: EMERGENCY MEALS	7
SECTION VI: GRIEVANCE PROCEDURES	8
SECTION VII: LAYOFFS.....	10
SECTION VIII: MISCELLANEOUS	10
Legal Defense.....	10
Use of Employer Facilities.....	10
Bargaining Time.....	10
Re-opener.....	10
Required Meeting.....	10
Emergency Call Back.....	11
POA “Me Too” Clause.....	11

**MID-MANAGEMENT EMPLOYEES
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as “City”) and the Mid-Management employees. Classifications covered by this MOU are: Associate Planner, Housing and Redevelopment Project Manager, Senior Planner, Maintenance Superintendent, Parks Maintenance Supervisor, Recreation Supervisor, Streets and Facilities Maintenance Supervisor, Building Official and Supervising Accountant. This MOU shall be in effect for the period beginning on July 1, 2012 and ending on June 30, 2015 and shall be effective upon ratification by the bargaining unit and approval by the Capitola City Council.

SECTION I. WAGE SCHEDULES/HOURLY RATES/EMPLOYEE STATUS

The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters “A” to “E” have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits.

The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through December 2013. If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective first full pay period in July, 2014.

A. Merit Pay

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

When an employee has not been approved for advancement to the next higher wage step, the employee shall be reconsidered for such advancement after the completion of either three months of additional service, or after a period of three to six months of additional service if the supervisor concludes that three months will be insufficient time to evaluate whether the performance deficiencies that led to the denial of the step increase have been adequately addressed. At the time a step increase is denied, the supervisor shall identify in writing the timing of reconsideration of the step increase. An employee whose step increase is denied shall also be advised in writing (typically in a performance evaluation) of the reason(s) why the step increase was denied. Grants and denials of step increases shall be on a merit basis only.

Regardless of whether subsequent reconsideration of a denial of a step increase does or does not result in a step increase, the employee’s annual review date shall be as originally designated.

1. Service

The word "service" as used in this Memorandum of Understanding means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.

2. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments.

Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily assigned to, and performs all duties of a position other than the position he/she normally occupies or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager. Such pay will be no less than 5% above the employee's regular compensation. It may be up to, but ordinarily will not be in excess of the first step of the position occupied.

3. Overtime

All employees within the Mid-Management unit except for the position of Senior Planner which is exempt from FLSA, are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government.

The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee's election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

With regard to this section "hours worked" shall not include sick leave. Nor shall such a definition include vacation or compensated leave time off not scheduled in advance by at least ten working days. "Hours Worked" shall also not include workers compensation time off unless immediate treatment is required on the date of injury for the injury incurred, in which case overtime is allowed providing the overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

The position of Senior Planner is a professional position exempt under FLSA, and therefore not entitled to overtime compensation. An Employee filling exempt positions are entitled to ten days per year of administrative time off. Administrative leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired

mid year, in which case administrative leave is prorated for the applicable period. (Reso. #3486)

4. Effective Date of Pay Increase

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

Any other mid-pay period payroll adjustments will occur at the beginning of the pay period in which the adjustments falls for all odd numbered calendar years; and, at the beginning of the following pay period for the even number calendar years

SECTION II: LEAVE PROVISIONS

1. Vacation

a. Vacation Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

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

b. Accumulation

An employee may not accumulate more than, but instead each year must cash out pursuant to Section 12.d, below, all accumulated vacation in excess of 360 hours.

c. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

d. Vacation- Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

e. Optional Vacation Cash Out

In any calendar year an employee may cash out up to 80 hours of accumulated vacation.

2. Sick Leave

a. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year.

b. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

c. An employee who becomes ill or is hospitalized while on vacation and provides a written statement from a licensed physician or medical doctor that the illness would have resulted in the employee not being able to come to work, shall have the period of illness charged against sick leave and not vacation leave.

d. Sick Leave Cash Out

Employees may not cash out sick leave.

3. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

4. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents, and any individual to whom an employee is serving in Loco Parentis.

5. Holiday Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	2/12/
Washington's Birthday	*
Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	10/11/
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

6. Jury Duty

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

7. Leave of Absence Without Pay

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

8. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section III.1 below.

SECTION III: BENEFITS

(Regarding benefits available to part-time employees, see Section I.2, above.)

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, \$112 effective January 1, 2012 and \$115 effective January 1, 2013 will be paid to PERS for what is sometimes referred to as "employer contribution". *For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee.* Effective the first full pay period in July 2012 the contribution, for full-time regular employees shall be:

Employee Only:	\$675 per month
Employee + 1	\$849 per month
Employee + 2 or more	\$1049 per month

Effective the first full pay period in July 2013 the contribution for full-time regular employees shall be as follows:

Employee Only:	\$700 per month
Employee + 1	\$899 per month

Employee + 2 or more \$1099 per month

Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the "Employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan.)

The City reserves the option of adding additional programs to the cafeteria plan, as they may become available. The City will enable interested employees to participate in union sponsored medical plans.

2. Retirement Benefits PERS

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City's contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal members contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City's PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City's contribution cap shall remain as stated above at 16.488%.

3. Shoes, and Apparel Reimbursements:

Each calendar year the Park Maintenance Supervisor and Street Maintenance Supervisor shall receive: one pair of approved safety shoes, up to 5 city-logoed shirts, and up to 5 pairs of denims. Each calendar year the Maintenance Superintendent shall receive one pair of steel-toed boots, and a maximum of two pairs of pants. The Public Works Director shall determine replacement frequency and kind.

4. Physical Examinations

The City, for any employee receiving flex credit contributions, will provide an annual physical examination for employee. The City will pay the amount not covered by the health care program.

5. Insurance.

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

6. Mileage Reimbursement

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

SECTION IV: INCENTIVE PROGRAMS

1. Longevity Pay Incentive

Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:

- a. 15 years' continuous service - 5%
- b. 20 years' continuous service - an additional 5%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

The City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manger shall be at 100%.

3. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

- a) Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and
- b) The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

SECTION V: EMERGENCY MEALS

The City shall arrange for meals for employees assigned to work four (4) or more hours contiguous to the employee's shift when the employee is not provided notice of the need to work the overtime at least 12 hours prior to either commencing the overtime work or shift.

SECTION VI: GRIEVANCE PROCEDURE

A. Definition of a Grievance: A grievance is defined as an allegation presented in writing by an employee or group of employees that the City has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of both such right is not

made subject to the discretion of the Department Head or the City by the terms of law, Memorandum of Understanding, or by written City or departmental rules and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504. Notwithstanding the above, excluded from this grievance procedure are employee evaluations, and any other matter that is assigned its own appeal procedure such as discipline and an alleged violation of the harassment policy.

B. Right to Representation: An employee having a grievance shall have the right to consult with and be assisted by a representative of his/her own choice throughout the grievance process. In those cases in which an employee elects to represent him/herself or arranges for other representation, the Union shall have the right to participate in the grievance procedure to the extent necessary to protect the interest of its members in negotiated conditions of employment.

C. Limitations on Money Damages: In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.

D. Procedure: Failure of the employee to timely file a grievance and/or comply with the time limits at any step of this grievance procedure shall constitute an abandonment of the grievance. Failure of the employer to respond within the time limits at any step of this grievance procedure shall result in an automatic advancement of the grievance to the next step. The parties may mutually agree to extend the time permitted under any of the steps

Step 1

A grievance must be presented to the grievant's supervisor within twenty-one (21) calendar days from the day upon which the City allegedly failed to provide a condition of employment, or within twenty-one (21) calendar days from the time in which an employee might reasonably have been expected to have learned of such alleged failure to provide. The written grievance shall include the following:

- a) Date of submission;
- b) Signature of employee or employees;
- c) The MOU provision, Personnel Rule, Administrative Policy or other rule or policy allegedly violated;
- d) A description of the relevant facts, including specifically how, when and by whom the grieved condition of employment was violated;
- e) The requested resolution or remedy; and
- f) The name of any representative chosen by the grievant.

The supervisor shall provide the grievant with a written response within seven (7) actual working days.

Step 2

If the grievance is not resolved at Step 1, the employee shall have seven (7) actual working days after receipt of the supervisor's Step 1 response to file an appeal with the Department Head. The Department Head may, but is not required to, meet with the grievant to discuss the grievance. The Department Head shall have seven (7) actual working days from either

receipt of the appeal, or the meeting with the grievant, whichever is later, to provide the grievant with a written response.

Step 3

If the grievance is not resolved at Step 2, the employee shall have seven (7) actual working days after receipt of the Department Head's Step 2 response to file an appeal with the City Manager. The City Manager shall meet with the grievant and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within seven (7) actual working days after receipt of the grievant's appeal. The City Manager shall have seven (7) actual working days from the date of the meeting with the grievant to provide the grievant with a written decision.

The Mid-Management Group may, in its own name, file a grievance with the City Manager alleging that the City has failed to provide it some organizational right which is established by law, provided that such right is not made subject to the discretion of the City. Such Union grievance shall be filed with the City Manager and heard and determined pursuant to the provisions of this step of the grievance procedure. The City Manager shall meet with the Mid-Management Group representative and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within (7) actual working days after receipt of the Union's grievance. The City Manager shall have seven (7) actual working days from the date of the meeting with the Mid-Management Group representative to provide the Mid-Management Group with a written decision.

Step 4

An employee dissatisfied with the City Manager's decision on the employee's Step 3 grievance may appeal the grievance to the City Council within (7) seven actual working days of receipt of the City Manager's decision. The City Council will schedule a hearing within a reasonable time period after receipt of the appeal. The decision of the City Council following the hearing shall be final.

SECTION VII: LAYOFFS

Layoffs shall be governed by Personnel Rule 12. The City will make its best efforts to provide an additional 30 days of EAP benefits to employees who are laid off to assist them in their transition. If continued EAP benefits are not available, the City will meet with the Union to discuss the possibility of the City providing laid off workers with guidance on resume writing, conducting a job search, job interviewing, coping with stress and/or unemployment insurance benefits.

SECTION VIII: MISCELLANEOUS

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

1. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

2. Use of Employer Facilities.

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

3. Bargaining Time.

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

4. Reopener

Upon the request of this bargaining unit, the parties will negotiate whether specific provisions will be added to the MOU about awards of days off for five years of accident-free work.

5. Required Meetings

Administrative staff members covered under this MOU who are required to attend meetings outside their regular work schedules will be paid at the overtime rate (1.5) for two hours, or for the hours actually worked, whichever is greater.

6. Emergency Call-Back Compensation

- a. "Call-back" refers to a situation where an employee has completed his/her regular work day without knowing that he/she would be called back to work, by his/her supervisor or as a result of emergency circumstances, during hours of the day not occurring during the employee's regular workday. An employee who is required to come to work not more than one hour early, but is not thereafter released from work before the start of the regular work day is not on "call-back."
- b. Employees called back to work shall be treated as having worked at least two hours, even if actual time is less.

- c. Public Works: The rate of pay for Public Works Dept. employees in the Mid-Management Group during call-back hours is as follows:
 - (1) Two and one half times the employee’s hourly base rate for hours served between the hours of 10 p.m. and 6 a.m.; or
 - (2) Two times the hourly base rate for hours served during other times of the day.
- d. For all employees not covered by subsection c, call-back hours will be paid the same as overtime.
- e. Time spent traveling to and from the place of call-back work is not counted in applying the provisions of this section, or Section 8 above.
- f. Units of time that are both call-back and overtime will receive the most favorable of the two treatments, but no single unit of time will be treated as both call-back and overtime.
- g. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of Mid-Manager shall receive the same COLA and/or Flex Plan increase at the same time.

CITY OF CAPITOLA

MID-MANAGEMENT EMPLOYEES

 Jamie Goldstein
 City Manager

 Lisa Saldana

 Lisa Murphy
 Administrative Services Director

 Ryan Bane

 Mark Wheeler

 Eddie Ray Garcia

 Elise Legare

Attachment: Salary Schedule

**MID-MANAGEMENT SALARY SCHEDULE
JULY 1, 2012 - JUNE 30, 2014**

	A	B	C	D	E
ASSOC PLANNER	\$ 5,317	\$ 5,583	\$ 5,862	\$ 6,155	\$ 6,463
BUILDING OFFICIAL	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
HOUSING RDA PLANNER	\$ 5,823	\$ 6,114	\$ 6,420	\$ 6,741	\$ 7,078
MAINTENANCE SUPERINTENDENT	\$ 5,231	\$ 5,493	\$ 5,768	\$ 6,056	\$ 6,359
PARKS MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
RECREATION SUPERVISOR	\$ 4,714	\$ 4,950	\$ 5,198	\$ 5,458	\$ 5,731
SENIOR PLANNER	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
STREETS & FACILITIES MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
SUPERVISING ACCOUNTANT	\$ 5,839	\$ 6,131	\$ 6,438	\$ 6,760	\$ 7,098

**MID-MANAGEMENT SALARY SCHEDULE
JULY 1, 2014 - JUNE 30, 2015**

To be determined as per MOU

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CONFIDENTIAL EMPLOYEES’ AND CITY OF CAPITOLA
PERIOD 7/01/2012 – 6/30/2015**

TABLE OF CONTENTS

	<u>Page</u>
SECTION I WAGE SCHEDULES/EMPLOYMENT STATUS.....	1
Service.....	1
Acting Appointment Compensation.....	1
Overtime.....	2
Effective Date of Pay Increase.....	2
SECTION II: LEAVE PROVISIONS	2
Vacation	2
Sick.....	3
Administrative Leave.....	3
Personal Holidays.....	3
Bereavement.....	3
FMLA & CFRA.....	3
Holiday Schedule.....	3
Jury Duty.....	4
Leave of Absence without pay.....	4
Accruals after date of separation.....	4
SECTION III: BENEFITS	4
Flexible Spending.....	5
Retirement.....	5
Physical Exams.....	5
Insurance.....	5
Mileage Reimbursement.....	5
SECTION IV: INCENTIVE PROGRAMS	6
Longevity.....	6
Education.....	6
Bilingual Pay.....	6
SECTION V: MISCELLANEOUS	6
FLSA.....	6
Legal Defense.....	7
Use of Employer Facilities.....	7
Bargaining Time.....	7
Me Too Clause.....	

CONFIDENTIAL EMPLOYEES' MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as "City") and the Confidential employees, who are: City Clerk, Assistant to the City Manager, Information Systems Specialist and Executive Assistant to the City Manager. This MOU covers the period beginning 07/01/2012 – 06/30/2015.

SECTION I. Wage Schedules/Hourly Rates/Employment Status

The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters "A" to "E" have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits.

The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through December 2013. If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective the first full pay period in July 2014.

Whenever it is necessary to compute an hourly pay rate to apply a provision of this MOU, that will be done by multiplying the monthly rate by 12 to derive an annual rate, and dividing the annual rate by 2080 (or proportionate number of hours for part time positions, e.g., 1040 for a half-time position).

1. Service

The word "service" as used in this MOU means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.

2. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments.

Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily assigned to, and performs all duties of a position other than the position he/she normally occupies or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager. Such pay will be no less than 5% above the employee's regular compensation. It may be up to, but ordinarily will not be in excess of the first step of the position occupied.

3. Overtime

Confidential employees are exempt under FLSA, and therefore not entitled to overtime compensation.

4. Effective Date of Pay Increase

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

All other pay rate changes, except those given a specific calendar date herein, shall become effective at the beginning of a two week pay period as approved by the City Manager.

SECTION II: LEAVE PROVISIONS

1. Vacation

a. Vacation Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

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

b. Accumulation

An employee may not accumulate more than, but instead each year must cash out pursuant to Section d, below, all accumulated vacation in excess of 360 hours;

c. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

d. Vacation- Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

e. Optional Vacation Cash Out

In any calendar year an employee may cash out up to 80 hours of accumulated vacation.

2. Sick Leave

a. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year.

b. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

c. Sick Leave Cash Out:

Sick Leave may not be cashed out.

3. Administrative Leave Accrual

As exempt employees, the Confidential Employees are entitled to ten days per year of administrative time off. Administrative Leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid-year, in which case administrative leave is prorated for the applicable period.

4. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

5. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law, grandparents and any individual to whom an employee is serving in Loco Parentis.

6. FMLA and CFRA

The City shall follow the provisions provided for family leave as specified in the federal Family & Medical Leave Act of 1993 (FMLA), and the California Family Rights Act (CFRA) as they apply to public employers.

7. Holiday Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	2/12/
Washington's Birthday	*

Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	*
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

8. Jury Duty

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

9. Leave of Absence Without Pay

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

10. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section III.5 below.

SECTION III: BENEFITS

(Regarding benefits available to part-time employees', see Section 2, above.)

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, \$108 per month effective January 1, 2011, will be paid to PERS for what is sometimes referred to as "employer contribution". *For all employees the*

City will no longer charge to the employee the \$1.50 per paycheck plan fee. The contribution, for full-time regular employees, shall be:

Employee Only:	\$675 per month
Employee Plus One:	\$849 per month
Employee Plus Two or More:	\$1,049 per month

Effective the first full pay period in July 2013 the contribution for full-time regular employees shall be as follows:

Employee Only:	\$700 per month
Employee + 1	\$899 per month
Employee + 2 or more	\$1,099 per month

Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the "employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan.)

The City reserves the option of adding additional programs to the cafeteria plan, as they may become available. The City will enable interested employees to participate in union sponsored medical plans.

2. Retirement Benefits PERS

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City's contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal members contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City's PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City's contribution cap shall remain as stated above at 16.488%.

3. Physical Examinations

The City, for any employee receiving flex credit contributions, will provide a biannual physical examination for employee. The City will pay the amount not covered by the health care program.

4. Insurance.

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

5. Mileage Reimbursement

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

SECTION IV: INCENTIVE PROGRAMS

1. Longevity Pay Incentive

Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:

- a. 15 years' continuous service - 5%
- b. 20 years' continuous service - an additional 5%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

The City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manager shall be at 100%.

3. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

- a. Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and
- b. The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

SECTION V: MISCELLANEOUS

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

1. Fair Labor Standards Act

All positions included in this Compensation Plan are covered by appropriate sections of the Fair Labor Standards Act of 1935, and are specifically subject to Rule No. 54.118 (salaried executive employees are not paid at a higher rate for what might otherwise be labeled "overtime", correspondingly, their salary is not reduced "for any week in which (s)he performs any work without regard to the number of days or hours worked." Accordingly, bi-weekly time sheets will not result in adjustments to the compensation for the period, but merely for yearly evaluation of whether the position is, after factoring in administrative leave, over or under staffed. However, time off for sick leave purposes shall be reported and reflected in the accumulated sick leave calculations.

2. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

3. Use of Employer Facilities.

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

4. Bargaining Time.

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

5. Me Too Clause:

If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of Confidential shall receive the same COLA and/or Flex Plan increase at the same time.

CITY OF CAPITOLA

CONFIDENTIAL EMPLOYEES

Jamie Goldstein
City Manager

Liz Nichols

Lisa Murphy
Administrative Services Director

Susan Sneddon

Larry Laurent

Attachment: Salary Schedule

ATTACHMENT 1

SALARY SCHEDULE

CONFIDENTIAL SALARY SCHEDULE

July 1, 2012 – June 30, 2014

	A	B	C	D	E
ASSIST TO CITY MGR	\$ 6,139	\$ 6,447	\$ 6,768	\$ 7,107	\$ 7,462
CITY CLERK	\$ 5,669	\$ 5,952	\$ 6,249	\$ 6,561	\$ 6,891
EXEC ASSIST TO CITY MGR	\$ 4,437	\$ 4,658	\$ 4,891	\$ 5,136	\$ 5,393
INFORMATION SYSTEMS SPECIALIST	\$ 4,379	\$ 4,598	\$ 4,828	\$ 5,069	\$ 5,322

CONFIDENTIAL SALARY SCHEDULE

July 1, 2014 – June 30, 2015

To be determined as per MOU

SIXTH AMENDMENT TO
PUBLIC WORKS DIRECTOR EMPLOYMENT AGREEMENT

As approved by the City of Capitola City Council at their meeting of May 24, 2012, the following amendments shall be made to the employment agreement between the City of Capitola and Steven Jesberg;

1. Term of the agreement July 1, 2012 to June 30, 2015.
2. Flexible Spending Arrangement Contributions: Effective first full pay period in July, 2012, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance. Effective first full pay period in July, 2013, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance.
3. Effective first full pay period in July, 2014: COLA: the employee will receive a cost of living increase based on the one year average of the San Francisco-Oakland-San Jose Consumer Price Index for All Urban Consumers January 2013 through December 2013.
4. Longevity: in recognition of long term employment with the City, the employee shall receive a 5% pay increase following twelve (12) full years of employment.
5. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the employee shall receive the same COLA and/or Flex Plan increase at the same time.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date _____

CITY OF CAPITOLA

Benjamin "Jamie" Goldstein
City Manager

Date _____

Steven E. Jesberg

Public Works Director

Approved as to Form

City Attorney

FIRST AMENDMENT TO
FINANCE DIRECTOR EMPLOYMENT AGREEMENT

As approved by the City of Capitola City Council at their meeting of May 24, 2012, the following amendments shall be made to the employment agreement between the City of Capitola and Tori Hannah;

1. Term of the agreement July 1, 2012 to June 30, 2015.
2. Flexible Spending Arrangement Contributions: Effective first full pay period in July 2012, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance. Effective first full pay period in July 2013, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance.
3. Effective first full pay period in July 2014: COLA: the employee will receive a cost of living increase based on the one year average of the San Francisco-Oakland-San Jose Consumer Price Index for All Urban Consumers January 2013 through December 2013.
4. Longevity: in recognition of long term employment with the City, the employee shall receive a 5% pay increase following twelve (12) full years of employment.
5. Optional Vacation Cash Out: increase from 40 to 80 hours.
6. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the employee shall receive the same COLA and/or Flex Plan increase at the same time.

7.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date _____

CITY OF CAPITOLA

Benjamin "Jamie" Goldstein
City Manager

Date _____

Tori Hannah

Finance Director

Approved as to Form

City Attorney

FIRST AMENDMENT TO
ADMINISTRATIVE SERVICES DIRECTOR EMPLOYMENT AGREEMENT

As approved by the City of Capitola City Council at their meeting of May 24, 2012, the following amendments shall be made to the employment agreement between the City of Capitola and Lisa Murphy;

1. Term of the agreement July 1, 2012 to June 30, 2015.
2. Flexible Spending Arrangement Contributions: Effective first full pay period in July, 2012, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance. Effective first full pay period in July, 2013, an increase in the Flexible Spending Contribution amount for medical, dental & vision as follows: Employee Only and those who choose not to utilize the City's insurance, an increase of \$25 per month, employee plus one and employee plus two will receive an increase of \$50 per month to help offset the rising cost of health insurance.
3. Effective first full pay period in July, 2014: COLA: the employee will receive a cost of living increase based on the one year average of the San Francisco-Oakland-San Jose Consumer Price Index for All Urban Consumers January 2013 through December 2013.
4. Longevity: in recognition of long term employment with the City, the employee shall receive a 5% pay increase following twelve (12) full years of employment.
5. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the employee shall receive the same COLA and/or Flex Plan increase at the same time.

All other terms and conditions of the Agreement remain in full force and effect.

SO AGREED:

Date _____

CITY OF CAPITOLA

Benjamin "Jamie" Goldstein
City Manager

Date _____

Lisa G. Murphy

Administrative Services Director

Approved as to Form

City Attorney



Item #: 8.E.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: FINANCE DEPARTMENT

SUBJECT: CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA
FISCAL YEAR 2012-13 ASSESSMENTS

RECOMMENDED ACTION: Adopt the proposed Resolution of Intention to Levy Business Improvement Assessments for FY 2012-2013, which receives the annual report and Proposed FY 2012-2013 Budget prepared by the Capitola Village and Wharf Business Improvement Area (CVWBIA), sets a public hearing to receive oral or written protests on the levy of the assessments for FY 2012-2013 for Thursday, June 28, 2012, at 7:00 p.m., directs the City Clerk to give required notice in the newspaper, and directs the CVWBIA to give required notice to each proposed affected business.

BACKGROUND: In June 2005, the City of Capitola adopted Ordinance No. 889, which added Chapter 5.10 to the Capitola Municipal Code establishing the CVWBIA, which was established to generate revenue for the exclusive purpose of promoting business in the CVWBIA. The governing State law requires certain annual actions and public hearing to continue this assessment district.

DISCUSSION: In accordance with State law, the CVWBIA is required to submit an annual plan for each year in which assessments are to be levied in the CVWBIA. The annual report, Exhibit A to the proposed resolution, was prepared by the CVWBIA and fulfills the requirement for FY 2012-2013 and is submitted for Council review. The annual report, which must be, and is, on file in the City Clerk's office, may be modified by the Council and then approved. For FY 2012-2013, the CVWBIA Annual Report proposes no change in the assessment area

The annual report also outlines the CVWBIA's FY 2012-2013 planned activities and proposed budget. Activities for FY 2012-2013 include:

- Increasing the number of year round visits;
- Increasing the numbers of people who stay, shop and dine;
- Improving ease of access to information with printed brochures/directories;
- Providing fun family-oriented events throughout the year; and
- Improving and enhancing the appearance of the village.

The action to be taken by the City Council at this time is to adopt the proposed resolution. In addition to providing notification of the City's intent to levy business improvement assessments for FY 2012-2013, the resolution receives the annual report and proposed budget of the CVWBIA, sets the date for a Public Hearing to be held on Thursday, June 28, 2012, and, pursuant to Streets & Highways Code Section 36523 (a) and (b), the resolution sets forth noticing requirements and directs the City Clerk to publish the Resolution of Intention in the Santa Cruz Sentinel Newspaper once, at least seven days before the public hearing, and directs the CVWBIA to give notice of the public hearing by mailing a completed copy of the Resolution of Intention to each business owner in the area within 7 days of the Council's adoption of the resolution.

6-14-12 AGENDA REPORT
CAPITOLA VILLAGE & WHARF BUSINESS IMPROVEMENT AREA FY 12-13 ASSESSMENT

A representative of the Capitola Village and Wharf Business Improvement Area will be in attendance at the meeting in the event council members have questions; however, the CVWBIA's presentation will be made at the Public Hearing on June 28, 2012.

The Capitola Village and Wharf Business Improvement Area has prepared a Notice of Public Hearing (Attachment 2) that will be sent to each business in the area, along with a certified copy of the Council's resolution.

FISCAL IMPACT: There is no fiscal impact to the City. CVWBIA billing and accounts payable costs incurred by the City are reimbursed by the CVWBIA.

ATTACHMENTS:

1. Draft Resolution (Includes Exhibit A, annual report & proposed FY 2012-2013 budget);
2. Draft Notice of Public Hearing to be sent by CVWBIA/

Report Prepared By: Lisa Saldana
Supervising Accountant

**Reviewed and Forwarded
By City Manager:** 

RESOLUTION NO. ____

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF CAPITOLA
TO LEVY BUSINESS IMPROVEMENT ASSESSMENTS
FOR FISCAL YEAR 2012/2013**

WHEREAS, the Capitola Village and Wharf Business Improvement Area (“CVWBIA”) has prepared a report to the City of Capitola for Fiscal Year 2011/2012 pertaining to the Business Improvement Area assessments for the CVWBIA under California Streets and Highways Code §36533; and

WHEREAS, Capitola Municipal Code §5.10.050 requires annual assessments to be imposed within the CVWBIA pursuant to a formula set forth in City Council Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

1. The Annual Report and Proposed FY 2012-13 Budget of the CVWBIA pertaining to business improvement assessments, as presented in Exhibit “A” attached hereto, is received.

2. The City Council intends to levy and collect assessments within the CVWBIA for Fiscal Year 2012/2013.

3. The proposed activities authorized by Capitola Municipal Code Chapter 5.10 are described in the afore-referenced CVWBIA Annual Report. These activities include a variety of promotional activities, including village maintenance and beautification programs, and extended holiday parking programs. A number of promotional information media announcements and publications will also be financed from these funds, including regional magazine advertising, broadcast advertising and website advertising.

4. The Business Improvement Area is bounded per the map of the CVWBIA reproduced as Exhibit “A” to Capitola Municipal Code §5.10.020 and included in the Municipal Code. The CVWBIA boundaries are not being altered.

5. The Annual Report of the CVWBIA is presented in Exhibit “A” attached hereto. The proposed assessments will be calculated under the formula for assessment found in Capitola City Council Resolution No. 3546 adopted May 25, 2006. This formula is based on the classification of benefited businesses and the businesses’ number of full-time equivalent employees. Assessments will not be increased.

6. The Capitola City Council will hold a public hearing in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California, at the hour of 7:00 p.m., on Thursday, June 28, 2012, to receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

7. The City Clerk is directed to give notice of the public hearing to consider the levy of business improvement assessments for Fiscal Year 2012-2013 by publishing this Resolution of Intention in a newspaper of general circulation in the City once, at least seven days prior to the public hearing.

8. The CVWBIA Advisory Committee is directed to give notice of the public hearing to each business owner in the area by mailing a copy of the Council's Resolution of Intention to each business.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 14th day of June, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Termini, Mayor

ATTEST: _____
Susan Sneddon, City Clerk

NOTICE OF PUBLIC HEARING

ANNUAL RENEWAL OF THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

Hearing Body: Capitola City Council
Hearing Date: Thursday, June 28, 2012
Hearing Time: 7:00 PM
Hearing Place: City Hall Council Chambers
420 Capitola Avenue, Capitola

The Capitola City Council hereby notifies you of a Public Hearing regarding the Annual Renewal of the Capitola Village and Wharf Business Improvement Area (CVWBIA) for Fiscal Year 2012-2013. The renewal plan does not include a request for increase in assessments nor does it propose a change in the CVWBIA boundaries. The report states the amount of "in lieu" assessment payments to be accepted from CVWBIA retail, food or lodging business members whereby these businesses tender retail, restaurant and lodging gift certificates for use by the CVWBIA in connection with its promotional activities.

For a copy of the budget or details of the annual renewal, contact the Capitola Village and Wharf Business Improvement Area Board of Directors at 831-465-8444 or by email at capitolavillage@aol.com.

The Capitola City Council will hold the public hearing in the City Hall Council Chambers after the hour of 7:00 p.m. on Thursday, June 28, 2012, and will receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

If you have any questions concerning the foregoing, please contact the Capitola Village and Wharf Business Improvement Area Board of Directors at 831-465-8444 or City Manager Jamie Goldstein at 831-475-7300.



Item #: 8.F.

CITY COUNCIL AGENDA REPORT

MEETING OF June 14, 2012

FROM: POLICE DEPARTMENT

SUBJECT: APPROVE THE PURCHASE OF ONE UNMARKED POLICE VEHICLE IN THE AMOUNT OF \$20,695.73 AND SURPLUS THE POLICE VEHICLE TO BE REPLACED

RECOMMENDED ACTION: Approve the following:

1. Award purchase contract to Toyota of Santa Cruz in the amount of \$20,695.73 for the purchase of one used unmarked police vehicle; and
2. Authorize the Public Works Department to surplus the replaced police patrol vehicle (2002 Crown Victoria) that is scheduled to come off line this fiscal year.

BACKGROUND: In order to assure proper response times, preserve our efficiency levels, insure officer safety, and maintain a professional appearance, the Police Department works with the Public Works Department to replace police vehicles every four to five years, or as needed. Currently, an unmarked Crown Victoria police vehicle, which is 10 years old and has over 110,000 miles, is scheduled to be replaced this fiscal year. This vehicle has been used for undercover operations, mandated training scenarios; travel to and from trainings, meetings, and other organizational activity in and out of the City of Capitola.

This vehicle has recurring mechanical problems, which makes it expensive to maintain and unreliable for travel. The Department has a 2002 unmarked Chevy Impala, which will be used to replace the Crown Victoria. Staff will continue to use the Chevy Impala for the same travel services as previously indicated for the outgoing Crown Victoria.

The FY 2011-12 adopted budget authorizes expenditures up to \$58,000.00 for police vehicle replacement. The funds will come from the Public Works 2011-2012 Equipment and Acquisition Fund. The total value of purchased vehicles in FY 2011-2012 will not exceed the budgeted amount of \$58,000.00.

Toyota of Santa Cruz provided the City of Capitola with a discounted rate for a used vehicle with 5,000 miles. The cost savings from purchasing the used vehicle, as compared to a new vehicle with the same features, is estimated at \$3,675.00.

DISCUSSION: The Capitola Police Department fleet of unmarked patrol vehicles consists primarily of Chevrolet Impala models. The Toyota Camry is a 'green' rated vehicle with better fuel efficiency and smaller overall ecological footprint than the Chevrolet Impala. In addition, research shows Toyota vehicles are rated the highest in reliability and longevity.

The attached Toyota of Santa Cruz bid includes license fees, state and local taxes. Toyota of Santa Cruz is a local dealership within the City of Capitola which provides discounted rates to local government. The estimated cost price of a similar vehicle purchased from another dealer is \$3,675.00 or higher.

6-14-12 AGENDA REPORT: PURCHASE POLICE UNMARKED VEHICLE

The Police Department previously purchased vehicles from Ocean Honda Chevrolet as a local business. Since then, Ocean Honda moved and Toyota of Santa Cruz expanded making them the largest vehicle dealer in Capitola. Toyota of Santa Cruz has offered savings on vehicle purchases that meet the need of the police department resulting in both cost savings while supporting local business.

Staff recommends using Toyota of Santa Cruz for the purchase of the unmarked police vehicle, at a total cost of \$20,695.73.

FISCAL IMPACT: The adopted FY 2011/2012 Equipment Acquisition & Replacement Fund originally indicated the \$58,000.00 was to be used for the purchase of two police motorcycles and an Automated Vehicle Licensing Program. Based on a priority and need change, a portion of the \$58,000.00 was already used to purchase a marked patrol vehicle. That purchase was in the amount of \$37,304.27. The remaining balance of \$20,695.73 will be used to purchase the unmarked vehicle. Therefore, staff recommends using the remaining balance of \$20,695.73 to purchase the vehicle, completing in the current FY budget allocation.

ATTACHMENTS:

Quote from Toyota of Santa Cruz

Report Prepared By: Rudy Escalante
Chief of Police

**Reviewed and Forwarded
By City Manager**



DEAL 21804

VEHICLE INSTALLMENT SALE CONTRACT - SIMPLE FINANCE CHARGE

Dealer Number 19432

Contract Number

R.O.S. Number

Stock Number 11125P

Buyer Name and Address: (Including County and Zip Code) CITY OF CAPITOLA POLICE DEPT CAPITOLA CA 95010	Co-Buyer Name and Address: (Including County and Zip Code)	Creditor-Seller (Name and Address) TOYOTA OF SANTA CRUZ 4200 AUTO PLAZA DRIVE CAPITOLA, CA 95010
---	---	--

You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Creditor - Seller (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge in U.S. funds according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-In-Lending Disclosures below are part of this contract.

New Used	Year	Make and Model	Odometer	Vehicle Identification Number	Primary Use For Which Purchased
USED	2011	CAMRY TOYOTA	4943	4T4BF3EK6BR185509	<input checked="" type="checkbox"/> personal, family or household <input type="checkbox"/> business or commercial

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.	The total cost of your purchase on credit, including your down payment of
0.00 %	\$ 0.00 (e)	\$ 20695.73	\$ 20695.73 (e)	\$ 0.00 is \$ 20695.73 (e)

(e) means an estimate

YOUR PAYMENT SCHEDULE WILL BE:		
Number of Payments:	Amount of Payments:	When Payments Are Due:
One Payment of	N/A	N/A
One Payment of	N/A	N/A
1 Payments	20695.73	Monthly, Beginning 06/14/12
N/A Payments	N/A	Monthly, Beginning N/A
One Final Payment		

Late Charge. If payment is not received in full within 10 days after it is due, you will pay a late charge of 5% of the part of the payment that is late.
Prepayment. If you pay off all your debt early, you may be charged a minimum finance charge.
Security Interest. You are giving a security interest in the vehicle being purchased.
Additional Information: See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date, minimum finance charges, and security interest.

ITEMIZATION OF THE AMOUNT FINANCED (Seller may keep part of the amounts paid to others.)	
1. Total Cash Price	
A. Cash Price of Motor Vehicle and Accessories	\$ 18811.49 (A)
1. Cash Price Vehicle	\$ 18811.49
2. Cash Price Accessories	\$ N/A
3. Other (Nontaxable)	\$ N/A
Describe N/A	\$ N/A
Describe N/A	\$ N/A
B. Document Preparation Fee (not a governmental fee)	\$ 55.00 (B)
C. Smog Fee Paid to Seller	\$ N/A (C)
D. (Optional) Theft Deterrent Device (to whom paid)	\$ N/A (D)
E. (Optional) Theft Deterrent Device (to whom paid)	\$ N/A (E)
F. (Optional) Theft Deterrent Device (to whom paid)	\$ N/A (F)
G. (Optional) Surface Protection Product (to whom paid)	\$ N/A (G)
H. (Optional) Surface Protection Product (to whom paid)	\$ N/A (H)
I. Sales Tax (on taxable items in A through H)	\$ 1556.49 (I)
J. Optional DMV Electronic Filing Fee	\$ 29.00 (J)
K. (Optional) Service Contract (to whom paid)	\$ N/A (K)
L. (Optional) Service Contract (to whom paid)	\$ N/A (L)
M. (Optional) Service Contract (to whom paid)	\$ N/A (M)
N. (Optional) Service Contract (to whom paid)	\$ N/A (N)
O. (Optional) Service Contract (to whom paid)	\$ N/A (O)
P. Prior Credit or Lease Balance paid by Seller to	\$ N/A (P)

(see downpayment and trade-in calculation)

STATEMENT OF INSURANCE
NOTICE. No person is required as a condition of financing the purchase of a motor vehicle to purchase or negotiate any insurance through a particular insurance company, agent or broker. You are not required to buy any other insurance to obtain credit. Your decision to buy or not buy other insurance will not be a factor in the credit approval process.

Vehicle Insurance		
Term	Premium	
\$ N/A Ded. Comp., Fire & Theft	N/A Mos.	\$ N/A
\$ N/A Ded. Collision	N/A Mos.	\$ N/A
Bodily Injury \$ N/A Limit	N/A Mos.	\$ N/A
Property Damage \$ N/A Limit	N/A Mos.	\$ N/A
Medical N/A	N/A Mos.	\$ N/A
N/A	N/A Mos.	\$ N/A
Total Vehicle Insurance Premiums		N/A (a)

UNLESS A CHARGE IS INCLUDED IN THIS AGREEMENT FOR PUBLIC LIABILITY OR PROPERTY DAMAGE INSURANCE, PAYMENT FOR SUCH COVERAGE IS NOT PROVIDED BY THIS AGREEMENT.

You may buy the physical damage insurance this contract requires (see back) from anyone you choose who is acceptable to us. You are not required to buy any other insurance to obtain credit.

Buyer **X**
 Co-Buyer **X**
 Seller **X TOYOTA OF SANTA CRUZ**

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

Application for Optional Credit Insurance		
Credit Life:	Buyer	Co-Buyer
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Disability (Buyer Only)		
Term	Exp.	Premium
Credit Life N/A Mo	N/A	\$ N/A
Credit Disability N/A Mo	N/A	\$ N/A
Total Credit Insurance Premiums		\$ N/A (b)
Insurance Company Name		N/A

Home Office Address _____

Credit life insurance and credit disability insurance are not required to obtain credit. Your decision to buy or not buy credit life and credit disability insurance will not be a factor in the credit approval process. They will not be provided unless you sign and agree to pay the extra cost. Credit life insurance is based on your original payment schedule. This insurance may not pay all you owe on this contract if you make late payments. Credit disability insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown above.

You are applying for the credit insurance marked above. Your signature below means that you agree that: (1) You are not eligible for insurance if you have

C. (Optional) Gap Contract (to whom paid N/A) \$ N/A (Q)
 R. (Optional) Used Vehicle Contract Cancellation Option Agreement \$ N/A (R)
 S. Other (to whom paid N/A) \$ N/A (S)
 For N/A

Total Cash Price (A through S) \$ 20451.98 (1)

2. Amounts Paid to Public Officials

A. License Fees \$ 123.00 (A)
 B. Registration/Transfer/Titling Fees \$ 84.00 (B)
 C. California Tire Fees \$ 8.75 (C)
 D. Other Smog Abatement Fee \$ 20.00 (D)

Total Official Fees (A through D) \$ 235.75 (2)

3. Amount Paid to Insurance Companies
 (Total premiums from Statement of Insurance column a + b) \$ N/A (3)

4. Smog Certification of Exemption Fee Paid to State \$ 8.00 (4)

5. Subtotal (1 through 4) \$ 20695.73 (5)

6. Total Downpayment

A. Agreed Trade-In Value Yr N/A Make N/A \$ N/A (A)
 Model N/A Odom N/A
 VIN N/A

B. Less Prior Credit or Lease Balance \$ N/A (B)
 C. Net Trade-In (A less B) (indicate if a negative number) \$ N/A (C)
 D. Deferred Downpayment \$ N/A (D)
 E. Manufacturer's Rebate \$ N/A (E)
 F. Other \$ N/A (F)
 G. Cash \$ N/A (G)

Total Downpayment (C through G) \$ 0.00 (6)
 (If negative, enter zero on line 6 and enter the amount less than zero as a positive number on line 1P above)

7. Amount Financed (5 less 6) \$ 20695.73 (7)

reached your 60th birthday (2) you are eligible for disability insurance only if you are working for wages or profit 30 hours a week or more on the Effective Date. (3) Only the Primary Buyer is eligible for disability insurance. DISABILITY INSURANCE MAY NOT COVER CONDITIONS FOR WHICH YOU HAVE SEEN A DOCTOR OR CHIROPRACTOR IN THE LAST 6 MONTHS (Refer to "Total Disabilities Not Covered" in your policy for details).
 You want to buy the credit insurance.

Date X N/A Age _____
 Buyer Signature _____
 Date X N/A Age _____
 Co-Buyer Signature _____

OPTIONAL GAP CONTRACT A gap contract (debt cancellation contract) is not required to obtain credit and will not be provided unless you sign below and agree to pay the extra charge. If you choose to buy a gap contract, the charge is shown in item 1Q of the Itemization of Amount Financed. See your gap contract for details on the terms and conditions it provides. It is a part of this contract.

Term N/A Mos. N/A
 Name of Gap Contract _____

I want to buy a gap contract.
 Buyer Signs X N/A

OPTIONAL SERVICE CONTRACT(S) You want to purchase the service contract(s) written with the following company(ies) for the term(s) shown below for the charge(s) shown in item 1K, 1L, 1M, 1N, and/or 1O.

1K Company N/A
 Term N/A Mos. N/A Miles _____
 1L Company N/A
 Term N/A Mos. N/A Miles _____
 1M Company N/A
 Term N/A Mos. N/A Miles _____
 1N Company N/A
 Term N/A Mos. N/A Miles _____
 1O Company N/A
 Term N/A Mos. N/A Miles _____
 Buyer X N/A

SELLER ASSISTED LOAN
 BUYER MAY BE REQUIRED TO PLEDGE SECURITY FOR THE LOAN, AND WILL BE OBLIGATED FOR THE INSTALLMENT PAYMENTS ON BOTH THIS RETAIL INSTALLMENT SALE CONTRACT AND THE LOAN.

Proceeds of Loan From: N/A
 Amount \$ N/A Finance Charge \$ N/A
 Total \$ N/A Payable in N/A
 installments of \$ N/A \$ N/A
 from this Loan is shown in Item 6D.

AUTO BROKER FEE DISCLOSURE
 If this contract reflects the retail sale of a new motor vehicle, the sale is not subject to a fee received by an autobroker from us unless the following box is checked:

Name of autobroker receiving fee, if applicable:

SELLER'S RIGHT TO CANCEL If Buyer and Co-Buyer sign here, the provisions of the Seller's Right to Cancel section on the back giving the Seller the right to cancel if Seller is unable to assign this contract to a financial institution will apply.

X Buyer X Co-Buyer

HOW THIS CONTRACT CAN BE CHANGED. This contract contains the entire agreement between you and us relating to this contract. Any change to the contract must be in writing and both you and we must sign it. No oral changes are binding.

Buyer Signs X
 Co-Buyer Signs X

OPTION: You pay no finance charge if the Amount Financed, item 7, is paid in full on or before _____, Year _____. SELLER'S INITIALS _____

THE MINIMUM PUBLIC LIABILITY INSURANCE LIMITS PROVIDED IN LAW MUST BE MET BY EVERY PERSON WHO PURCHASES A VEHICLE. IF YOU ARE UNSURE WHETHER OR NOT YOUR CURRENT INSURANCE POLICY WILL COVER YOUR NEWLY ACQUIRED VEHICLE IN THE EVENT OF AN ACCIDENT, YOU SHOULD CONTACT YOUR INSURANCE AGENT.

WARNING:
 YOUR PRESENT POLICY MAY NOT COVER COLLISION DAMAGE OR MAY NOT PROVIDE FOR FULL REPLACEMENT COSTS FOR THE VEHICLE BEING PURCHASED. IF YOU DO NOT HAVE FULL COVERAGE, SUPPLEMENTAL COVERAGE FOR COLLISION DAMAGE MAY BE AVAILABLE TO YOU THROUGH YOUR INSURANCE AGENT OR THROUGH THE SELLING DEALER. HOWEVER, UNLESS OTHERWISE SPECIFIED, THE COVERAGE YOU OBTAIN THROUGH THE DEALER PROTECTS ONLY THE DEALER, USUALLY UP TO THE AMOUNT OF THE UNPAID BALANCE REMAINING AFTER THE VEHICLE HAS BEEN REPOSSESSED AND SOLD.

FOR ADVICE ON FULL COVERAGE THAT WILL PROTECT YOU IN THE EVENT OF LOSS OR DAMAGE TO YOUR VEHICLE, YOU SHOULD CONTACT YOUR INSURANCE AGENT. THE BUYER SHALL SIGN TO ACKNOWLEDGE THAT HE/SHE UNDERSTANDS THESE PUBLIC LIABILITY TERMS AND CONDITIONS.

S/S X _____ X _____

Payoff Agreement: Seller relied on information from you and/or the lienholder or lessor of your trade-in vehicle to arrive at the payoff amount shown in item 6B of the Itemization of Amount Financed as the "Prior Credit or Lease Balance." Seller agrees to pay the payoff amount shown in 6B to the lienholder or lessor of the trade-in vehicle, or its designee. If the actual payoff amount is more than the amount shown in 6B, you must pay the Seller the excess on demand. If the actual payoff amount is less than the amount shown in 6B, Seller will refund the difference to you. Except as stated in the "NOTICE" on the back of this contract, any assignee of this contract will not be obligated to pay the Prior Credit or Lease Balance shown in 6B or any refund due from the Seller.

N/A
 Buyer Signature X _____ Co-Buyer Signature X _____

Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

If you have a complaint concerning this sale, you should try to resolve it with the seller. Complaints concerning unfair or deceptive practices or methods by the seller may be referred to the city attorney, the district attorney, or an investigator for the Department of Motor Vehicles, or any combination thereof.
 After this contract is signed, the seller may not change the financing or payment terms unless you agree in writing to the change. You do not have to agree to any change, and it is an unfair or deceptive practice for the seller to make a unilateral change.

Buyer Signature X _____

Co-Buyer Signature X _____

The Annual Percentage Rate may be negotiable with the Seller. The Seller may assign this contract and retain its right to receive a part of the Finance Charge.

THERE IS NO COOLING-OFF PERIOD UNLESS YOU OBTAIN A CONTRACT CANCELLATION OPTION

California law does not provide for a "cooling-off" or other cancellation period for vehicle sales. Therefore, you cannot later cancel this contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud. However, California law does require a seller to offer a 2-day contract cancellation option on used vehicles with a purchase price of less than \$40,000, subject to certain statutory conditions. This contract cancellation option requirement does not apply to the sale of a recreational vehicle, a motorcycle, or an off-highway motor vehicle subject to identification under California law. See the vehicle contract cancellation option agreement for details.

YOU AGREE TO THE TERMS OF THIS CONTRACT. YOU CONFIRM THAT BEFORE YOU SIGNED THIS CONTRACT, WE GAVE IT TO YOU, AND YOU WERE FREE TO TAKE IT AND REVIEW IT. YOU ACKNOWLEDGE THAT YOU HAVE READ BOTH SIDES OF THIS CONTRACT, INCLUDING THE ARBITRATION CLAUSE ON THE REVERSE SIDE, BEFORE SIGNING BELOW. YOU CONFIRM THAT YOU RECEIVED A COMPLETELY FILLED-IN COPY WHEN YOU SIGNED IT.

Buyer Signature X _____

Date 04/30/12

Co-Buyer Signature X _____

Date _____

Co-Buyers and Other Owners — A co-buyer is a person who is responsible for paying the entire debt. An other owner is a person whose name is on the title to the vehicle but does not have to pay the debt. The other owner agrees to the security interest in the vehicle given to us in this contract.

Other Owner Signature X _____

Address _____

GUARANTY: To induce us to sell the vehicle to Buyer, each person who signs as a Guarantor individually guarantees the payment of this contract. If Buyer fails to pay any money owing on this contract, each Guarantor must pay it when asked. Each Guarantor will be liable for the total amount owing even if other persons also sign as Guarantor, and even if Buyer has a complete defense to Guarantor's demand for reimbursement. Each Guarantor agrees to be liable even if we do one or more of the following: (1) give the Buyer more time to pay one or more payments; (2) give a full or partial release to any other Guarantor; (3) release any security; (4) accept less from the Buyer than the total amount owing; or (5) otherwise reach a settlement relating to this contract or extend the contract. Each Guarantor acknowledges receipt of a completed copy of this contract and guaranty at the time of signing.

Guarantor waives notice of acceptance of this Guaranty, notice of the Buyer's non-payment, non-performance, and default; and notices of the amount owing at any time, and of any demands upon the Buyer.

Guarantor X _____

Date 04/30/12

Guarantor X _____

Date _____

Address _____

Address _____

TOYOTA OF SANTA CRUZ

Seller Signs _____

Date 04/30/12

By X 

Title MGR.

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ORIGINAL LIENHOLDER



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: FINANCE DEPARTMENT

SUBJECT: ADOPT RESOLUTION AMENDING RESOLUTION NUMBERS 3820 AND 3869, TO AMEND APPROPRIATIONS LIMITS FOR FISCAL YEARS 2010-11 AND 2011-12

RECOMMENDED ACTION: Adopt proposed resolution to amend Appropriations Limits Resolutions 3820 and 3869, for Fiscal Years 2010-11 and 2011-12, as recommended by the City's previous audit firm, Teaman Ramirez and Smith.

BACKGROUND: Originally established by Proposition 4 in 1979, the appropriation limit places an upper limit each year on the amount of monies that can be spent from tax proceeds. This limit grows annually by a population and cost-of-living factor. The Appropriations Limit for a given fiscal year is established in the months preceding the beginning of that fiscal year. The City of Capitola's previous audit firm, Teaman, Ramirez and Smith (TRS), has identified that a more beneficial statistic is available for the City to use than was used for the calculation of the Fiscal Year 2010-11 Appropriations Limit. Since subsequent year appropriations limits build on previous years, amendment of Fiscal Year 2011-12 Appropriations Limit is also advantageous.

DISCUSSION: The State of California Department of Finance is required by Section 2227 of the California Revenue and Taxation Code to issue certain statistics annually that are to be used by agencies in the Article XIII B of the California Constitution calculation of the annual Appropriations Limit. For the 2010-11 calculation, the "Local Non-residential Property Value Increment as a percent of Assessed Gross Value" was used. While allowable, using the other alternately allowed "Change in California Per Capita Income" is more advantageous to the City for the single year 2010-11. The "Local Non-residential" statistic was used for Fiscal Years 2008-09, 2009-10, 2011-12, and will be used for Fiscal Year 2012-13.

FISCAL IMPACT: Amendment of the Appropriations Limits for Fiscal Years 2010-11 and 2011-12 does not have an impact on the financial status of the City of Capitola since the City operates well within the limits that the appropriations calculation allows.

ATTACHMENTS:

1. Draft resolution
2. Resolution No. 3820
3. Resolution No. 3869

Report Prepared By: Lonnie Wagner
Accountant II

Reviewed and Forwarded
By City Manager: 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING RESOLUTION NO. 3820 WHICH SET THE FY 2010-11 APPROPRIATIONS
LIMIT AND RESOLUTION NO. 3869 WHICH SET THE FY 2011-12 APPROPRIATIONS LIMIT
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, the City Council annually adopts Appropriations Limits for each ensuing fiscal year; and

WHEREAS, the previously adopted 2010-11 Appropriations Limit approved by Resolution No. 3820 was calculated in accordance with Propositions 4 and 111 appropriations limits according to Section 8 (e) (2) (B) of ARTICLE XIII B of the California Constitution; and

WHEREAS, there is an alternative calculation method that is more advantageous to the City; and

WHEREAS, previously adopted 2011-12 appropriations limit approved by Resolution 3869 carried forward in the calculation of the 2010-11 Appropriations Limit, thereby requiring an amendment to the 2011-12 Appropriations Limit,

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

1. Resolution No. 3820, establishing the 2010-11 Appropriations Limit, is amended to:

Population change for Santa Cruz County	1.0127	
Change in California Per Capita Income	0.9746	
2009-10 Appropriation Limit		\$14,782,595
Adjustment Factor (0.9746 x 1.0127)		<u>x 0.9870</u>
2010-11 Appropriation Limit:		<u>\$14,590,421</u>

2. Resolution No. 3869, establishing the 2011-12 Appropriations Limit, is amended to:

Population change for Santa Cruz County	1.0072	
Change in Local Non-residential New Construction	1.21911	
2010-11 Appropriation Limit:		\$14,590,421
Adjustment Factor (1.21911 X 1.0072)		<u>x 1.2279</u>
2011-12 Appropriation Limit:		<u>\$17,915,578</u>

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 14th day of June, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Termini, Mayor

ATTEST: _____, CMC
Susan Sneddon, City Clerk

COPY

RESOLUTION NO. 3820

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING THE 2010-2011 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION


WHEREAS, before June 30 of each year, the City Council must select the factors to calculate the appropriation limit for the ensuing fiscal year and set the appropriation limit accordingly.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2010-2011 fiscal year appropriation limit shall be \$10,303,869, calculated as follows:

Change in Local Non-residential New Construction	0.68883
Population change within the county:	1.01270
2009-2010 Appropriation Limit:	\$14,782,595
Adjustment Factor (1.07718 X 1.0107)(rounded to 4 places)	x 0.69758
2010-2011 Appropriation Limit:	<u>\$10,312,043</u>

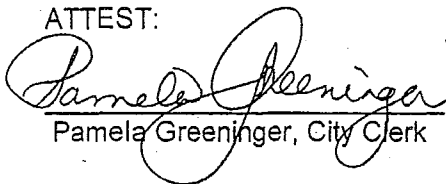
I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 10th day of June, 2010, by the following vote:

- AYES: Council Members Graves, Nicol, Begun, and Mayor Storey
- NOES: None
- ABSENT: Council Member Norton
- ABSTAIN: None



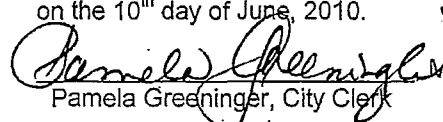
Sam Storey, Mayor

ATTEST:



Pamela Greeninger, MMC
Pamela Greeninger, City Clerk

This is to certify that the above and foregoing is a true and correct copy of Resolution No. 3820 passed and adopted by the Capitola City Council on the 10th day of June, 2010.



Pamela Greeninger, MMC
Pamela Greeninger, City Clerk

COPY

RESOLUTION NO. 3869

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
 SETTING THE 2011-12 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
 TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

WHEREAS, before June 30 of each year, the City Council must select the factors to calculate the appropriation limit for the ensuing fiscal year and set the appropriation limit accordingly.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2011-2012 fiscal year appropriation limit shall be \$ 12,662,030, calculated as follows:

Change in Local Non-residential New Construction	1.21911
Population change within the county:	1.00720
2010-2011 Appropriation Limit:	\$ 10,312,043
Adjustment Factor (1.21911 X 1.00720)	x <u>1.22789</u>
2011-2012 Appropriation Limit:	<u>\$ 12,662,030</u>

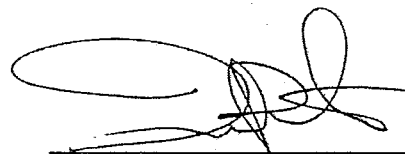
I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 9th day of June, 2011, by the following vote:

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

NOES: None

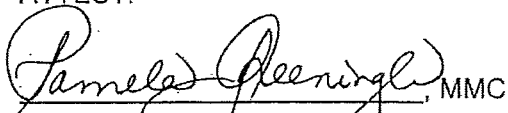
ABSENT: None

ABSTAIN: None

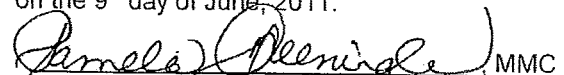


Dennis R. Norton, Mayor

ATTEST:


 Pamela Greeninger, City Clerk

This is to certify that the above and foregoing is a true and correct copy of Resolution No. 3869 passed and adopted by the Capitola City Council on the 9th day of June, 2011.


 Pamela Greeninger, City Clerk



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: FINANCE DEPARTMENT

SUBJECT: ADOPT RESOLUTION SETTING THE 2012-13 APPROPRIATION LIMIT AS
REQUIRED BY ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

RECOMMENDED ACTION: By motion and roll call vote, adopt proposed resolution setting the Fiscal Year 2012-13 Appropriation Limit as required by Article XIII B of the California Constitution.

BACKGROUND:

On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Initiative, establishing Article XIII B of the State Constitution. This proposition places annual limits on the appropriation of tax proceeds that can be made, based on the 1978-79 base year, and adjusted each year for population growth and cost-of-living factors. It precludes state and local government from retaining "excess" revenues above the appropriation limit, and requires the State to reimburse local government for the cost of certain mandates.

Two subsequent initiatives, Proposition 98 in 1988 and Proposition 111 in 1990, modify the appropriation limit requirements. Proposition 98 amends the methodology for allocation of excess revenues. Proposition 111 changes the population growth and cost-of-living factors to be used in calculating the limit, adds additional exempted items, and further adjusts allocation of excess revenues.

The appropriations limit applies only to tax proceeds. Charges for services, fees, grants, loans, donations, and other non-tax based proceeds are excluded. Exemptions are also made for voter approved debt, debt that existed prior to January 1, 1979, and for the cost of compliance with court or Federal government mandates.

The State Constitution requires that prior to June 30 of each year, Council ratify calculation factors and set the City's appropriations limit for the following fiscal year.

DISCUSSION:

The Appropriations Limit for a given fiscal year is established in the months preceding the beginning of that fiscal year. The California Revenue and Taxation Code, Section 2227, mandates that the Department of Finance transmit an estimate of the percentage change in population, "Annual Percent Change in Population Minus Exclusions", to local governments. Each local jurisdiction uses this percentage change in population factor for January 1, 2012 in conjunction with the County-issued "Local Nonresidential Property Value Increment By Fund" or "Change in California Per Capita Income" to calculate the Appropriation Factor used in determining the Limit.

The 2012-13 calculation is:

	Annual % change in Population minus Exclusions	X	Local Nonresidential Property Value Increment	=	Appropriation Factor	X	FY 2011-12 Appropriation Limit	=	FY 2012-13 Appropriation Limit
2012-13	1.0077		1.26983		1.2796		\$17,915,578		\$22,924,774

The proposed 2012-13 Budget tax revenues are:

	<u>2012-13</u>
Sales Tax and Triple Flip (1%)	\$ 4,551,200
District Transaction and Use Tax (1/4%)	\$ 973,200
Property Tax and In-Lieu	\$ 1,650,000
Transient Occupancy Tax	\$ 890,000
Franchise Taxes	\$ 482,200
Business License Tax	\$ 270,000
Interest Income from tax revenue	\$ 1,375
	<u>\$ 8,817,975</u>

The 2012-13 % of appropriations limit used is:

For Fiscal Year ended:	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Appropriations Limit	\$ 14,590,421	\$ 17,915,578	\$ 22,924,774
Tax revenue	\$ 8,115,800	\$ 8,377,700	\$ 8,817,975
Remaining to limit	\$ 6,474,621	\$ 9,537,878	\$ 14,106,799
% of limit used	55.62%	46.76%	38.46%

FISCAL IMPACT:

The appropriations limit is increased \$ 5,009,196 to \$22.9 million for a 28.0% increase from 2011-12 to 2012-13.

ATTACHMENTS:

1. Draft resolution

Report Prepared By: Lonnie Wagner
Accountant II

**Reviewed and Forwarded
By City Manager:** 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING THE 2012-13 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, before June 30 of each year, the City Council must select the factors to calculate the appropriation limit for the ensuing fiscal year and set the appropriation limit accordingly.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2012-13 fiscal year appropriation limit shall be \$ 22,924,278 calculated as follows:

Population change within the county:	1.0077
Change in Local Non-residential New Construction	1.26983

2011-12 Appropriation Limit:	\$ 17,915,578
Adjustment Factor (1.26983 x 1.00770)	x 1.2796
2012-13 Appropriation Limit:	<u>\$ 22,924,774</u>

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 14th day of June, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Termini, Mayor

ATTEST:
_____, CMC
Susan Sneddon, City Clerk



**CITY COUNCIL
AGENDA REPORT**

MEETING OF JUNE 14, 2012

FROM: CITY MANAGERS DEPARTMENT

SUBJECT: AWARD OF JANITORIAL BID TO CLEAN BUILDING MAINTENANCE IN THE AMOUNT OF \$47,783.50 PER YEAR

RECOMMENDED ACTION: Authorize the execution of a three year agreement with Clean Building Maintenance in an amount not to exceed \$47,783.50 per year.

BACKGROUND:

The City's current janitorial contract with Clean Building Maintenance expires on June 30, 2012. The staff prepared a Request for Proposal and mailed it to 12 local janitorial services. In addition, a display ad was published in the Santa Cruz Sentinel two Sundays in May notifying the public of the opportunity to bid.

DISCUSSION

The janitorial contract is for a term of three years, expiring on June 30, 2012. Two janitorial service providers submitted bids. Of those bids received, Clean Building Maintenance, with a bid in the amount of \$47,783.50 per year was the lowest responsible bidder.

The following is a list of all bids received:

- | | |
|-------------------------------|-------------|
| 1. Clean Building Maintenance | \$47,783.50 |
| 2. Bewley's Cleaning | \$51,722.70 |

FISCAL IMPACT

The fiscal impact will be \$47,783.50 per year. Funds are provided in the proposed FY12/13 Public Works Facilities budget.

ATTACHMENT

1. Contract with Clean Building Maintenance

Report Prepared By: Lisa G. Murphy
Administrative Services Director

Reviewed and Forwarded
by City Manager: 

**CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT
JANITORIAL SERVICES
CLEAN BUILDING MAINTENANCE COMPANY**

THIS AGREEMENT is entered into on July 1, 2012, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and the Clean Building Maintenance Company, hereinafter called "Consultant".

WHEREAS, City desires certain services described in Appendix One and Consultant is capable of providing and desires to provide these services;

NOW, THEREFORE, City and Consultant for the consideration and upon the terms and conditions hereinafter specified agree as follows:

**SECTION 1
Scope of Services**

The services to be performed under this Agreement are for Janitorial services and further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

All work performed by Consultant, or under its direction, shall be sufficient to satisfy the City's objectives for entering into this Agreement and shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession.

Consultant shall not undertake any work beyond the scope of work set forth in Appendix One unless such additional work is approved in advance and in writing by City. The cost of such additional work shall be reimbursed to Consultant by City on the same basis as provided for in Section 4.

If, in the prosecution of the work, it is necessary to conduct field operations, security and safety of the job site will be the Consultant's responsibility excluding, nevertheless, the security and safety of any facility of City within the job site which is not under the Consultant's control.

Consultant shall meet with the Administrative Services Director, called "Director," or other City personnel, or third parties as necessary, on all matters connected with carrying out of Consultant's services described in Appendix One. Such meetings shall be held at the request of either party hereto. Review and City approval of completed work shall be obtained monthly, or at such intervals as may be mutually agreed upon, during the course of this work.

**SECTION 3
Duties of the City**

City shall make available to Consultant all data and information in the City's possession which City deems necessary to the preparation and execution of the work, and City shall actively aid and assist Consultant in obtaining such information from other agencies and individuals as necessary.

The Director may authorize a staff person to serve as his or her representative for conferring with Consultant relative to Consultant's services. The work in progress hereunder shall be reviewed from time

to time by City at the discretion of City or upon the request of Consultant. If the work is satisfactory, it will be approved. If the work is not satisfactory, City will inform Consultant of the changes or revisions necessary to secure approval.

SECTION 4 **Fees and Payment**

Payment for the Consultant's services shall be made upon a schedule and within the limit, or limits shown, upon Appendix Two. Such payment shall be considered the full compensation for all personnel, materials, supplies, and equipment used by Consultant in carrying out the work. If Consultant is compensated on an hourly basis, Consultant shall track the number of hours Consultant, and each of Consultant's employees, has worked under this Agreement during each fiscal year (July 1 through June 30) and Consultant shall immediately notify City when the number of hours worked during any fiscal year by any of Consultant's employees reaches 900 hours. In addition each invoice submitted by Consultant to City shall specify the number of hours to date Consultant, and each of Consultant's employees, has worked under this Agreement during the current fiscal year.

SECTION 5 **Changes in Work**

City may order major changes in scope or character of the work, either decreasing or increasing the scope of Consultant's services. No changes in the Scope of Work as described in Appendix One shall be made without the City's written approval. Any change requiring compensation in excess of the sum specified in Appendix Two shall be approved in advance in writing by the City.

SECTION 6 **Time of Beginning and Schedule for Completion**

This Agreement will become effective when signed by both parties and will terminate on the earlier of:

- Work shall begin on July 1, 2012 through June 30,; or
- The date either party terminates the Agreement as provided below.

In the event that major changes are ordered or Consultant is delayed in performance of its services by circumstances beyond its control, the City will grant Consultant a reasonable adjustment in the schedule for completion provided that to do so would not frustrate the City's objective for entering into this Agreement. Consultant must submit all claims for adjustments to City within thirty calendar days of the time of occurrence of circumstances necessitating the adjustment.

SECTION 7 **Termination**

City shall have the right to terminate this Agreement at any time upon giving ten days written notice to Consultant. Consultant may terminate this Agreement upon written notice to City should the City fail to fulfill its duties as set forth in this Agreement. In the event of termination, City shall pay the Consultant for all services performed and accepted under this Agreement up to the date of termination.

SECTION 8 Insurance

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial Liability coverage (Occurrence Form CG 0001).
2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California.
4. Errors and Omissions Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage shall include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- | | |
|--|--|
| 1. General Liability:
(including operations,
products and completed
operations) | \$1,000,000 per occurrence and \$2,000,000 in
aggregate (including operations, for bodily injury,
personal and property damage. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and
property damage. |
| 3. Errors and Omissions
Liability:
Limits | \$1,000,000 per claim and in the aggregate. |

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Capitola, its officers, officials, employees and volunteers are to be covered as additional insured's as respects: liability arising out of work or operations performed by or on behalf of the Consultant or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, returned receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

SECTION 9 Indemnification

Consultant agrees to indemnify, defend, and hold harmless the City, its officers, agents and employees, from and against any and all claims, demands, actions, damages, or judgments, including associated costs of investigation and defense arising in any manner from consultant's negligence, recklessness, or willful misconduct in the performance of this agreement.

SECTION 10 Civil Rights Compliance/Equal Opportunity Assurance

Every supplier of materials and services and all consultants doing business with the City of Capitola shall be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and shall be an equal opportunity employer as defined by Title VII of the Civil Rights Act of 1964 and including the California Fair Employment and Housing Act of 1980. As such, consultant shall not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. Consultant agrees to abide by all of the foregoing statutes and regulations.

SECTION 11
Legal Action/Attorneys' Fees

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he or she may be entitled. The laws of the State of California shall govern all matters relating to the validity, interpretation, and effect of this Agreement and any authorized or alleged changes, the performance of any of its terms, as well as the rights and obligations of Consultant and the City.

SECTION 12
Assignment

This Agreement shall not be assigned without first obtaining the express written consent of the Director after approval of the City Council.

SECTION 13
Amendments

This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the City and Consultant. Consultant acknowledges that no such amendment shall be effective until approved and authorized by the City Council, or an officer of the City when the City Council may from time to time empower an officer of the City to approve and authorize such amendments. No representative of the City is authorized to obligate the City to pay the cost or value of services beyond the scope of services set forth in Appendix Two. Such authority is retained solely by the City Council. Unless expressly authorized by the City Council, Consultant's compensation shall be limited to that set forth in Appendix Two.

SECTION 14
Miscellaneous Provisions

1. *Project Manager.* Director reserves the right to approve the project manager assigned by Consultant to said work. No change in assignment may occur without prior written approval of the City.
2. *Consultant Service.* Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.
3. *Licensure.* Consultant warrants that he or she has complied with any and all applicable governmental licensing requirements.
4. *Other Agreements.* This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter, and no other agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.
5. *City Property.* Upon payment for the work performed, or portion thereof, all drawings, specifications, records, or other documents generated by Consultant pursuant to this Agreement are, and shall remain, the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with the City's use and/or occupancy of the

project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.

6. *Consultant's Records.* Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred for this project. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final City payment for Consultant's services.

7. *Independent Contractor.* In the performance of its work, it is expressly understood that Consultant, including Consultant's agents, servants, employees, and subcontractors, is an independent contractor solely responsible for its acts and omissions, and Consultant shall not be considered an employee of the City for any purpose.

8. *Conflicts of Interest.* Consultant stipulates that corporately or individually, its firm, its employees and subcontractors have no financial interest in either the success or failure of any project which is, or may be, dependent on the results of the Consultant's work product prepared pursuant to this Agreement.

9. *Notices.* All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed to the respective parties as follows:

CITY
CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
831-475-7300

CONSULTANT
Clean Building Maintenance Co.
150 Felker Street, Suite C
Santa Cruz, CA 95060

By: _____
Benjamin Goldstein, City Manager

By: _____

Dated: _____

Dated: _____

Approved as to Form:

John G. Barisone, City Counsel

FACILITY	Quantity (Days)	Days of the week	Unit Price in Figures	TOTAL (IN FIGURES)
I. WEEKLY ITEMS OF WORK				
1) City Hall - Administration	104	T & F	\$25.50	\$2,652.00
2) City Hall - Council Chambers & Offices	52	M	\$15.00	\$780.00
3) City Hall - Police Department	104	T & F	\$25.50	\$2,652.00
4) City Hall - Public Restrooms (Twice daily Peak Season)	365	M-Sunday	\$14.50	\$5,292.50
5) Museum	52	F	\$11.00	\$572.00
6) Public Works Department	104	T & F	\$10.50	\$1,092.00
7) New Brightn Gymnasium	312	M-SAT	\$34.50	\$10,764.00
8) Pacific Cove Restrooms	52	T	\$11.00	\$572.00
9) Esplanade Restrooms - Peak Season - 2 cleanings per day 22 Weekends	56	Sat-Sun & Holidays Twice Daily for Village	\$102.00	\$5,712.00
Esplanade Restrooms - Low Season - 1 cleaning per day	72	Sat-Sun & Holidays once daily	\$54.00	\$3,888.00
10) Public Restrooms: Jade Street, Perry Park and Wharf	116	Sat-Sun & Holidays	\$45.00	\$5,220.00
11) Village: Empty Trash & Recycling	52	Sundays Only	\$75.00	\$3,900.00

II. MONTHLY ITEMS OF WORK				
1) New Brightn Gymnasium	12	As Schedule	\$38.00	\$456.00
2) Jade Street Community Center	9	As Schedule	\$123.00	\$1,107.00

III. SEMI-ANNUALLY ITEMS OF WORK				
1) City Hall - Administration	2	As Schedule	\$270.00	\$540.00
2) City Hall - Offices and Meeting Rooms	2	As Schedule	\$135.00	\$270.00
3) City Hall - Police Dept.	2	As Schedule	\$235.00	\$470.00
4) Public Works	2	As Schedule	\$48.00	\$96.00
5) New Brighton Gymnasium	2	As Schedule	\$75.00	\$150.00

IV. ANNUAL ITEMS OF WORK				
1) City Hall - Administration	1	As Schedule	\$280.00	\$280.00
2) City Hall - Offices and Meeting Rooms	1	As Schedule	\$56.00	\$56.00
3) City Hall - Police Dept.	1	As Schedule	\$126.00	\$126.00
4) Museum	1	As Schedule	\$27.00	\$27.00
5) Public Works	1	As Schedule	\$27.00	\$27.00
6) New Brightn Gymnasium	1	As Schedule	\$92.00	\$92.00
7) Jade Street Community Center	1	As Schedule	\$990.00	\$990.00
TOTAL BID OF ALL ITEMS				\$47,783.50

OPTIONAL BID ITEMS	Quantity (Days)	Days of the week	Unit Price in Figures	TOTAL (IN FIGURES)
		M-Sunday Sat-Sun & Holidays Twice Daily in Peak Season		
1) Esplanade Park Restrooms	365		\$74.50	\$27,192.50
2) Wharf Restrooms	365	M-Sunday	\$15.00	\$5,475.00
3) Perry Park Restrooms	365	M-Sunday	\$15.00	\$5,475.00
4) Jade Street Restrooms	365	M-Sunday	\$15.00	\$5,475.00
TOTAL BID OF OPTIONAL ITEMS				\$43,617.50

City of Capitola
Janitorial Services Contract Provisions

SCOPE OF WORK

The contractor shall provide janitorial services at the following City facilities in accordance with these special provisions:

1. City Hall - Administration
2. City Hall – Council Chambers, Restrooms & Offices
3. City Hall – Police Department
4. Museum
5. Public Works
6. New Brighton Gymnasium
7. Jade Street Community Center
8. Pacific Cove Mobile Home Park
9. Public Restrooms (4)
 - a. Esplanade Restrooms
 - b. Wharf Restrooms
 - c. Jade Street Park
 - d. Peery Park Restrooms
10. Village

All contractor employees are subject to fingerprinting and a background investigation prior to start of this contract. The successful bidder is required to submit a list of employees to the City prior to start of the contract.

The City shall supply the contractor with paper supplies (towels, toilet paper, etc) and soap for the dispensers for the restrooms. All other cleaning materials, equipment and related supplies are the responsibility of the contractor.

The Contractor is required to conform to all Federal, State and Local laws in the performance of this contract. Special attention is directed to the following requirements:

1. Workers Compensation Insurance Requirements
2. Injury and Illness Prevention Program Requirements
3. Hazard Communication Program Requirements
4. Hazardous Material Disposal Requirements

The successful bidder is required to submit to the City a complete list of chemicals and Material Safety Data Sheets for each chemical to be used in the performance of this contract.

The successful is also required to submit the specifications and/or proprietary process to the City for approval for the following work items:

- a. Chemically clean carpets
- b. Steam Clean carpets
- c. Clean exterior windows

All bidders must submit a list of references for similar contracts or jobs that they have had over the past three years. Reference list must include a brief scope of work, agency or company name and contact information. The City will perform a reference check on the low bidder to verify qualifications and abilities of the contractor.

The following work items are to be accomplished to the satisfaction of the City at the listed facilities in accordance with the following schedule:

CITY HALL - COUNCIL CHAMBERS, OFFICES & RESTROOM (1ST FLOOR)

1) DAILY before 8 a.m. – Seven days a week including all holidays:

Restrooms: Open to the public Monday through Sunday before 8:00 am. Clean and sanitize fixtures, toilets, urinals, and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash receptacles. Replace paper stock as needed. During Peak Season (May thru September) on Saturdays, Sundays and Holidays - 2 cleanings per day, once before 8am and again between 1 pm and 2 pm.

2) 1 DAY A WEEK - Monday before 8:00 am or after 5:30 p.m.

Lobby: Wet mop floor. Empty trash/recycling receptacles and ash trays. Clean & sanitize drinking fountain. Clean entrance door glass. Dust trim, sills and edging. Spot clean the walls.

Council Chambers: Vacuum carpets. Dust trim, sills and edging. Dust and wax furniture, empty trash/recycling receptacles, wipe down tables.

Offices: Vacuum carpets. Dust trim, sills and edging. Dust and wax furniture, empty trash/recycling receptacles, wipe down tables.

3) SEMI ANNUALLY– Once during June & December (before 8:00 a.m. or after 7:00 pm, not on Thursdays). Call first to schedule.

City Council Chambers: Steam Clean Carpet

Offices: Steam Clean Carpet

Lobby: Strip, seal and wax floor.

4) ANNUALLY– Once during March. Call first to schedule.

City Council Chambers: Clean exterior windows inside and outside. Dust and clean blinds

Offices: Clean exterior windows inside and outside. Dust and clean blinds

CITY HALL – ADMINISTRATION (2ND FLOOR)

1) 2 DAYS A WEEK - Tuesday & Friday before 8:00 am or after 6:00 p.m.

Restrooms (2): Clean & sanitize fixtures, toilets and sinks. Wet mop floors, clean & fill soap dispensers. Empty trash receptacles, dust edging, trim and sills. Spot clean walls. Replace paper stock as needed.

Reception Area: Wet mop floor. Empty trash and recycling receptacles and ash tray. Clean entrance door glass. Clean counter top. Spot clean walls.

Break Room: Wet mop floor. Empty trash & recycling receptacles, clean and sanitize sink and countertops. Dust edging, blinds, trim and sills. Spot clean walls.

Office Areas, corridor and work areas: Vacuum carpets. Dust edging, trim, sills, bookcases and furniture. Spot clean walls. Empty trash and recycling receptacles.

Elevator: Spot clean walls, floor and door.

- 2) SEMI-ANNUALLY – Once during June & December (Friday after 6:00 p.m. or Saturday before 3:00 pm) Call first to schedule.

Office Area, corridor and work areas: Steam Clean Carpets.

Restrooms and break room: Strip, seal and wax floors.

- 3) ANNUALLY – Once during March on a weekend. Call first to schedule.

All Areas: Clean inside and outside of all exterior windows. Remove, clean and replace window screens. Dust and clean blinds. Elevator: Steam clean carpet.

CITY HALL – POLICE DEPARTMENT

- 1) 2 DAYS A WEEK – Tuesday & Friday before 8:00 am or after 6:00 pm

Restrooms (2) and Locker Rooms: clean and sanitize fixtures, toilets, urinals, showers and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash and recycling receptacles. Replace paper stock as needed. Dust edging, trim sills. Spot clean walls and doors

Lobby Area: Wet mop floor. Empty trash & recycling receptacles and ash tray. Clean entrance door glass and glass adjacent to dispatch. Clean counter top. Spot clean walls door.

Office Areas: Vacuum carpets, wet mop floors and empty trash & recycling receptacles, dust edging, trim sills, bookcases countertops and furniture. Spot clean walls and doors.

- 2) SEMI-ANNUALLY– Once during June & December, on a weekend. Call first to schedule

Steam clean carpets and fabric chairs.

- 3) ANNUALLY– Once during March, on a weekend. Call first to schedule

All Areas: Clean inside and outside of all exterior windows. Remove, clean and replace window screens. Dust and clean blinds.

MUSEUM

- 1) 1 DAY A WEEK –Friday before 8:00 am or after 6:00 pm.

Vacuum carpets, dust exhibits, empty trash and recycling receptacles.

- 2) ANNUALLY: Once during March, on a weekend. Call first to schedule:

All Areas: Clean inside and outside of all exterior windows. Remove, clean and replace window screens. Dust and clean blinds.

PUBLIC WORKS:

- 1) 2 DAYS A WEEK - Tuesdays & Fridays after 4:00 pm

Lobby Area and Offices: Vacuum carpets, empty trash receptacles, clean entrance door glass, dust edging, trim and sills.

Restrooms & Locker room: clean and sanitize fixtures, toilets, urinals and sinks. Wet mop floors, clean and fill soap dispensers, empty trash and recycling receptacles. Replace paper stock as needed.

- 2) ANNUALLY: Once during March, on a weekend. Call first to schedule:

All Areas: Clean inside and outside of all exterior windows. Remove, clean and replace window screens. Dust and clean blinds.

NEW BRIGHTON GYMNASIUM

- 1) DAILY – Tuesday through Sunday before 8:00 am or after 10:00 p.m.

Restrooms: Clean & sanitize fixtures, toilets, urinals and sinks. Dust edging and trim. Wet mop floors. Clean and fill soap dispensers. Empty trash/recycling receptacles. Replace paper stock as needed. Clean paper wads off of ceiling.

Gymnasium Area: dry mop gym floor. Sweep edges of gym floor. Spot clean gym floor with approved chemical cleaner.

Lobby Area: Empty trash/recycling, vacuum carpets (lobby & corridor). Clean and sanitize drinking fountain. Dust edging and trim. Clean bulletin board glass. Clean windows on door between lobby and gym.

Storage/Equipment Room: Vacuum carpets.

- 2) Monthly – 4th week of month (any day except Sunday) before 8:00 am or after 10:00 pm.

Lobby, offices & corridor area: Steam clean carpets. Clean windows inside and outside at entry.

- 3) Semi-Annually – once during June, December (Any day except Sunday, before 8:00 am or after 10:00 p.m.) Call to Schedule.

Gymnasium Area: Pull out the bleachers, sweep and clean under bleachers, clean basketball backboards. Clean yellow padding under backboards.. Remove paper-wads from the ceiling.

- 4) Annually – once during March (any day except Sunday, before 8:00 am or after 10:00 pm) Call to Schedule.

Restroom Areas: Strip, seal and wax floors.

JADE STREET COMMUNITY CENTER

- 1) Semi-Annually - before 8:00 am or after 10:00 pm or as scheduled.

Spray buff and hi-speed floor the floors in the rooms and the lobby.

- 2) Annually – once during March (any day except Sunday, before 8:00 am or after 10:00 pm)

Community Rooms, Restroom Areas, Kitchen, Lobby & Corridor Areas: Strip, seal and wax floors.

Office: Steam clean carpets.

All Areas: Clean inside and outside of all exterior windows. Remove, clean and replace window screens. Dust and clean blinds.

PACIFIC COVE MOBILE HOME RESTROOMS/LAUNDRY ROOM

Twice a week: Tuesday and Friday, if it falls on a holiday then work is to be done the previous business day:

Restrooms: Restroom and Laundry Room: clean and sanitize fixtures, toilets, urinals, showers and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash receptacles. Replace paper stock as needed.

PUBLIC RESTROOMS

Peak Season: May, June, July, August and September. All work is to be done on Saturday, Sunday and Holidays once a day before 8 am **except for the Esplanade Restrooms and City Hall 1st floor restrooms which is twice a day. (See Below).**

Low Season: January, February, March, April, October, November and December. All work is to be done on Saturday, Sunday and Holidays, once a day by 8 am.

Esplanade Restrooms and City Hall 1st floor restrooms. Open the bathrooms to the public. Clean and sanitize fixtures, toilets, urinals, and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash receptacles. Replace paper stock as needed. **During Peak Season 2 cleanings, once before 8 am and an afternoon cleaning between 1 pm and 2pm on Saturdays, Sundays, and Holidays.**

Wharf and Wharf Restrooms: Open the bathrooms to the public. Clean and sanitize fixtures, toilets, urinals, and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash and

cigarette receptacles on the Wharf (6) and the restrooms (2). Replace paper stock as needed. Clean portable bathrooms during the summer season (2).

Jade Street Restroom: Open to bathrooms to the public. Clean and sanitize fixtures, toilets, urinals and sinks. Sweep floors and wet mop floors, clean and fill soap dispensers. Empty trash receptacles around playground area (7) along the front walk (3) and the restrooms (1). Replace paper stock as needed

Peery Park Restroom: Open to bathrooms to the public. Clean and sanitize fixtures, toilets, urinals and sinks. Sweep and wet mop floors, clean and fill soap dispensers. Replace paper stock as needed

VILLAGE

Saturday, Sunday and Holidays, once a day before 8 am:

Pick up debris only from curb and gutter, sweep sidewalk from Zelda's deck to and including Esplanade Park.

Sundays only: Empty all public trash, recycling, and cigarette receptacles along the Esplanade, San Jose Ave, Capitola Ave, Stockton Ave, and Monterey Ave (45 containers)

****OPTIONAL BID ITEMS:**

The following items are optional. The City reserves the right to determine if it will utilize these optional items at any time during the term of the contract.

PUBLIC RESTROOMS:

Esplanade Restrooms: 7 days a week. During peaks season, twice a day and during low season once a day. Open to the public. Clean and sanitize fixtures, toilets, urinals, and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash receptacles. Replace paper stock as needed.

Wharf and Wharf Restrooms: 7 days a week. Open the bathrooms to the public. Clean and sanitize fixtures, toilets, urinals, and sinks. Wet mop floors. Clean and fill soap dispensers. Empty trash and cigarette receptacles on the Wharf (6) and the restrooms (2). Replace paper stock as needed. Clean portable bathrooms during the summer season (2).

Jade Street Restroom: 7 days a week. Open to bathrooms to the public. Clean and sanitize fixtures, toilets, urinals and sinks. Sweep and wet mop floors, clean and fill soap dispensers. Empty trash receptacles around playground area (7) along the front walk (3) and the restrooms (1). Replace paper stock as needed

Peery Park Restroom: 7 days a week. Open to bathrooms to the public. Clean and sanitize fixtures, toilets, urinals and sinks. Sweep and wet mop floors, clean and fill soap dispensers. Replace paper stock as needed

GENERAL PROVISIONS

All trash collected in the Village, Esplanade Park and Wharf shall be disposed of at the City's Corporation Yard located at 430 Kennedy Drive. No trash shall collected by the Contractor shall be disposed of in the Esplanade dumpsters.

Recycle materials collected in the Village shall be disposed of in the recycle bin located at the City Hall complex at 420 Capitola Avenue.

Trash and recycling materials from City Hall (all areas) shall be disposed of in the recycling and trash dumpsters at 420 Capitola Avenue. The contractor shall not place trash or recycle material outside the dumpsters supplied.

The contract price for the listed facility shall include full compensation for all labor, materials, tools, equipment and incidentals involved in the performance of the work to the satisfaction of the City, in accordance with these special provisions.

For the purposes of this contract the designated City Holidays are as follows:

New Years Day
Martin Luther King Day
Lincoln's Birthday
Washington's Birthday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving Day and following Friday
Christmas Day

The actual days of closure for the City may vary for some holidays if they fall on a Saturday or Sunday. The contractor shall be responsible for verifying with City staff the actual Holiday days they are responsible for covering janitorial services under this contract.

B. INCREASED OR DECREASED QUANTITIES. (To be undertaken by Contractor if and when notified by the City pursuant to Section B below)

The City of Capitola reserves the right to eliminate any or all of the contract items at its discretion.

The City also reserves the right to adjust the quantity of any bid item by up to 35%, with payment for the final quantity of work at the contract unit price bid therefore. No adjustment will be made in the contract unity price.

Should the total pay quantity of any time of work required under this contract be less than 65% of the Engineers Estimate, an adjustment in compensation pursuant to this section will not be made unless the Contractor requests so in writing. Such adjustments of the contract unit price will be the difference between the contract unit price and the actual unit cost, including fixed costs as determined by the City and agreed to by the Contractor. The payment for the total pay

quantity of such item of work will in no case exceed the payment which would be made for the performance of 65% of the Engineer's Estimate of the quantity for such item at the original contract unit price.

Should any contract item of the work be eliminated in its entirety, in the absence of an executed contract change order covering such elimination, payment will be made to the Contractor for actual costs incurred in connection with such eliminated contract item if incurred prior to the date of notification in writing by the City of such elimination. In no case will additional compensation be made if the City notifies contractor of items to be eliminated prior to execution of the contract.

APPENDIX TWO Fees and Payments

For the services performed, City will pay consultant on a time-charge plus expense basis, monthly as charges accrue, the sum of consultant's salary expenses and non-salary expenses.

Salary expenses include the actual direct pay of personnel assigned to the project (except for routine secretarial and account services) plus payroll taxes, insurance, sick leave, holidays, vacation, and other fringe benefits. The percentage of compensation attributable to salary expenses includes all of Consultant's indirect overhead costs and fees. For purposes of this Agreement, Consultant's salary expenses and non-salary expenses will be compensated at the rates set forth in the fee schedule attached to this appendix and in accordance with the terms set forth therein. Non-salary expenses include travel, meals and lodging while traveling, materials other than normal office supplies, reproduction and printing costs, equipment rental, computer services, service of subconsultants or subcontractors, and other identifiable job expenses. The use of Consultant's vehicles for travel shall be paid at the current Internal Revenue Service published mileage rate.

Salary payment for personnel time will be made at the rates set forth in the attached fee schedule for all time charged to the project. Normal payroll rates are for 40 hours per week. Consultant shall not charge the City for personnel overtime salary at rates higher than those set forth in the attached fee schedule without the City's prior written authorization.

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$47,783.50, without specific, written advance authorization from the City.

Payments shall be made monthly by the City, based on itemized invoices from the Consultant which list actual costs and expenses. Such payments shall be for the invoice amount. The monthly statements shall contain the following affidavit signed by a principal of the Consultant's firm:

"I hereby certify as principal of the firm of _____, that the charge of \$_____ as summarized above and shown in detail on the attachments is fair and reasonable, is in accordance with the terms of the Agreement dated _____, __, and has not been previously paid."



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: PLANNING COMMISSION ACTION MINUTES OF JUNE 7, 2012

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ed Newman, Gayle Ortiz, Mick Routh, and
Chairperson Ron Graves (7:09 p.m.)

Absent: Linda Smith

Staff: Interim Community Development Director Susan Westman
Senior Planner Ryan Bane
Minute Clerk Danielle Uharriet

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda - NONE

B. Public Comments - NONE

C. Commission Comments - NONE

D. Staff Comments - NONE

3. APPROVAL OF MINUTES

A. May 3, 2012 Regular Planning Commission Meeting

APPROVED 3-0

4. CONSENT CALENDAR

A. 1565 LINCOLN AVENUE

#12-040

APN: 034-041-12

Design Permit to convert a duplex to a single-family residence and construct a second floor addition in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: John Gianopoulos, filed 3/20/12

APPROVED 4-0

5. PUBLIC HEARINGS

A. 1100 41st AVENUE #12-057 APN: 034-101-21

Design Permit to construct a pergola structure and a Sign Permit to construct a new monument sign for an existing health club (In-Shape) in the CC (Community Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: 1100 41st Avenue LLC, filed: 4/10/12

Representative: In-Shape Health Clubs

APPROVED 4-0

B. 1200 41st AVENUE #12-058 APN: 034-101-38

Design Permit to establish a new storefront entrance and a Sign Permit for two wall signs for an existing health club (In-Shape) in the CC (Community Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Begonia Plaza LLC, filed: 4/10/12

Representative: In-Shape Health Clubs

APPROVED 4-0

C. AMEND SIGN ORDINANCE 17.57 #12-017

The Planning Commission shall consider an amendment of the Capitola Municipal Code Section 17.57 to allow sidewalk signs (sandwich board/A-frame signs/pole signs) in the Central Village Zone Districts subject to a city permit. The proposed amendment will be for a one year trial period.

RECOMMENDED TO THE CITY COUNCIL THAT THIS ORDINANCE WAIT UNTIL THERE IS A COMPREHENSIVE REVIEW OF THE CITY'S SIGN ORDINANCE NEXT YEAR.

3-1, COMMISSIONER ROUTH DISSENTING.

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT

The Planning Commission adjourned the meeting at 8:40 p.m. to a Regular Meeting of the Planning Commission to be held on Thursday, June 7, 2012 at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: FINANCE DEPARTMENT

SUBJECT: IMPLEMENTATION OF THE PROVISIONS OF INTERNAL REVENUE CODE SECTION
(IRC) 414(h)(2)

RECOMMENDED ACTION: That the City Council adopt the attached resolution implementing the provisions of IRC code Section 414 (h)(2) to allow negotiated employee-paid retirement costs for the City's plans to be deducted on a pre-tax basis.

BACKGROUND: In 2007, the City negotiated a cap on the amount the City would contribute towards employee retirement costs. The City's contribution to the 2.5% at 55 Miscellaneous Plan is capped at 16.488% and the City's contribution to the Police's 3% at 50 Plan is capped at 28.291%. This cap is reflected in all memoranda of understanding (MOU's).

DISCUSSION: In Fiscal Year 2013, employees in the Miscellaneous Plan will be required to contribute 8.267% of their paycheck toward PERS costs. Currently, the maximum pre-tax contribution an employee can make is 8%. This resolution will allow the additional 0.267% contribution to be made on a pre-tax basis, in the same manner as the 8%.

While it is not anticipated that members of the Safety Plan will be required to contribute above the standard 9% amount in Fiscal Year 2013, the staff is also proposing to implement the provisions of IRC 414 (h)(2) in the event retirement rates increase in the future.

These provisions would be implemented in the first full payperiod of Fiscal Year 2013.

FISCAL IMPACT: There is no fiscal impact.

ATTACHMENTS

1. Resolution

Report Prepared By: Tori Hannah
Finance Director

Reviewed and Forwarded
By City Manager: 

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA IMPLEMENTING THE PROVISIONS OF SECTION 414 (H)(2) OF THE INTERNAL REVENUE CODE TO ALLOW EMPLOYEE PAID RETIREMENT COSTS FOR THE MISCELLANEOUS EMPLOYEES 2.5% AT 55 PLAN AND THE PUBLIC SAFETY 3% AT 50 PLAN TO CALPERS TO BE DEDUCTED ON A PRE-TAX BASIS

WHEREAS, the City of Capitola has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Board of Administration of the Public Employees' Retirement System adopted its resolution regarding section 414(h)(2) IRC on September 18, 1985; and

WHEREAS, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h)(2) IRC; and

WHEREAS, the City of Capitola has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax

benefit offered by section 414(h)(2) IRC should be provided to its employees who are members of the Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

I. That the City of Capitola will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.

II. That the contributions made by the City of Capitola to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the City of Capitola in lieu of contributions by the employees who are members of the Public Employees' Retirement System.

III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Capitola to the Public Employees' Retirement System.

IV. That the City of Capitola shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.

V. That the amount of the contributions designated as employee contributions and paid by the City of Capitola to the Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the Public Employees' Retirement Law (California Government Code sections 20000, etseq.).

VI. That the contributions designated as employee contributions made by the City of Capitola to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 14th day of June, 2012, by the following vote:

Michael Termini, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk



CITY COUNCIL/SUCCESSOR AGENCY AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: CITY MANAGER AND FINANCE DEPARTMENTS

SUBJECT: ADOPTION OF THE 2012/13 FISCAL YEAR BUDGET FOR THE CITY OF CAPITOLA GENERAL FUND, THE SUCCESSOR AGENCY, AND THE CAPITAL IMPROVEMENT BUDGETS

RECOMMENDED ACTION: Approve the Resolution adopting the Final 2012/13 Fiscal Year City, Successor Agency, and Capital Improvement Program (CIP) Budgets.

BACKGROUND:

On May 15th, the proposed Fiscal Year 2012/2013 Budget was released. The City Council/Successor Agency held public budget hearings on both May 23 and May 31, 2012, to review the draft budget, take public comment, and receive input from the Finance Advisory Committee. At the May 31st budget hearing, City Council directed staff to prepare a resolution to adopt the budget with adjustments to revenues in the amount of \$765,721 and adjustments to expenditures in the amount of \$767,250.

Details regarding these adjustments, along with internal corrections/adjustments are listed in Attachment 2.

DISCUSSION:

At the May 31st hearing, City Council directed staff to adopt the Proposed Budget with the following adjustments:

Sources:	
Internal Service Funds	\$400,000
Unallocated Amounts – Proposed Budget	299,721
Additional Funding Sources	66,000
Total Additional Sources	\$765,721
Uses:	
Transfer to Contingency/Emergency Funds	\$450,000
Community Grants	250,000
CIP	22,500
Chamber	22,500
Santa Cruz County Visitor's Council	17,250
Begonia Festival	5,000
Total Uses	767,250
Net Differences – Fund Balance	(\$1,529)

During the May 31st Special Session, Council also established a subcommittee to make recommendations regarding the allocation of Community Grant funding. The overall allocation will be listed in the Adopted Budget as a single line item. A separate staff report will be presented on June 28th to identify the Community Grant recipients; and possibly incorporate into the published budget document.

The resolution necessary to adopt the FY2012/13 Budget, detailed adjustments/corrections, and estimated fund balances are presented in the attachments.

FISCAL IMPACT

The fiscal impact by adopting the city budget is represented in the attached General Fund Overview and Summary by Fund. The Fiscal Year 2012-2013 Adopted Budget represents a balanced General Fund budget, with a net additional appropriation of \$9,007 coming from the projected General Fund balance.

ATTACHMENTS:

1. Resolution

Report Prepared By: Tori Hannah
Finance Director

Reviewed and Forwarded
by City Manager: 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADOPTING THE 2012/13 FISCAL YEAR CITY BUDGET
AND CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, it is necessary to adopt the 2012/13 fiscal year budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the fiscal year July 1, 2012 through June 30, 2013; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2012/13 Fiscal Year Budget is hereby adopted as amended, including Exhibit A (Changes to Proposed Budget), Exhibit B (General Fund Overview), and Exhibit C (Summary by Fund) to this resolution,

BE IT FURTHER RESOLVED that the Finance Director is directed to enter the budget into the City's accounting records in accordance with appropriate accounting practices, and the City Manager, with the Finance Director's assistance, shall assure compliance therewith.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola at its special meeting held on the 14th day of June, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Termini, Mayor

ATTEST:

_____, MMC
Susan Snedden, City Clerk

Changes to Proposed Budget

EXHIBIT A

FY11/12 Expenses	Acct #	Amount
Police Department Overtime	1000-20-20-000-4130.040	(20,000)
Total FY 11/ 12 Adjustments		(20,000)

FY2/13 Proposed		
Revenues /Resources	Acct #	Amount
Unallocated Sources - General Fund Balance		299,721
Special Events - Police Department	1000-20-20-000-3420.031	10,000
Recreation Fees - Class Fees	1000-50-50-515-3470.010	20,000
Recreation Fees - Sports Fees	1000-50-50-530-3470-040	4,500
Interfund Transfer from Equipment (Cont)	1010-00-00-000-3910.212	188,700
Interfund Transfer from Info. Tech. (Cont.)	1010-00-00-000-3910.211	74,850
Interfund Transfer from Stores (Cont.)	1010-00-00-000-3910.210	3,200
Interfund Transfer from Equipment (Emerg)	1020-00-00-000-3910.212	94,300
Interfund Transfer from Info. Tech. (Emerg)	1020-00-00-000-3910.211	37,350
Interfund Transfer from Stores (Emerg)	1020-00-00-000-3910.210	1,600
Police Svs Special Events - Lifeguard Svcs.	1000-20-22-000-3420.032	1,000
Total Revenues		735,221
Expenses		
Unanticipated Events - City Manager	1000-10-11-000-4385.999	(5,000)
Unanticipated Events - Public Works	1000-30-30-000-4385.999	(5,000)
Interfund Transfer Out CIP	1000-99-99-000-4910-200	22,500
Community Grants	Multiple - Pending CC Action	250,000
Chamber of Commerce	1000-10-10-000-4305-106	22,500
CVC	1000-10-10-000-4305-108	17,250
Begonia Festival	1000-10-10-000-4305-003	5,000
Interfund Transfers to Contingency Reserves -	1000-99-99-000-4910-101	50,000
Transfer to Contingency - Equipment	2212-00-00-000-4910.101	188,700
Transfer to Contingency - Information Tech.	2211-00-00-000-4910.101	74,850
Transfer to Contingency - Stores	2210-00-00-000-4910.101	3,200
Transfer to Emergency - Equipment	2212-00-00-000-4910.102	94,300
Transfer to Emergency - Information Tech.	2211-00-00-000-4910.102	37,350
Transfer to Emergency - Stores	2210-00-00-000-4910.102	1,600
Police Services SPCA Donation	1000-20-23-000-4325.204	(3,000)
Police Svcs Animal Services	1000-20-23-000-4325.201	3,000
CS - General (CEDS - Reg. Economic Dev Strategy)	1000-10-11-000-4305.900	1,978
Police Svs Special Events - Lifeguard Svcs.	1000-20-22-000-4325.251	1,000
Memberships - Criminal Justice Council	1000-10-11-000-4400.501	3,000
Subscriptions	1000-10-11-000-4450.250	1,000
Total Expenses		764,228
Net Difference*		(9,007)

*Net difference includes \$20,000 in FY11/12 Savings that City Council approved to be re-appropriated in FY12/13

FY13/14 Corrections/Adjustments	Acct #	Amount
Expenses		
Police Services SPCA Donation	1000-20-23-000-4325.204	(3,000)
Police Svcs Animal Services	1000-20-23-000-4325.201	3,000
OPEB/Retirement Health not budgeted in 13/14	1000-10-12-000-4215.000	21,500
DUI Cost Recovery	1000-20-20-000-4335.403	1,700
Total Adjustments - FY 13/14		23,200

General Fund Overview

Major Categories	FY11/12 Adopted	FY11/12 Estimated	FY12/13 Proposed	FY13/14 Planned
Revenue				
Taxes	\$ 8,371,200	\$ 8,295,025	\$ 8,816,600	\$ 8,992,500
Licenses and permits	229,500	245,200	186,700	231,700
Intergovernmental revenues	252,700	536,054	176,000	110,000
Charges for services	2,276,400	2,460,600	2,068,200	2,075,500
Fines and forfeitures	814,000	704,000	707,000	707,000
Use of money & property	330,300	279,800	12,600	12,600
Other revenues	59,500	101,500	84,400	79,400
Other financing sources	25,000	248,500	85,000	-
Revenue Totals	\$ 12,358,600	\$ 12,870,679	\$ 12,136,500	\$ 12,208,700
Expenditures				
Personnel	\$ 7,741,400	\$ 7,534,745	\$ 7,477,200	\$ 7,508,500
Contract services	2,264,950	2,526,100	2,526,678	2,430,000
Training & Memberships	34,650	32,832	51,050	47,650
Supplies	473,600	540,754	540,500	526,400
Grants and Subsidies	137,500	275,000	250,000	-
Capital outlay	-	-	-	-
Internal service fund charges	846,700	846,700	940,373	931,173
Other financing uses	\$ 832,500	\$ 832,500	\$ 379,706	\$ 465,606
Expenditure Totals	\$ 12,331,300	\$ 12,588,631	\$ 12,165,507	\$ 11,909,329
Council Discretionary	-	-	<u>\$ 299,371</u>	
Impact on Fund Balance	\$ 27,300	\$ 282,048	\$ (29,007)	\$ -
Budgetary Fund Balance	\$ (192,614)	\$ 89,434	\$ 60,427	\$ 60,427

Summary By Fund

Fund Title	Estimated Balance 07/01/2012	Adopted Revenues	Adopted Expenses	Estimated Balance 06/30/2013
General Fund	89,434	\$ 12,136,500	\$ 12,165,507	\$ 60,427
Designated Reserves				
Contingency Reserve	404,896	\$ 316,750	\$ -	\$ 721,646
Emergency Reserve	(46,955)	\$ 133,250	\$ -	\$ 86,295
Compensated Absence Fund	51,738	\$ 94,000	\$ 74,000	\$ 71,738
Debt Service				
Pension Obligation Bond		\$ 673,300	\$ 674,800	\$ (1,500)
Pacific Cove Bond		\$ 181,211	\$ 466,371	\$ (285,160)
Capital Improvement Fund				
Capital Improvement Fund	208,200	\$ 22,500	\$ 22,500	\$ 208,200
				\$ -
Internal Service Funds				
Stores Fund	12,939	\$ 34,450	\$ 36,850	\$ 10,539
Information Technology	172,278	\$ 144,400	\$ 288,800	\$ 27,878
Equipment Replacement	357,933	\$ 89,973	\$ 390,000	\$ 57,906
Self-Insurance Liability	229,075	\$ 146,450	\$ 146,450	\$ 229,075
Workers Compensation	162,479	\$ 528,100	\$ 528,000	\$ 162,579
PERS	171,431	\$ -	\$ 171,431	\$ -
Special Revenue Funds				
SLESF - Supplemental Law Enforce	4,911	-	-	4,911
SCCACT - SCC ANTI CRIME TEAM	21	74,100	72,200	1,921
Gas Tax Fund	153	271,500	267,100	4,553
Wharf Fund	64	83,700	83,700	64
Development Fees Fund	2,026	-	-	2,026
General Plan Update and Maint	244,426	166,000	242,100	168,326
Green Building Education Fund	88,644	10,000	35,500	63,144
Public Arts Fee Fund	142,948	15,000	26,700	131,248
Parking Reserve Fund	719	84,800	84,800	719
Technology Fee Fund	22,388	5,900	5,000	23,288
PEG - Public Education and Gover	43,236	20,100	24,500	38,836
BIA - Capitola Village-Wharf BIA	4,155	70,300	71,600	2,855
CDBG Grants	(23,569)	143,200	174,389	(54,758)
CDBG Programs	(17,745)	-	2,500	(20,245)
CDBG Prog Inc 07-08 RLF (CLOSED)	(6)	-	-	(6)
HOME Reuse Funds	(1,899)	12,200	10,000	301
HOME Grant Fund	5,230	-	15,000	(9,770)
Housing Trust Fund	176,532	5,500	55,000	127,032
BEGIN Grant Fund	59,977	-	60,000	(23)
Total Special Revenue Funds	\$ 752,211	\$ 962,300	\$ 1,230,089	\$ 484,422
Redevelopment/Successor Agency				
RDA/Successor Agency	1,829,993	1,092,024	2,292,024	\$ 629,993
Low Mod Housing / Housing Successor	(137,964)	-	14,500	\$ (152,464)
Redevelopment/Successor Agency	\$ 1,692,029	\$ 1,092,024	\$ 2,306,524	\$ 477,529



Item #: 8.M.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: APPOINTMENT OF FRANK PHANTON TO THE ARCHITECTURAL AND SITE REVIEW COMMITTEE

RECOMMENDED ACTION: Receive the Mayor's appointment of Frank Phanton to serve in the capacity as the alternate architect on the City's Architectural and Site Review Committee

BACKGROUND: An alternate architect is required when the appointed architect on the Architectural and Site Review Committee is recused from making a determination regarding a planning application due to a conflict of interest.

DISCUSSION: The Architectural and Site Review Committee is made up of professionals and staff which review development applications and make design recommendations to the Planning Commission. Section 17.63 of the Zoning Ordinance establishes the Committee members and the appointment process. The members of the Committee include an architect, landscape architect, building official, community development director or designated planning staff, public works director, and historian. There is no requirement for these professionals to live within the City of Capitola.

The ordinance states "The mayor, at his or her discretion, may appoint an alternate architect, alternate historian, and alternate landscape architect member to serve in the absence of the regular architect, historian or landscape architect. A majority of the City Council may remove the alternate architect, alternate historian or alternate landscape architect. The terms of the alternate architect, alternate historian and alternate landscape architect will expire at the same time as the terms of the regular architect, historian and landscape architect."

Mayor Termini's selection for the alternate architect position is Frank Phanton. Frank Phanton has served the City of Capitola as the architect on the Architectural and Site Review Committee previously for many years.

FISCAL IMPACT: None

ATTACHMENT: None

Report Prepared By: Susan Westman
Interim Community Development Director

Reviewed and Forwarded
By City Manager 



Item #: 8.N.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: CITY CLERK'S OFFICE

SUBJECT: COMMISSION ON THE ENVIRONMENT RECRUITMENT FOR YOUTH MEMBER
SEAT VACANCY

RECOMMENDED ACTION: Approve request to proceed with recruitment for the vacancy of the unexpired term ending December 2012.

DISCUSSION: Youth Member Kate Sylan has relocated to another state. Communications by phone, email and letter to request a resignation letter have failed. By approving the staff recommendation, City Council will be declaring the position vacant and staff will begin a recruitment process for a replacement.

FISCAL IMPACT - None

ATTACHMENTS

1. Vacancy Notice

Report Prepared By: Susan Westman
Interim Community Development Director

Reviewed and Forwarded
By City Manager: 



CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
(831) 475-7300
FAX (831) 464-8659

**APPLICATIONS FOR APPOINTMENT
OF A "YOUTH MEMBER" TO THE:**

Capitola Commission on the Environment

NOTICE IS HEREBY GIVEN, pursuant to Government Code Section 54974, recruitment has commenced to fill one (1) "Youth Member" vacancy on the Capitola Commission on the Environment. Appointment is to fill an unexpired term ending December 2012.

The Capitola City Council is seeking applications from Capitola residents who are high school and/or college students with an interest in protection and enhancement of the City's environmental influences; i.e., Soquel Creek, the ocean and Capitola Beach, and associated riparian and special habitat areas. Regular meetings of the commission are held on the fourth Tuesday of every other month at 6:00 p.m. in the Community Room at Capitola City Hall, 420 Capitola Avenue.

Pursuant to Resolution No. 3610, the Youth Member is to be recommended by the Commission on the Environment members and appointed by the City Council. The commission will interview applicants at its next regular meeting on July 24, 2012, and will forward its recommendation to the Mayor and City Council for appointment. It is anticipated that this appointment will be made at a regular meeting of the City Council to be held on Thursday, August 9, 2012. Specific questions regarding the Commission on the Environment can be directed to the Interim Community Development Director, Susan Westman by calling (831) 475-7300, ext. 216, or by email at swestman@ci.capitola.ca.us.

Application Deadline: Wednesday, July 18, 2012

Applications may be obtained from the Receptionist at Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010, or by calling (831) 475-7300 and requesting an application be sent to you. In addition, applications are available at the Capitola Branch Library, 2005 Wharf Road, and on the City's Website (for printing) by clicking on **current vacancies** at <http://www.ci.capitola.ca.us/capcity.nsf/CtyCnclComm.html>

I, Michele Deiter, Records Coordinator of the City of Capitola, California, hereby certify that the above Notice of Vacancy was posted in accordance with Section 54974 of the Government Code on June 18, 2012.

Dated: June 18, 2012

Michele Deiter
Records Coordinator



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: 220 Oakland Avenue – Project Application # 12-034, -44

Appeal of a Planning Commission decision to approve a Fence Permit and a Major Revocable Encroachment Permit to construct a wall within the City right-of-way as part of a single-family residential use in the R-1 (Single-Family Residence) Zoning District [APN 036-124-20]. Filed 3/29/12. Property Owner: Christann A. Bohnet. Representative: John Draga.

RECOMMENDED ACTION: That the City Council overturn the Planning Commission approval and deny application #12-034 and #12-044.

BACKGROUND: On April 19, 2012, the Planning Commission considered an application for a fence permit and Major Revocable Encroachment Permit to construct two portions of wall structure within the city right-of-way at 220 Oakland Avenue in the R-1 (Single-Family Residential) Zoning District.

The Commission approved the application on a 3-0 vote, adding the following conditions to address the design of the wall:

1. The detail material for the wall shall be changed from brick to stonework similar to the residence.
2. A vine material shall be planted and incorporated to cover the stucco portions of the wall.
3. The applicant shall submit a letter from an architectural historian determining that the wall is consistent with the *Secretary of the Interior's Standards and Guidelines* prior to building permit issuance.

It should be noted that staff did not recommend approval of the project. The lack of support was not based on the design of the fence, but due to the fact that the city has traditionally discouraged these types of permanent structures in the city right-of-way. City policy has generally allowed property owners to landscape in the city-owned areas between the roadway and property lines, but has discouraged tall structures that enclose front yards and “wall off” properties from the street. Any change in policy direction should come from the City Council.

Councilmember Harlan appealed the project on April 27, 2012, stating that she would like the City Council to consider the historical compatibility of the proposed fence, including the style and type of materials to be used. The appeal letter, Planning Commission report and corresponding minutes from the hearing are attached as Attachments 1 through 3. In addition, the applicant has revised the fence plans to address the concerns of the Planning Commission and to bring the fence into compliance with the *Secretary of the Interior's Standards and Guidelines*. The revised

plans are included as Attachment 4.

PROJECT DESCRIPTION: The applicant is proposing two sections of fence, both located within the city right-of-way:

1. Escalona Section – This section has a total length of 22'. The 5'-8" high portion paralleling Escalona extends 17', and is setback 1'-6" from the edge of roadway. The remaining 5' portion angles toward the main structure and drops in height from 5'-8" to 3'-6".
2. Oakland Avenue Section – This section has an approximate length of 37' along the Oakland Avenue frontage. The majority of the length of the wall stands at a height of 3'-6", but rises to 5' columns on either side of the main entrance gate.

The original set of plans considered by the Planning Commission proposed two sections of wall to look like an old style stacked concrete/stucco wall. The wall was purposely designed to look aged, with sections that crumbled revealing stacked bricks/stone. With the former church property considered a significant local historic resource, it was questioned if the faux old style wall would be consistent with the *Secretary of the Interior's Standards and Guidelines for Rehabilitation of Historic Properties*. Standard #3 of the guidelines states, "Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken." Based on the old style design, the crumbled wall could be creating a false sense of historic development, and not be consistent with the historic standards.

The revised set of plans (Attachment 4) keeps the same configuration, but the fence has been redesigned to make it more compatible with the historic church structure. The design incorporates 18"x18" square stacked stone columns, with stained redwood fence panels connecting each of the posts. Vines are also proposed to be planted and grow on the fence. The new design has been reviewed by City Historian Carolyn Swift, and she has found the new fence design to be consistent with the *Secretary of the Interior's Standards and Guidelines for Rehabilitation of Historic Properties* (Attachment 5). She states that the fence does impact the historic setting, but is visually compatible in terms of size, scale, design, materials, and color. She also mentions that the design does not imitate a historic period or style that could convey a false sense of history.

Chapter 17.54 of the Zoning Ordinance regulates fences and the issuance of fence permits. Per Section 17.54.020:

- A. The planning department shall issue fence permits, upon application from the property owner, in the following instances:
 1. Between that portion of any private property in front of the setback line established by the zoning ordinance or other ordinances of the city, and that portion in front of the front line of any residence or other principal building now erected on any private property, to a maximum height of three feet six inches;
 2. On that part of the property back of the front line of any building or capital building now on the premises, to a maximum height of eight feet; provided, that the top two feet of the fence be made of lattice or other open material;
 3. On corner lots, the fence shall be set back at least five feet from the property line on that side of the lot which has the greatest length along the street.

- B. Alternative locations, height, and material for fences shall be approved by the planning commission.

While the Oakland Avenue section meets the general height requirements for approval by the planning department, the Escalona portion does not. Therefore, pursuant to Section 17.54.020(B), an application has been submitted for an alternative location and height to be approved.

DISCUSSION: Based on the height and proximity to the street, staff cannot support the Escalona section of the fence. The city has traditionally discouraged these types of permanent structures in the city right-of-way. City policy has generally allowed property owners to landscape in the city-owned areas between the roadway and property lines, but has discouraged tall structures that enclose front yards and "wall off" properties from the street. Approval of such a fence would set a precedent for similar type fences in the Depot Hill area. Staff recommends that the City Council **deny** project application #12-034 and 12-044.

ATTACHMENTS

1. Appeal letter from Councilmember Harlan, dated April 25, 2012
2. April 19, 2012 Planning Commission Staff Report
3. April 19, 2012 Planning Commission Minutes
4. Revised plans submitted May 29, 2012
5. Memo from City Historian Carolyn Swift
6. Petition for support of the project

Report Prepared By: Ryan Bane
Senior Planner

Reviewed and Forwarded
By City Manager: 

To: Community Development Department

From: Councilmember Stephanie Harlan

Date: April 25, 2012

Subject : Application 10-018

RECEIVED

APR 27 2012

CITY OF CAPITOLA

I would like to appeal the Planning Commission decision to approve the fence at 220 Oakland, Application 10-018. I would like the City Council to consider the historical compatibility of the proposed fence, including the style and type of materials to be used.



STAFF REPORT

TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT DEPARTMENT
DATE: APRIL 19, 2012
SUBJECT: **220 OAKLAND AVENUE #12-034, -044 APN: 036-124-20**
Fence Permit and a Major Revocable Encroachment Permit to construct a wall within the city right-of-way as part of a single-family residential use in the R-1 (Single-Family Residence) Zoning District.
Environmental Determination: Categorical Exemption
Property Owner: Christann A Bohnet, filed 3/29/12
Representative: John Draga

APPLICANT'S PROPOSAL

The applicant is proposing to construct two portions of wall structure within the city right-of-way at 220 Oakland Avenue in the R-1 (Single-Family Residential) Zoning District. Approval of a fence permit and Major Revocable Encroachment Permit is being requested of the Planning Commission.

BACKGROUND

On May 6, 2010, the Planning Commission approved a Design Permit to convert a former church structure (St. John the Baptist Episcopal Church) into a single-family residence. Construction of the project is nearing completion.

DISCUSSION

The applicant is proposing two sections of fence, both located within the city right-of-way:

1. Escalona Section – This section has a total length of 22'. The 6' high portion paralleling Escalona extends 17', and is setback 6" from the edge of roadway. The remaining 5' portion angles toward the main structure and drops in height from 6' to 3'-6".
2. Oakland Avenue Section – This section has an approximate length of 37' along the Oakland Avenue frontage. The majority of the length of the wall stands at a height of 3'-6", but rises to 5' columns on either side of the main entrance gate.

The two sections of wall are proposed to look like an old style stacked concrete/stucco wall. The wall will purposely be designed to look aged, with sections that are crumbled and revealing stacked bricks/stone. Vines are also proposed to be planted and grow on the wall.

Chapter 17.54 of the Zoning Ordinance regulates fences and the issuance of fence permits. Per Section 17.54.020:

- A. The planning department shall issue fence permits, upon application from the property owner, in the following instances:
 1. Between that portion of any private property in front of the setback line established by the zoning ordinance or other ordinances of the city, and that portion in front of the front line of any residence or other principal building now erected on any private property, to a maximum height of three feet six inches;
 2. On that part of the property back of the front line of any building or capital building now on the premises, to a maximum height of eight feet; provided, that the top two feet of the fence be made of lattice or other open material;
 3. On corner lots, the fence shall be set back at least five feet from the property line on that side of the lot which has the greatest length along the street.
- B. Alternative locations, height, and material for fences shall be approved by the planning commission.

While the Oakland Avenue section meets the general height requirements for approval by the planning department, the Escalona portion clearly does not. Therefore, per Section 17.54.020(B), an application has been submitted for an alternative location and height to be approved by the Planning Commission.

RECOMMENDATION

Based on the height and proximity to the street, staff cannot support the Escalona section of the wall. Approval of such a wall would set a precedent for similar type fences in the Depot Hill area, which generally has open landscaping between the roadway and residential structures.

In addition, the former church property is considered a significant local historic resource due to the architecture and association with the community development of Capitola. Staff questions if the faux old style wall is consistent with the *Secretary of the Interior's Standards and Guidelines for Rehabilitation of Historic Properties*. Standard #3 states, "Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken." Based on the old style design, the wall could be creating a false sense of historic development, and not be consistent with the historic standards. Staff recommends that the Planning Commission **deny** project application #12-034 and 12-044.

Report Prepared By: Ryan Bane
Senior Planner

Attachment A – Letter from the applicant
Attachment B – Project Plans

I would like to open by saying that this project requires special consideration because of its unusual nature. I am not sure that we would be following a precedent set by another project nor do I believe that we would be setting a new precedent. I think that this situation is one of a kind.

This is a unique building and because of its historical value to the community (being listed in the inventory of historical buildings), we feel compelled to honor and showcase the architecture and preserve the essence of the publicness that was this site for more than a century.

This being said, now the usage is changing to become a private residence and we are realizing that the challenges extend beyond just the usage of the space within the structure.

We spent a lot of time grappling with how to create a private yard, or at least a private section of the yard, while not obstructing the beauty of the architecture as seen from the street.

We went through several design iterations and have arrived at what we are presenting to you today. We believe that this solution considers the original building and how it relates to the neighborhood while accommodating the new use as a private residence.

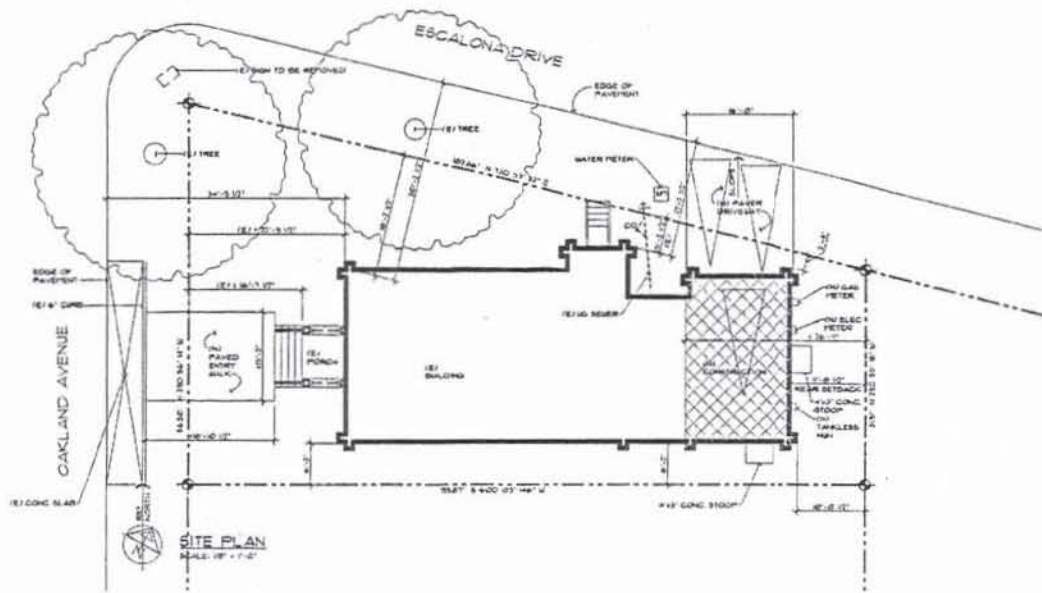
Though the original landscape design worked well on paper, it became apparent, as the work on the building progressed and we gained a better sense of how the space would be used, that we needed to revisit the area surrounding the building. This is especially true of the side door area.

This side door area is a particular challenge for a number of reasons.

1. There is the historical element,
2. the intended purpose for the original structure,
3. the scale of the building with relationship to the area surrounding it,
4. the way the building is sited on the lot, and,
5. the current intended use and how to bridge all of these in a tasteful manner while keeping the safety and visual compatibility to surrounding neighborhood buildings in mind.

1. The building on the corner of Escalona and Oakland was the one of the original buildings in Capitola and probably the second on Depot Hill. It was built in 1897 and is truly a landmark to the town. We are attempting to showcase this piece of Capitola's history by creating a privacy barrier in the fashion of a crumbling partial wall.

2. The original usage allowed for a very open and public passage from the street to and from the building. There was little need for any privacy. It was a public building. I would like to create the illusion of a cloistered garden area outside the



GENERAL NOTES

NOTE AND DETAIL DRAWING NUMBERS ON THIS SHEET SHALL INCLUDE SHEET NUMBERS ONLY WHEN REFERENCED TO DRAWINGS AND NOTED ON OTHER SHEETS.

1. UTILITIES SERVICE SHALL BE UNDERGROUND TO THE NEAREST UTILITY POLES IN ACCORDANCE WITH PG&E AND PUBLIC WORKS DEPARTMENT REQUIREMENTS.

2. VERIFICATION OF STRUCTURES LOCATION AND ELEVATION OF SITE TO BE ESTABLISHED BY A LICENSED CALIFORNIA LAND SURVEYOR AND WRITTEN CERTIFICATION TO BE PROVIDED TO THE CARPENTER BUILDING DEPT PRIOR TO FOUNDATION INSPECTION.

JOB NO.	C927
DATE	BY AND DATE
DESCRIPTION	SHEET NO.

BONNET RESIDENCE

MBR ARCHITECTS
11111 UNIVERSITY AVENUE, SUITE 200, BERKELEY, CA 94704
TEL: (415) 841-1111

ARCHITECTS

MBR
11111 UNIVERSITY AVENUE, SUITE 200, BERKELEY, CA 94704
TEL: (415) 841-1111

LICENSED ARCHITECT
No. C-4540
SEAL
M.B. ROSEN
SEP 09/11

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RECEIVED
MAR 29 2012
CITY OF OAKLAND

FIELD TITLE
SITE PLAN

SCALE: AS SHOWN
SHEET NO. 12-044 OF 02

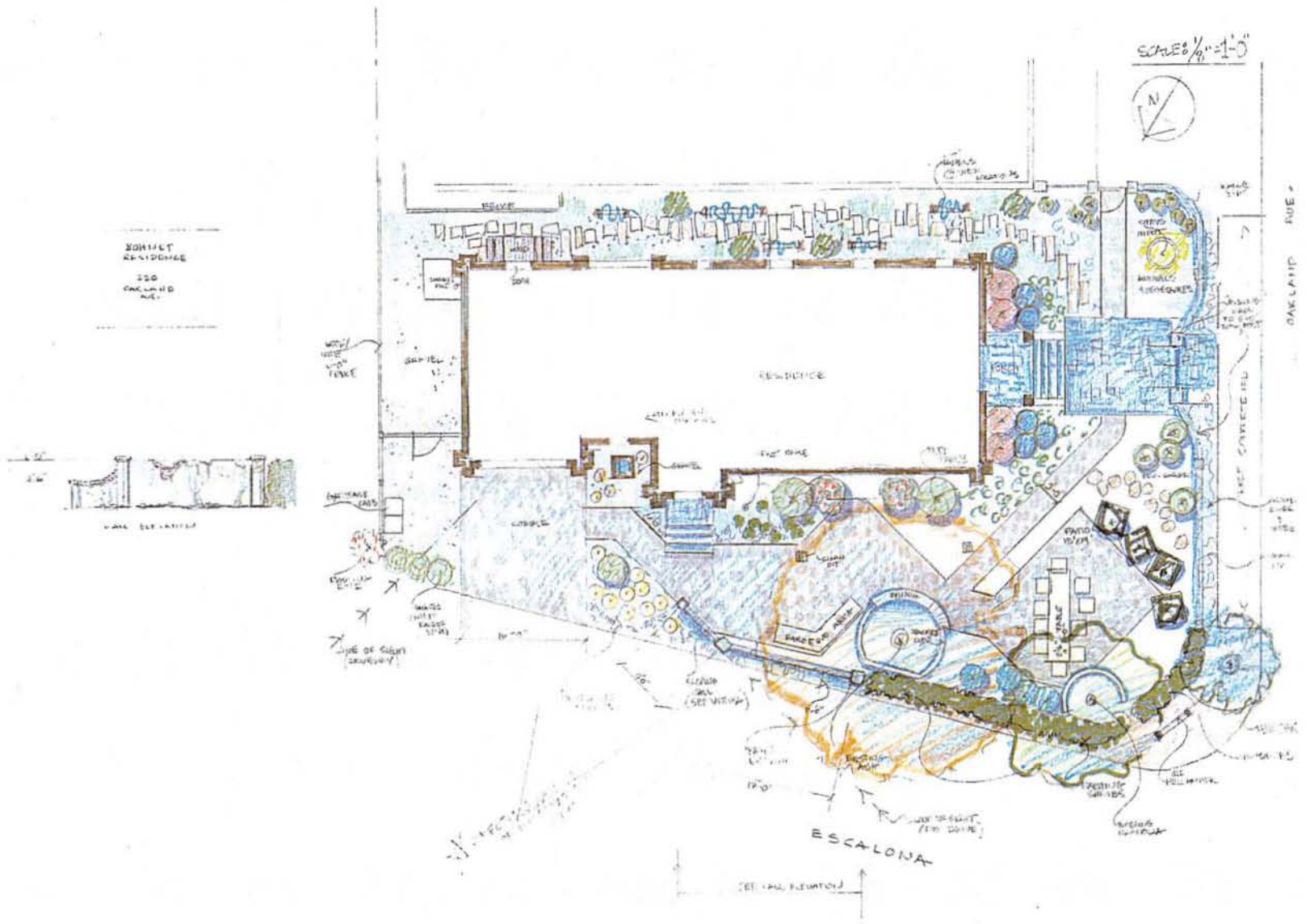
DATE: 12-04-11

BY: [Signature]

FOR: [Signature]

APPROVED
FOR: [Signature]

12-044



200 OAKLAND AVE.

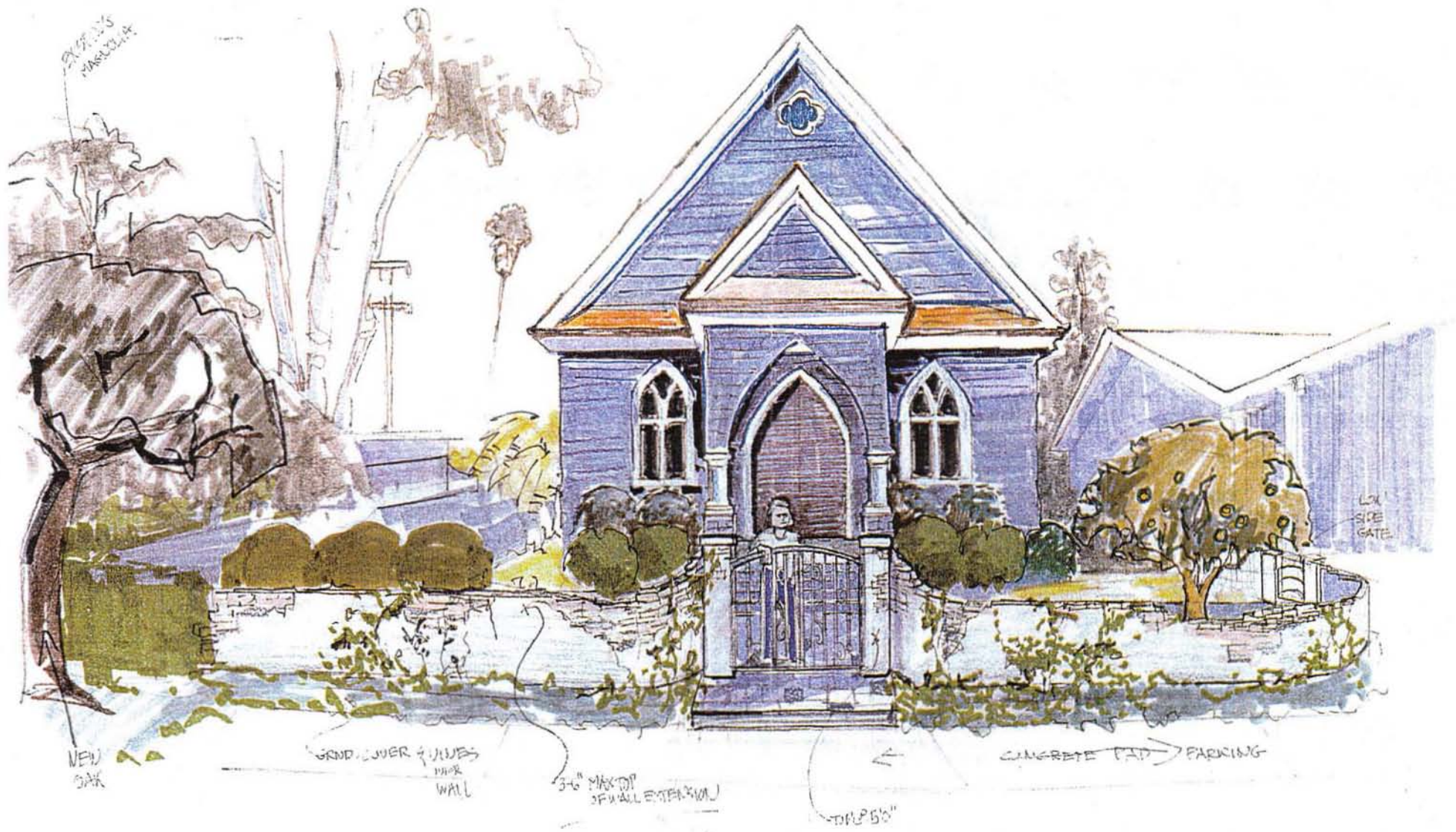


WALL SECTION



BOHNET RESIDENCE
w/STACKED
OLD STYLE
WALL

VIEW ANGLE (SEE SITE MAP/DRAWING)



would not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity.

- D. This project is categorically exempt under Section 15303(a) of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations.**

This project involves construction of two new single-family residences in the R-1 (single family residence) Zoning District. Section 15303 of the CEQA Guidelines exempts the construction of up to three single-family residences in an urbanized area.

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONERS ORTIZ, SMITH AND CHAIRPERSON GRAVES. NOES: NONE. ABSENT: COMMISSIONER ROUTH. ABSTAIN: COMMISSIONER NEWMAN.

A MOTION WAS MADE BY COMMISSIONER ORTIZ AND SECONDED BY CHAIRPERSON GRAVES TO DENY PROJECT APPLICATION #12-019 (APN: 036-141-20).

Under discussion, Chairperson Graves stated that he could not support the variance, and as proposed the front yard is all parking and no landscaping.

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONER ORTIZ AND CHAIRPERSON GRAVES. NOES: COMMISSIONER SMITH. ABSENT: COMMISSIONER ROUTH. ABSTAIN: COMMISSIONER NEWMAN.

C. 220 OAKLAND AVENUE #12- 034 & 044 APN: 036-124-20

Fence Permit and a Major Revocable Encroachment Permit to construct a wall within the city right-of-way as part of a single-family residential use in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Christann A Bohnet, filed 3/29/12

Representative: John Draga

Senior Planner Bane presented the staff report.

Commissioner Newman recused himself as he has worked for the project applicant in the past.

Commissioner Smith clarified that the fence design is not a main consideration in this application for meeting or tying into the historic standards. She stated that the mission style fence proposed does not maintain the historic style as of the residence, and she was concerned. She stated that staff could approve the portion of fencing along the Oakland Avenue frontage, but not the fencing along the Escalona Avenue frontage.

Senior Planner Bane stated that the historic standards are a consideration for denial, but not main basis for recommending denial. The fencing along Oakland Avenue meets the ordinance requirements, but staff has concerns about the fence design.

Chairperson Graves clarified the location of the proposed fence.

The public hearing was opened.

Jerry Clarke, spoke in support of the application.

John Draga, project representative and builder, stated that the Secretary of Interior standards should not apply in this case as the requirements call for a design that would create an entirely separate design from the historic nature of the residence and site. The fence design took into consideration the community aspect of the property, the change of use from a church to a private residence, and the need for privacy for the residences.

Christann Bohnet, property owner, spoke in support of the application. The design was to create an outdoor area with privacy, and to provide view of the property to maintain the historic value to the community. The wall is higher by the door and will create a buffer from traffic, but the lower wall will allow a view of the residence building from the street. The wall design addresses privacy, aesthetics and function.

Commissioner Ortiz inquired if the project architectural historian had been consulted prior to the fence application.

John Draga responded that the architectural historian had reviewed the plans, but was not asked to provide any written response.

Commissioner Smith stated that the church/residence is a more English style design than the mission style wall proposed. She suggested a rock wall design to tie more closely with the building and site design.

Stewart Greeninger spoke in support of the application.

TJ Welch spoke in support of the application.

Lou Bermingham, property owner, spoke in support of the application.

The public hearing was closed.

Commissioner Ortiz complimented the property owner and contractor for maintaining and creating an asset to the community with construction work that is pristine, and has been done with integrity to the historic property. The historic standards specify that new construction be different than the historic building, but should be an asset to the building. She supported the wall concept to create privacy and a buffer from the street, but did not support the wall design. She suggested using stonework, similar to the residence and plant material to soften the wall along the street frontage. She suggested the applicant return to the Commission with a redesign that the architectural historian had reviewed and supported.

Commissioner Smith concurred with Commissioner Ortiz and suggested a vine plant material to cover the wall.

Chairperson Graves supported the fence concept, but could not support the materials proposed. The new construction needs to look different than the historic building and site amenities. He supported the use of rockwork similar to the material on the home, and vine material to soften the affect of the wall.

John Draga stated that the design intended to incorporate climbing vines to cover the material of the wall. He was amenable to the use of rock instead of brick. He suggested an on-site mock up of the wall prior to final installation, but encouraged the Commission to approve the overall concept.

Commissioner Ortiz stated the Commission should review the final plan before voting. She supported a stone wall that is more consistent with the architecture of the residence, but could not support a proposal without seeing the final design.

Commissioner Smith supported the overall wall concept and redesigning the wall to incorporate a rock material rather than stucco and brick. She did not support bringing the item back to the Planning Commission for review.

Chairperson Graves suggested approving the concept of the wall and the height, but allow the final design to be reviewed and approved by staff.

Commissioner Ortiz suggested that the applicant consult the architectural historian to review the final plan and submit a letter to staff prior to final approval.

Chairperson Graves proposed a motion to approve the wall in the proposed location, change the detail material from brick to stonework similar to the residence, incorporate a vine material to cover the stucco wall and submit a letter from the architectural historian prior to final approval by staff.

A MOTION WAS MADE BY CHAIRPERSON GRAVES AND SECONDED BY COMMISSIONER SMITH TO APPROVE PROJECT APPLICATION #12-034 & 044 BASED ON THE FOLLOWING CONDITIONS AND FINDINGS:

CONDITIONS

1. The project approval consists of the construction of two portions of wall structure within the city right-of-way at 220 Oakland Avenue. The approval includes both a fence permit and Major Revocable Encroachment Permit.
2. Any significant modifications to the size or exterior appearance of the structure must be approved by the Planning Commission.
3. Hours of construction shall be Monday to Friday 7:30 a.m. – 9:00 p.m., and Saturday 9:00 a.m. – 4:00 p.m., per city ordinance.
4. Prior to building permit issuance, the applicant shall contact the Public Works Department to complete the encroachment permit process. A revocable encroachment permit will be required to be recorded.
5. The detail material for the wall shall be changed from brick to stonework similar to the residence.
6. A vine material shall be planted and incorporated to cover the stucco portions of the wall.
7. The applicant shall submit a letter from an architectural historian determining that the wall is consistent with the Secretary of the Interior's Standards and Guidelines prior to building permit issuance.
8. A Building Permit for the construction of the wall shall be obtained from the City of Capitola Building Department.
9. Prior to granting of final occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Zoning Administrator or Community Development Director.

FINDINGS

- A. **The application, subject to the conditions imposed, will secure the purposes of the Zoning Ordinance and General Plan.**

Both Planning Department Staff and the Planning Commission have reviewed the project and find that the project is consistent with the Zoning Ordinance and General Plan. Conditions of approval have been included to carry out the objectives of the Zoning Ordinance and General Plan.

- B. **This project is categorically exempt under Section 15303 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations.**

This application involves the construction of a wall not to exceed 6-feet in height. No adverse environmental impacts were discovered during review of the project.

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONERS ORTIZ, SMITH AND CHAIRPERSON GRAVES. NOES: NONE. ABSENT: COMMISSIONER ROUTH. ABSTAIN: COMMISSIONER NEWMAN.

D. 216 SAN JOSE AVENUE #12-011 APN: 035-185-15

Coastal Permit, Design Permit and Tentative Map to construct a three-story two-unit residential condo in the CV (Central Village) Zoning District. This project requires a Coastal Permit which is not appealable to the California Coastal Commission.

Environmental Determination: Categorical Exemption

Property Owner: Marte Formico, filed 1/30/12

Representative: Dennis Norton

Senior Planner Bane presented the staff report.

The public hearing was opened.

Marte Formico, property owner, spoke in support of the application.

Chuck Oliver, spoke in support of the application.

The public hearing was closed.

Commissioner Ortiz suggested an amended condition to require irrigation and landscaping to cover the stucco wall and lattice.

Commissioner Newman acknowledged the Commission received a letter from a neighbor with concerns about the blank wall on San Jose Avenue, parking for the residence and construction parking. He suggested amended conditions that would add requirements in the CC&Rs to keep the garages available for parking at all times, and not for storage or living area; and to requiring automatic garage doors and openers. He also suggested that the contractors park on-site during construction to avoid taking up all the street parking with construction vehicles.

Commissioner Smith suggested an amended condition requiring construction work be limited to Monday through Friday and prohibited on Saturday and Sunday.



DOWN TO
3'-6"

BOHNET RESIDENCE
w/ STACKED STONE 18"x18"
POSTS
& STAINED REDWOOD
PANELS
58' TOP LEVEL

EXISTING
SHRUBS

SEE ATTACHED SITE MAP DRAWING

RECEIVED

MAY 29 2012

CITY OF CAPITOLA 115

ATTACHMENT 4



EXISTING
MORNING

LOW
SIDE
GATE

BELMET
FRONT
VIEW

REDWOOD FENCE
PANELS
STAINED
GREY BROWN

NEW
GATE

FENCE
BLEND'S INTO
SHRUBS

WOOD
OVER
8' SPACE
PANELS

VINES
OVER
FENCE

3" MAX TOP
OF POSTS & PANELS

TOP @ 50"

POSTS 1 1/2" SQUARE "STACKED" STONE

June 5, 2012

Memo to: Ryan Bane, Senior Planner, City of Capitola

From: Carolyn Swift, Capitola Museum Director

I have reviewed the revised design for a wall around the historic property at 220 Oakland Avenue, formerly occupied by St. John the Baptist Episcopal Church, and find it to be consistent with the Secretary of the Interior's Standards for Rehabilitation.

The wall does impact historic setting but is visually compatible in terms of size, scale, design, materials, and color. The drawing plan appears to be harmonious with the historic building and obscures from view none of its character-defining features. The design does not imitate a historic period or style that could convey a false sense of history.

I was impressed that proposed materials— the stained redwood panels and posts of stacked stone— are so well-balanced to the site, yet are dissimilar enough to effectively set the new addition apart from the historic structure.

ATTACHMENT 6

Dear Neighbor,

I am trying to get some feedback from neighbors on my landscape plans for the corner of Oakland and Escalona Avenues.

I am in the process of remodeling the church building at 220 Oakland, and transforming it into a home. My landscaping idea involves building a partial wall that would require the special approval of the planning department.

It is important to me that the exterior of this historic building be presented to the public in a way that is pleasing to the eye. At the same time the new usage as a home dictates a new need for some privacy for the new occupants.

I am attaching copies of renderings of the proposed solution for your consideration.

If you find this plan acceptable, I would be very pleased if you might add your signature and address the the group letter in support of my plan.

If not, I am also interested in other constructive ideas.

Yours respectfully,
Christy Bohnet

220oakland@gmail.com

4/19/12
RECEIVED @
PLANNING COMMISSION MTC.

I am a neighbor on Depot Hill where the old church is being renovated at 220 Oakland Avenue. I looked at the renderings for the proposed landscape design and agree that building a privacy wall in this style would be a nice improvement to the corner of Oakland and Escalona.

1. Coni Welch 410 Escalona Dr. Capitola ~~Capitola~~
2. Frank Ives 508 Escalona Dr. Capitola ~~Capitola~~
3. Malachi B. Hoade 507 ESCALONA DR. CAPITOLA
4. Bryan Mackenzie 508 Escalona Dr. Capitola ~~Capitola~~
5. Anita J. Oates 514 Escalona Dr. Cap. AD
6. Evelyn Meyer 602 Escalona Dr. Cap.
7. Andre Geist 511 Escalona Dr #2 Cap
8. Stan Betner 603 Escalona Dr.
9. Pat Merikallio 609 Escalona Dr.
10. LINDA LAURSEN 702 ESCALONA DR #1 CAPITOLA
11. Joan E. Bussato 702-2 Escalona Dr. Capitola, CA
12. Julie LaChapelle 702 #3 Escalona DR Cap. Ca
13. Mark Wilhelm 702 #3 Escalona Dr Capitola, CA
14. Tracy Armanino 706 Escalona Dr. Capitola CA
15. Cathlin Atchison 703 Escalona Capitola CA
16. DANIEL CHAVACE 702 Escalona Dr. Capitola 6' high max
17. Pam Greeninger 701 Escalona Dr. Capitola
18. Stewart Greeninger 701 Escalona Dr. Capitola
19. MIKE BIRCH 210 KOLLISTER AVE CAPITOLA
20. George Auredi 407 EL Salto Capitola

21. Janette Cisneros 406 El Salto Dr Capitola
22. Janet Bergen 309 Escalona, Capitola
23. Cheryl 309 Escalona, Capitola
24. Karen Lindsey 309 Escalona Dr., Capitola
25. Dennis Curtin 107 Oakland Ave. Capitola
26. Janiffer 204 Saxon Ave Capitola
27. TERESA GADGE 502 EL SALTO CAPITOLA
28. Tim Matthews 108 Hollister Capitola
29. Ted KINNAMON 110 Hollister Capitola
30. Fred Hart 404 Grand Ave Capitola, CA 95010
31. FRED HART 404 " " " "
32. Patrick J. Miller 103 Hollister Ave CAPITOLA
33. Frank Ryz 504 El Salto 95010
34. FRANK 504 EL SALTO 95010
35. Wesley A 501 El Salto Dr. 95010
36. Doreen Horton 510 El Salto Dr. 95010
37. KEVIN BRANSFELD 111 SACRAMENTO AVE 95010
38. Charlotte Morrison 111 Sacramento Ave. 95010
39. DONOVAN NEALE - MAY 602 EL SALTO DRIVE, 95010
40. Anne Breed 602 El Salto, Capitola, CA 95010
41. Robert Stamps 208 Sacramento Ave Capitola, CA
42. Sally Stamps 208 Sacramento Ave Capitola, CA 95010
43. Patrick J. Matthews 108 Hollister Ave Capitola Ca. 95010

I am a neighbor on Depot Hill where the old church is being rennovated at 220 Oakland Avenue. I looked at the renderings for the proposed landscape design and agree that building a privacy wall in this style would be a nice improvement to the corner of Oakland and Escalona.

- 44 Blythe Bulmer 107 Saxon Capita Ca 95010
- 45 Sunny Rye 107 Saxon Capita Ca 95010
- 46 Opie mudgett 113 Oakland Ave capitol ca 95010
- 47 Michael Plavin 404 El Sarto Dr Capita Ca 95010
- 48 John 407 El Sarto Drive 95010 (Venez)
- 49 Barbra Garrett 210 Oakland Ave 95010
- 50 Ann Sheeringer 217 Oakland Ave 95010

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- 64 _____

I am a Capitola resident. I know the property on Depot Hill where the old church is being renovated at 220 Oakland Avenue. I looked at the renderings for the proposed landscape design and agree that building a privacy wall in this style would be a nice improvement to the corner of Oakland and Escalona.

1. ~~Kate G...~~ KATE ARRIBETA 511 CENTER ST.
2. Kristine Nichel 706 Sunset Drive Capitola
3. ~~John Costa~~ 704 Sunset Dr Capitola
4. Frank H. Doh 705 Sunset Dr Capitola Ca.
5. Cybil M... 608 Sunset Dr Capitola Ca
6. The Callahan 705 Sunset Dr. Capitola Ca
7. Lora BIRMINGHAM 608 SUNSET DR. CAPITOLA, CA 95010
8. Seth Peralta 608 Sunset Dr Capitola Ca 95010
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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: POLICE DEPARTMENT

SUBJECT: CONSIDER REPORT AND PRESENTATION ON TRAFFIC EVALUATION
FOR GILROY AVENUE

RECOMMENDED ACTION: Accept report and provide direction to the Police Department.

BACKGROUND: On April 26th, 2012, residents of Gilroy Avenue and the surrounding neighborhood attended the Capitola City Council meeting and voiced concern over traffic related concerns. The City Council directed the Police Department to evaluate their concerns and provide a report on the findings.

DISCUSSION: The Police Department conducted a speed survey examination in the 600 block of Gilroy Avenue from May 12th thru May 19th. Gilroy Avenue and other streets that comprise the Riverview Terrace neighborhood were developed in 1929, prior to the City's incorporation. While these streets do not meet current design standards for street width they are considered a non-conforming existing condition.

During the evaluation process, the following data was obtained:

Accidents: 2006-2012 (9 Total)

1	Bike
2	DUI
4	Unsafe Turn
2	Unsafe Speed

Citations: 2006-2012 (14 Total)

7	Speeding
3	Expired Registration
2	Stop Lamps
1	Head Lamps
1	Cracked Windshield

- A total of 1,733 cars were surveyed during this eight-day period. Approximately 9 cars an hour;
- The posted speed for this section of Gilroy Street is posted at 25 mph;
- The average speed of the vehicles surveyed was 13.5 mph;
- The 85th percentile speed was indicated at 18 mph;
- A total of 12 vehicles were found to be traveling over the posted limit;
- The fastest vehicle speed was 32 on a Friday at 12:22 p.m. Violations occurred between 10:00 a.m. and 6:30 p.m. the following data lists the speeds and number of vehicles that were recorded over the 25 mph speed limit:

Speed (mph)	No. of cars
32	1
30	2
28	2
27	3
26	4

6-14-12 AGENDA REPORT: GILROY AVENUE TRAFFIC PROJECT

On Tuesday, May 29th, the Police Department and the Public Works Department met with residents and presented the information that was collected. The goal of the meeting was to facilitate information and partner with the community to identify options that could be reasonably explored to provide a safe street within applicable laws.

The primary State laws that pertain to speed limits are California Vehicle Code Sections 22352 and 22358.3. These two sections preclude the City's ability to enforce any established speed limit on Gilroy Avenue and surrounding streets under 25 mph. Copies of these code sections are attached.

The Police Department in partnership with the Public Works Department is conducting further research on additional questions raised by the residents and has agreed to schedule further meetings to continue dialogue and identify solutions.

Staff recommends the Police Department continue future discussions with residents to identify viable solutions.

FISCAL IMPACT: None at this time

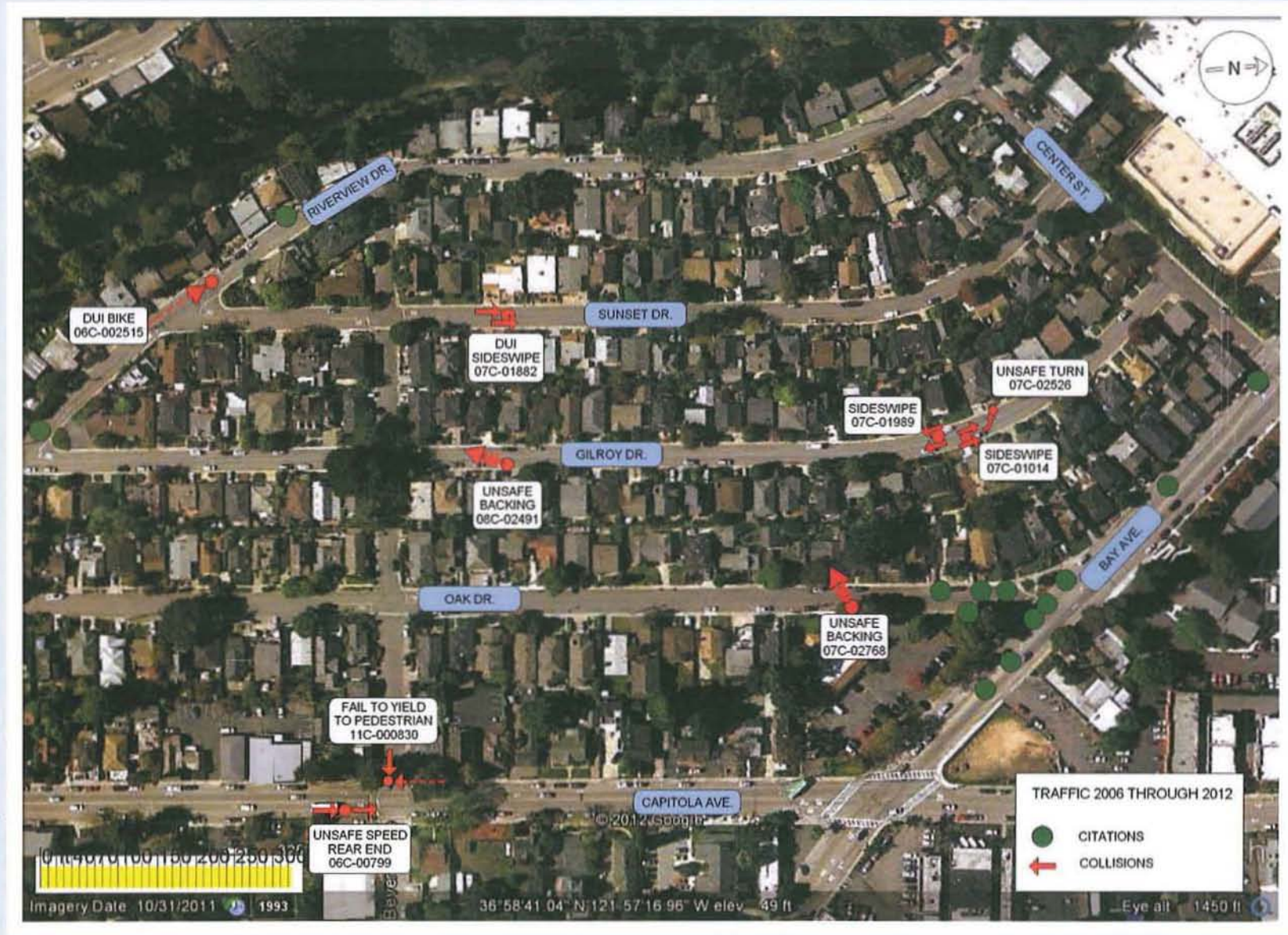
ATTACHMENTS:

1. Gilroy Avenue Map
2. Copy of Vehicle Code Sections

Report Prepared By: Rudy Escalante
Chief of Police

Reviewed and Forwarded
By City Manager 

2006 THROUGH 2012
TRAFFIC COLLISIONS AND CITATION



Case Number:
Date: 05/20/2012

22352. (A) The prima facie limits are as follows and shall be applicable unless changed as authorized in this code and, if so changed, only when signs have been erected giving notice thereof:

(1) Fifteen miles per hour:

(A) When traversing a railway grade crossing, if during the last 100 feet of the approach to the crossing the driver does not have a clear and unobstructed view of the crossing and of any traffic on the railway for a distance of 400 feet in both directions along the railway. This subdivision does not apply in the case of any railway grade crossing where a human flagman is on duty or a clearly visible electrical or mechanical railway crossing signal device is installed but does not then indicate the immediate approach of a railway train or car.

(B) When traversing any intersection of highways if during the last 100 feet of the driver's approach to the intersection the driver does not have a clear and unobstructed view of the intersection and of any traffic upon all of the highways entering the intersection for a distance of 100 feet along all those highways, except at an intersection protected by stop signs or yield right-of-way signs or controlled by official traffic control signals.

(C) On any alley.

(2) Twenty-five miles per hour:

(A) On any highway other than a state highway, in any business or residence district unless a different speed is determined by local authority under procedures set forth in this code.

(B) When approaching or passing a school building or the grounds thereof, contiguous to a highway and posted with a standard "SCHOOL" warning sign, while children are going to or leaving the school either during school hours or during the noon recess period. The prima facie limit shall also apply when approaching or passing any school grounds which are not separated from the highway by a fence, gate, or other physical barrier while the grounds are in use by children and the highway is posted with a standard "SCHOOL" warning sign. For purposes of this subparagraph, standard "SCHOOL" warning signs may be placed at any distance up to 500 feet away from school grounds.

(C) When passing a senior center or other facility primarily used by senior citizens, contiguous to a street other than a state highway and posted with a standard "SENIOR" warning sign. A local authority is not required to erect any sign pursuant to this paragraph until donations from private sources covering those costs are received and the local agency makes a determination that the proposed signing should be implemented. A local authority may, however, utilize any other funds available to it to pay for the erection of those signs.

(b) This section shall become operative on March 1, 2001.

22358.3. Whenever a local authority determines upon the basis of an engineering and traffic survey that the prima facie speed limit of 25 miles per hour in a business or residence district or in a public park on any street having a roadway not exceeding 25 feet in width, other than a state highway, is more than is reasonable or safe, the local authority may, by ordinance or resolution, determine and declare a prima facie speed limit of 20 or 15 miles per hour, whichever is found most appropriate and is reasonable and safe. The declared prima facie limit shall be effective when appropriate signs giving notice thereof are erected upon the street.



Item #: 9.C.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: OFFICE OF THE CITY CLERK
SUBJECT: CONSIDERATION OF A VISITOR SERVICE FEE MEASURE FOR NOVEMBER 6, 2012 GENERAL MUNICIPAL ELECTION

RECOMMENDED ACTION: Adopt a Resolution requesting the inclusion of an additional ballot measure imposing an increase in the visitor service fee on the City of Capitola November 6, 2012 General Municipal Election ballot.

BACKGROUND: The City currently imposes a visitor service fee (transient occupancy tax) at a rate of 10%. If approved, a ballot measure would be added to the consolidated November 2012 ballot which, if passed by the voters, will increase the visitor service fee tax rate to 12% being applied to the general fund.

At its January 26, 2012 meeting, Council received a report regarding the City's long range fiscal strategies (Attachment 1). One of the revenue concepts in the January 26, 2012 staff report was an increase in visitor service fee (transient occupancy tax) rate from 10% to 12%-14%.

At the March 22, 2012 meeting, Council approved Resolution No. 3912 requesting County Elections conduct the election (Attachment 2), consolidate the General Municipal Election for the City of Capitola (on Tuesday, November 6, 2012), and include a ballot measure regarding a permanent sales tax increase of one quarter percent be adopted to pay for disaster recovery and to maintain general services including public safety and street improvements.

DISCUSSION: Before Council this evening is a draft Resolution amending Resolution No. 3912 adding the inclusion of a ballot measure imposing a 12% visitor service fee for the City's November 6, 2012 General Municipal Election ballot. The visitor service fee for the City of Santa Cruz, Scotts Valley and Watsonville are all currently at 10%; Santa Cruz County will be proposing a 12% TOT in November 2012.

FISCAL IMPACT: Should the visitor service fee measure be successful, the implementation of the new rate would begin January 1, 2013 and would generate additional annual revenue estimated at \$180,000 towards the City's General Fund. The City is responsible for costs involved in the printing and distribution of the measure text in the voter information pamphlet, which would include the City Attorney's impartial analysis and any arguments and rebuttal arguments pertaining to the ballot measure. The estimated cost to conduct the City's election is \$3.00 per voter (i.e., 5,000 voters = \$15,000), which the City will incur regardless of whether the new visitor service fee measure is on the ballot.

ATTACHMENTS

1. January 26, 2012 Staff Report
2. Resolution No. 3912
3. Draft Resolution

Report Prepared By: Susan Sneddon, City Clerk

Reviewed and Forwarded
By City Manager: 



CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 26, 2012

FROM: CITY MANAGER AND FINANCE DEPARTMENTS
 DATE: JANUARY 20, 2012
 SUBJECT: LONG RANGE FISCAL STRATEGY FOLLOW-UP

RECOMMENDED ACTION: That the City Council:

1. Continue to closely evaluate and implement cost saving opportunities during the upcoming Memorandum of Understanding (MOU) negotiations with the employee groups and future budgeting cycles.
2. Prepare a "benchmark study" using existing in-house resources to assess the City's fiscal accountability and answer the question: "is the City wisely using the resources it already has?"
3. Develop user fee cost recovery policy, analyze key revenues and make recommendations for changes, as appropriate, as part of the 2012-13 Budget process.

DISCUSSION:

This report is in follow-up to the joint Council/Finance Advisory Committee (FAC) study session held on October 12, 2011, which considered the FAC's report to the Council on long-term fiscal issues. Based on the discussion from that meeting, this report addresses three key questions:

- Is the FAC's determination of the long-term "budget gap" accurate?
- Is the "gap" a problem of revenues that are too low or expenditures that are too high? (Or some combination of the two?) How can we best assess if the City is effectively using existing resources?
- What are the action steps needed to address the long-term gap and create fiscal sustainability?

It should be stressed that this report is staff's response to the FAC's report. This report does not diminish or change any of the FAC recommendations. It is not intended to define the City's policy response to a long term funding gap, but rather lay out options and alternatives the City may wish to consider.

Short-Term Versus Long Term Challenges Facing the City

It is important to stress that the City has a balanced budget. Under the two-year budget adopted by the Council for 2011-13, General Fund sources cover outlays. However, this was achieved through budget reductions (and related service level reductions in most cases), including the following:

- Reducing funding for capital improvement plan (CIP) and pavement management projects (one time). This has resulted in a decrease in the pavement quality throughout the City, and deferred the implementation of a number of important infrastructure projects.

- Eliminating Planner and Finance Technician positions (ongoing).
- Holding Police Captain, Finance Director (and now Community Development Director), two Public Works crew, Community Service Officer, one Records Clerk positions vacant (one-time).
- Reclassifying Building Inspector and Public Works Maintenance Crew positions, resulting in the establishment of true entry level positions and a salary savings to the City (ongoing).
- Reducing overall contract expenditures by over \$300,000 through renegotiations or consolidation of responsibilities (ongoing).
- Eliminating the Paid Officer Reserve Program (ongoing).

While the City's budget is fiscally balanced, that does not mean it is balanced from a service perspective. As reflected above, achieving a balanced budget has required service and CIP reductions that may not serve the community well in the longer term.

Accordingly, the challenge facing the City at this point is not about balancing this year's budget: the City has a strong tradition of making the tough fiscal decisions needed to ensure a balanced budget. The City has always adopted a balanced budget, and will continue to do so in the future. The question is: does the City budget appropriately provide for desired service levels, capital improvements and appropriate provisions for the future needs of the City. Are the reduced service levels acceptable for the community in the long run?

Stated simply, the long-term challenge facing the City is not solely a fiscal one; but rather, the challenge is determining if the current day-to-day services and facility/infrastructure maintenance and improvements are the level the community wants – and is willing to pay for. In short, what kind of community does Capitola want to be?

Defining the Long-Term Gap:

In its October 12 presentation to the Council, the FAC defined two kinds of fiscal challenges facing the City:

- One-time needs to restore the contingency reserve and fund relocation of the Pacific Cove mobile home park, and
- The need to fund ongoing service levels and important CIP projects.

The following table summarizes both of these, with one-time needs of \$3.7 million and a long-term gap ranging between \$1.8 to \$2.8 million annually in addressing “unfunded” needs:

Long-Term Funding Gap	
One Time	
Restore Contingency Reserve	1,500,000
Pacific Cove Relocation	2,200,000
Total One-Time	3,700,000
Ongoing (Annual)	
Deferred Operating Expenses	850,000
Pavement Management	450,000
Measure D/RDA/Bond Expiration	500,000
Total Operating	1,800,000
Annual Reserve for Unfunded CIP (About \$25 million in identified projects)	1,000,000
Total Ongoing (Annual)	\$2,800,000

This conclusion assumes the revenue and expenditure snapshot in the 2011-13 Budget remains about the same into the future, and the only variables are those identified above.

However, what if future costs outpace projected revenues and the underlying gap grows larger? On the other hand, what if revenues grow faster than costs? In this case, perhaps an improving revenue outlook alone will close most, if not all, of the gap. The FAC's approach, which staff concurs with, was that it would be inappropriate to only rely on a strategy that "hopes" future revenue alone will grow the City out of the problem.

In many cities, identifying the long-term gap is achieved by preparing a multi-year forecast (covering five to ten years), where future revenues and costs are projected based on individual assumptions for key drivers. Along with assessing the longer-term impacts of short-term budget decisions, a five or ten year fiscal forecast can help most local governments better manage long-term fiscal sustainability. For those agencies that have prepared longer-term forecasts and follow-on financial plans, this did not magically make their fiscal problems disappear: they still had tough decisions to make.

However, due to its unique circumstances outlined below, the City may be able to assess its longer General Fund fiscal challenges using the second year of the 2011-13 Budget as the baseline (which was the FAC's approach in defining the problem), and avoid dedicating the significant resources needed to prepare a long-term fiscal forecast.

- **Operating cost drivers.** Most cities, the projection for significant increases in their required contributions to the California Public Employees Retirement System (CalPERS) is the single largest future cost driver. However, in Capitola's case, contribution rates are "capped:" under existing employee agreements, any increases in employer contribution rates are the employee's responsibility.

This provides the City with structural cost containment on a major cost element that most other cities simply do not have. And in terms of key drivers, this removes a significant cost increase factor from the forecast that other cities would need to consider. For all other operating costs, it is likely that a multi-year forecast would assume cost increases similar to increases in the consumer price index (CPI) – about 2% annually based on past trends.

- **Key revenues.** The second year of the 2011-13 Budget already reflects stronger sales tax revenues from Target and the improved transient occupancy tax (TOT) revenues resulting from the opening of the Fairfield Suites. This second-year baseline for these two top General Fund revenue sources is likely to be the assumption for future years in the forecast, growing modestly by a factor similar to increases in the CPI. Lastly, while property tax revenues - the City's other top General Fund revenue source - will probably increase in the future, they are likely to rise modestly, in close alignment with the 2% annual increase allowed under Proposition 13. In short, growth in key revenues is likely to closely mirror increases in operating costs.

In summary, due to existing CalPERS cost containment and the key revenue assumptions already assumed in the 2012-13 base, a longer-term forecast is likely to simply reflect the existing situation. Accordingly, while preparing a long-term fiscal forecast is often an essential step in defining the long-term "gap," this may not be necessary for the City. In the simplest terms, staff suggests the FAC's determination of the long term budget gap is probably as accurate an assessment as can be reasonably obtained, and should be used for this process.

Is the Gap a Revenue or Expenditure Problem?

The FAC's report to the Council identified both expenditure reduction as revenue increase options, wisely recognizing that before asking Council members to raise fees and asking voters to support tax increases, the City first needs to demonstrate that services are currently being provided in a cost-effective manner. There are typically three ways of demonstrating this:

- Comprehensive organizational analysis
- Compensation study
- Benchmark analysis

Comprehensive Organizational Analysis

Under this approach, most cities contract with an independent consulting firm that specializes in comprehensively evaluating the effectiveness and efficiency of an agency's organization and service delivery methods, policies, systems and procedures; and then making recommendations for improvement as appropriate. These assessments often include an evaluation of the City's budget process, which would directly respond to one the FAC's top recommendations for a "bottom-up budgeting process."

While used by many cities in developing and implementing long-term cost reduction and service improvement plans, these types of reviews take a long time to prepare, and if comprehensive in their scope, can be very expensive to prepare. The City of Santa Cruz recently completed such a study, at a cost of \$90,000 with Avery and Associates.

On the other hand, this type of analysis may be prepared within-house resources; however, there are three drawbacks to this approach:

- **Staff resource limits.** Existing staff resources, especially in light of recent reductions, vacancies and frozen positions, are dedicated to providing day-to-day services. It would be extremely difficult to reallocate limited staff resources to this effort. Given its intensive, "one-time" nature, this type of special project is usually best performed by outside resources.
- **Objective, third party view.** Agencies embarking on this type of review typically want an outside, independent view of its operations. Real or perceived, current agency staff may too wedded to the "way we've always done it" to provide an objective assessments of current practices and opportunities for review.

- **Expertise.** Firms specializing in this type of analysis bring a depth of experience and “best practice” knowledge to the review.

Given the time and cost involved – either in staff or consultant resources – combined with the nearly continuous effort by the entire City organization over the past three years in identifying cost reduction strategies and improving operations, we do not recommend pursuing this approach at this time. Rather, staff recommends continuing to utilize the annual budget process and MOU updates with the employee groups to implement the FAC recommendations.

Compensation Study

The FAC recommended the City undertake a comprehensive “benchmark” analysis of employee compensation. This recognizes that in a service organization like the City, where most key services – like police protection – are delivered by City staff, employee compensation is large factor in determining ongoing operating costs. And as such, ensuring compensation levels are sufficient to retain and attract qualified employees while at the same time are not excessive and are in-line with the market, is essential in ensuring reasonable costs that are commensurate with the value received.

One approach to this is to conduct a comprehensive compensation study, which may include private sector benchmarks. However, like the comprehensive organizational study approach discussed above, this takes time and can be expensive to prepare. Moreover, given the CalPERS cost containment already in place, there is the risk of unintended consequences in undertaking this type of analysis.

Accordingly, we do not recommend taking this approach. Instead, as noted in the City Manager’s joint study session report, current agreements with the various employee groups will expire at the end of June 2012. That negotiation process will be an opportunity to work cooperatively with the various groups to find solutions to fiscal issues, and ensure that the City’s compensation programs are appropriate.

Lastly, as noted above, the City has in place significant cost containment as its compensation “baseline” compared with most other cities in the State and nation: the City’s CalPERS employer contribution rates are capped and any increases are the employee’s responsibility. An alternative approach, which is outlined below, is to include key compensation factors as part of a “benchmark analysis.”

Benchmark Analysis

The third approach is to “benchmark” the City’s costs, revenues and service outcomes with similar cities: in short, using benchmarks to assess the City’s fiscal accountability, and as a management strategy to find opportunities to improve organizational efficiencies.

Though true “apples-to-apples” benchmark comparisons between cities (there are over 480 of them in the State) are probably not possible, it is possible to discern meaningful trends and develop valuable data by developing a thoughtful benchmarking study.

The key to making effective comparisons between cities is to find the right common denominator. In doing so, simple per capita comparisons are tempting. However, the fact is that every city faces different challenges due to a wide variety of factors, including:

- Service level expectations
- Daytime versus resident service population
- Fiscal constraints
- Community demographics

- Scope services (full service or contract city?)
- And not least, geography

For example, San Luis Obispo has higher than average fire costs largely due to geography in meeting minimum response times. Between mountains, freeways and railroad tracks – and the access limitations they create – San Luis Obispo needs four fire stations to meet its four-minute response time goal. Other communities with a similar population size but less challenging geography might be able to meet a similar standard with fewer stations – and thus lower costs.

Similarly, per capita street maintenance costs in South Lake Tahoe – which include snow removal – are likely to be much higher than another similar-sized city.

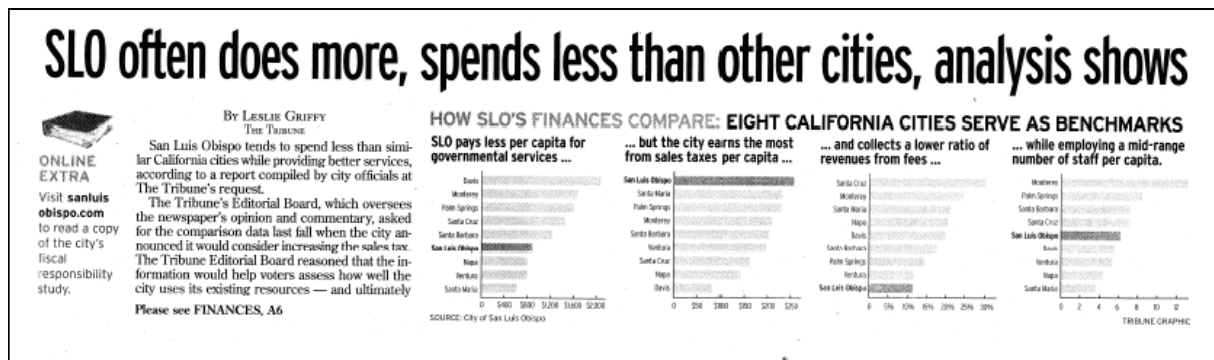
Mitigating the pitfalls. While imperfect, in the real world, “per capita” is the most workable common denominator. Accordingly, avoiding these pitfalls and making meaningful per capita comparisons requires carefully selecting the benchmark cities to ensure they represent as close a possible match as possible, understanding a “perfect” match is impossible. This means that along with making comparisons of key benchmarks such as comparably size cities, it is important to select cities that share other important service, economic, geographic and demographic characteristics as well. Additionally, to avoid a “race to the bottom,” comparison cities should also be selected that have a reputation for being well-managed and leaders in the use of “best practices.”

After selecting comparison cities, it is also important to carefully select the benchmarks. On one hand, they need to be data points that can be reliably gathered and measured (such as data from budgets and annual financial reports). On the other hand, they need to measure something meaningful. Areas likely to be covered in effective benchmark studies include:

- How does the City compare financially with similar cities? (Such as key revenues per capita, operating costs per capita, debt service per capita, staffing per capita; and as noted above, key employee compensation benchmarks)
- How do “service outcomes” compare with similar cities? (Service costs are one thing; value for cost – service outcomes – is another.)
- How have City workloads and staffing changed over time?
- And has the City adopted and implemented the use of “best practices” in wisely managing the public resources that have been entrusted to it

When carefully prepared, benchmark analysis can be a powerful tool in assessing the fiscal performance of city – either good or bad. Where benchmark results show that a city compares favorably with others, then reasonable assurance can be provided that the city is managing its fiscal affairs effectively. Where this is not the case, then areas for improvement can be identified and changes made.

An example of a benchmark study prepared by the City of San Luis is available on its web site at: <http://slocity.org/finance/download/benchmark-report06.pdf>. As reflected in the headline below, the results of the study were widely (and favorably) reported by the local media; and were helpful in providing an analytical basis on the cost side for a subsequent general purpose, ½-cent sales tax measure, which was adopted in November 2006 with 65% voter approval.



Compared with other the other two options, staff recommends that preparing a benchmark study is a cost-effective approach in answering the question: is the City wisely using the resources it already has? This work can be completed with existing in-house resources with a target completion date of March 2012.

Service Priorities

All three of these approaches (organizational analysis, compensation study and benchmarking) focus on the effective and efficient delivery of services. However, none of them directly addresses the question of service priorities: in short, even if it is provided effectively and efficiently, does the service meet an important community goal? Virtually every government program had its roots in meeting an important need at some point. However, over time the need it addressed may no longer be the case; or its priority relative to new needs that have surfaced since its inception may be much lower. Stated simply, there is no “magic” bullet for assessing service priorities. Staff believes that the best approach to this is ongoing review of services and programs via the budget process.

Capital Improvements

A key component of the FAC's definition of the gap facing the City is \$1.0 million in annual funding for capital improvements, plus an additional \$450,000 annually for pavement management. One suggestion that surfaced from the joint Council/FAC study session is the need to more clearly identify the long term capital improvement priorities in considering revenue increases. Staff does not recommend taking this approach for several reasons:

- Two of the key revenue proposals (extending the Measure D ¼-cent sales tax and increasing the transient occupancy tax) surfaced by the FAC are for a general purpose revenue ballot measure. Specifying projects is more appropriate for a special purpose tax measure.
- Second, over the course of time necessary to implement these projects, the City's priorities will change. New projects will be identified, and other projects may become obsolete prior to implementation. That said, it may still be important to develop an inclusive list of current projects under consideration should voter consideration of new revenue concepts be required, but staff recommends against trying to firmly pin those projects down at this point.
- Three, given the changing nature of fiscal circumstances, it is important to retain flexibility in prudently responding to new priorities. As past experience has shown, the fiscal challenges facing the City are subject to change over time, such as the worst recession since the Great Depression, which was not on the City's radar (or anyone else's, for that matter) in 2007.

And fortunately, because Measure D was a general purpose measure, the Council was able to respond flexibly in responding to revenue downturns.

- Last, in ensuring adequate maintenance of existing facilities and creating the fiscal capacity to respond to community needs for new ones, it may be appropriate to set policy targets for the amount of revenues that should be set aside for this purpose, such as 10% of General Fund revenues. This would establish a general policy framework for balancing day-to-day services such as police protection with the need to adequately maintain infrastructure such as streets, storm sewers, street lighting, landscaped areas and public facilities. In this case, the \$1 million identified by the FAC (or \$1.5 million including paving) is close to this 10% benchmark.

New Revenues

As discussed above, while the City needs to remain vigilant in containing expenditures and in ensuring value-for-costs, staff believes that expenditure-side ideas surfaced by the FAC are best addressed through the City’s ongoing budget and labor negotiations process. The exception to this is the recommended benchmark study. This leaves the revenue side of the budget-balancing equation for further consideration.

New revenues can be raised in three basic ways:

- Economic development: grow the underlying economy and improve the tax base, thus producing more revenues with the same (or lower) tax rates.
- Improved cost recovery through service charges and opportunities to use City assets for greater revenue gain (such as property leases or sales).
- New or increased taxes.

The FAC’s top revenue recommendations reflect all three of these. The top “new revenue” ideas supported by the FAC fall into the economic development category:

Economic Development Concept	Estimated Annual Revenues
Additional retail business	\$100,000
Additional hotels	\$500,000 to \$1,000,000
Additional events (clambake)	\$1,000 to \$10,000
Annex areas in sphere of influence	Unknown

As discussed in the City Manager’s October 12 joint report to the Council and FAC, improving the economic base for retail and hotel sales – the areas surfaced by the FAC with the greatest revenue potential – is largely driven by market factors that are beyond the City’s control.

Moreover, in the case of expanding hotel rooms, while the City does have private-public partnership opportunities, past experience both in Capitola and other communities shows these are complex undertakings, require long-term timeframes to achieve, and the outcome is far from certain.

In the case of the last two economic development concepts, the opportunity to consider additional special events as revenue-raisers is always available for consideration on a case-by-case basis as sponsoring organizations present them to the City; and as recommended by the City Manager in his joint report to the Council and FAC, while there may be positive impacts associated with annexation, this issue is best addressed as part of the General Plan update.

This leaves new or increased revenues as one of the few options for measurable, long-term budget balancers, over which the City has (some) direct control.

The following summarizes the new or increased revenue options available to cities in California (many of which were considered by the FAC) along with their approval requirements. As reflected below, virtually all the options that have significant revenue-raising ability require voter approval: majority approval in for general purpose revenues and two-thirds for special purposes.

Required Approval: New or Increased Revenues

	Council	Voter	
		Majority	Two-Thirds
Sales Tax		General purpose	Special purpose
Transient Occupancy Tax		General purpose	Special purpose
Property Transfer Tax (charter cities only)		General purpose	Special purpose
Business Tax		General purpose	Special purpose
General Obligation Bond			x
Parcel Tax			x
Utility Users Tax		General purpose	Special purpose
Admissions Tax		General purpose	Special purpose
Parking Tax		General purpose	Special purpose
Excise Tax		General purpose	Special purpose
Maintenance Assessments		x	
Mello-Roos: Existing Development			x
Mello-Roos: New Development	**		
Development Impact Fees	x		
Use of Property/Assets	x		
Higher Cost Recovery	x		
Franchise Fees	x		
Donations/Partnerships	x		
Fines	x		

As reflected above, in a post-Proposition 218 world, there are few discretionary revenue decisions available to local government elected officials. The most significant of these is determining user fees: in short, what services are funded by fees and which ones are funded by general purpose taxes?

Based on the Council and FAC discussion at the joint meeting, three revenue concepts emerged as candidates for further consideration:

- Improve Cost Recovery: \$85,000
Increase recreation fees by 10% (\$75,000); increase other city fees (\$5,000); improve accident recovery (\$5,000)
- Extend Measure D Sales Tax: \$900,000
- Increase Transient Occupancy Tax (TOT) rate from 10% to 12%-14%: \$200,000 to \$400,000

It should be noted these revenue concepts together generate about \$1.4 million annually (\$1.6 million if the TOT rate is set at 14%). This is only about half of the gap \$2.8 million gap. Accordingly, in coming closer to closing this gap, the City may also want to discuss the

implications of setting the City's sales tax rate at ½-cent rather than the current ¼-cent rate. The added \$900,000 this would generate annually would closely mirror the \$1.0 million annual target for ongoing CIP improvements.

Improved Cost Recovery

As discussed above, of the three revenue candidates, improved cost recovery is within the Council's decision-making authority. However, before setting targets for new revenues, it is important to address two key issues:

- Under state law, costs cannot exceed the reasonable cost of providing the service
- Fees should be set within an overall cost recovery policy framework

Before increasing or adopting new fees, the City should consider four key questions:

- What does it cost the City to provide the service?
- Is this cost reasonable?
- What is the current cost recovery level?
- What should the cost recovery level be?

The first three questions can be answered through careful analysis. For example, it is a relatively straightforward analytical task to determine that it costs \$100 to issue a building permit (including direct and indirect costs); the cost is reasonable considering city service levels; and the current fee is only \$50. However, deciding to raise or lower the fee is determined by the fourth policy question that only the Council can answer: what should the cost recovery level be?

For example, if the Council believes that fees should only cover 25% of the cost, with the balance funded by General Fund revenues, then the fee should be reduced by 50% to \$25. On the other hand, if the Council believes that this service should be fully recovered from the applicant, then raising the fee to \$100 would be warranted.

This example reflects one of the fundamental issues of public finance: which services should be funded from user fees? And which from general purpose tax revenues?

In determining appropriate cost recovery, staff recommends these decisions should be made in a policy context. Accordingly, we conceptually concur with the FAC recommendation for improved cost recovery. However, before raising fees – such as recreation fees by 10% - we recommend first developing and approving user fee cost recovery policies; and then following-up with analysis in selected fee areas to assess where increases (or decreases) might be warranted.

Voter Approved Revenue Increases

Both of remaining revenue concepts require majority voter approval if the proceeds will be used for general purposes.

- Extending Measure D sales tax: \$900,000
- Increasing the TOT rate from 10% to 12%-14%: \$200,000 to \$400,000

Measure D is scheduled to sunset in 2017. While this is six years away, at the joint Council-FAC study session the City Manager outlined several advantages to placing the extension of Measure D before its sunset:

- The City’s long-term fiscal planning would be enhanced by having greater certainty about this revenue’s future.
- Given the requirement that general purpose revenue measures be considered by voters at the same time as Council member elections (unless there unanimous declaration of a fiscal emergency), November 2012 presents an early opportunity to consider extension.

The November 2012 ballot also presents a window of opportunity to consider an increase in the City’s TOT rate.

As discussed in a separate Council agenda report also being considered on January 26, 2012, if the Council is interested in seriously *considering* a revenue ballot measure in November 2012, there are several key actions that should be undertaken now, including public opinion research.

Next Steps

The following outlines recommended next steps:

Task	Target Date
<ul style="list-style-type: none"> • Continue to closely evaluate cost saving opportunities 	Ongoing
<ul style="list-style-type: none"> • Prepare “benchmark study” to assess the City’s fiscal accountability in answering the question: how do we know the City is wisely using the resources it already has? 	March 2012
<ul style="list-style-type: none"> • Develop user fee cost recovery policy and present to Council for approval. 	April 2012
<ul style="list-style-type: none"> • Analyze key revenues in accordance with the adopted user fee cost recovery policy and make recommendations for changes as appropriate as part of the 2012-13 Budget process. 	June 2012

FISCAL IMPACT: There are no added budget costs associated with the recommended actions.

ATTACHMENT:

1. Council Agenda Report: October 12, 2011 Joint Council/Finance Committee Meeting

Report Prepared By: Jamie Goldstein, City Manager
 Bill Statler, Interim Finance Director

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

RESOLUTION NO. 3912**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ORDERING AN ELECTION, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE GENERAL MUNICIPAL ELECTION IN THE CITY OF CAPITOLA ON TUESDAY, NOVEMBER 6, 2012**

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a city for submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for the statewide election, the city shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections office, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, at is i8t to appear on the ballot. Upon such request, the board of supervisors may order the consolidation; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 6, 2012.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2012 insofar as said elections are to be held in the same territory or in a territory that is in part the same as the territory of the City of Capitola, and hereby request the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Sections 10401 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Capitola hereby requests the Board of Supervisors to permit the Santa Cruz County elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department conduct the election for the following offices to be voted on at the November 6, 2012, election:

Selection of two (2) Members of the City Council for the full term of four (4) years, and Selection of one (1) City Treasurer for the full term of four (4) years.

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following Measure to be voted on at the November 6, 2012, election:

Shall a City of Capitola permanent sales tax increase of one quarter of one percent be adopted to pay for disaster recovery and to maintain general services including public safety and street improvements?	Yes	
	No	

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department is requested to print the measure text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the November 6, 2012, election, attached hereto as Exhibit "A". The cost of printing and distribution of the measure text will be paid for by the city.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk of the City of Capitola is hereby ordered and directed to cause said proposed ordinance and notice of election to be published in accordance with the provisions of the California State Elections Code.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 22nd day of March, 2012, by the following vote:

AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termin

NOES: None


ABSENT: None

ABSTAIN: None



Michael Termini, Mayor

ATTEST:



Susan Sneddon, CMC
Susan Sneddon, City Clerk

EXHIBIT A (DRAFT ORDINANCE)

Measure to be voted on: City of Capitola Permanent Retail Transactions and Use Tax

DRAFT ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF CAPITOLA IMPOSING A PERMANENT RETAIL
TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF
EQUALIZATION**

THE PEOPLE OF THE CITY OF CAPITOLA, CALIFORNIA, DO ORDAIN AS
FOLLOWS:

Section 1. TITLE. This ordinance shall be known as the City of Capitola Permanent Retail Transaction and Use Tax Ordinance. The City of Capitola hereinafter shall be called "City". This ordinance shall be applicable in the incorporated territory of the City.

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being set forth as below.

Section 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a permanent retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of equalization in a manner that adapts itself fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transaction and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless

EXHIBIT A (DRAFT ORDINANCE)

so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the City at the rate of one quarter of one percent (0.25%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance. This tax is in addition to, and not in lieu of, the one quarter of one percent (0.25%) temporary retail transactions and use tax imposed pursuant to Chapter 3.10 of the Capitola Municipal Code.

Section 6. PLACE OF SALE. For the purpose of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one quarter of one percent (0.25%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales and use tax regardless of the place to which delivery is made. This tax is in addition to, and not in lieu of, the one quarter of one percent (0.25%) temporary excise tax imposed pursuant to Chapter 3.10 of the Capitola Municipal Code.

Section 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provision of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made where:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

EXHIBIT A (DRAFT ORDINANCE)

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or,

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactors' permit shall not be required by this ordinance.

Section 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempt from the consumption of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such an address is, in fact, his or her principal place of residence; and

EXHIBIT A (DRAFT ORDINANCE)

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale price of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of like for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transaction tax under any state-administered transaction and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which the party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through a

EXHIBIT A (DRAFT ORDINANCE)

representative, agent, canvasser, solicitor, subsidiary, or person the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following" vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 23 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 14. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected hereby.

Section 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 16. CODIFICATION. Upon adoption of this ordinance pursuant to the voter approval, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Capitola Municipal Code.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AMENDING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF CAPITOLA BY ADDING A QUESTION OF A CERTAIN MEASURE RELATING TO VISITOR SERVICES FEE (TRANSIENT OCCUPANCY TAX) AT THE GENERAL MUNICIPAL ELECTION IN THE CITY OF CAPITOLA ON TUESDAY, NOVEMBER 6, 2012 AS CALLED BY RESOLUTION NO. 3912

WHEREAS, a General Municipal Election on Tuesday, November 6, 2012 has been called by Resolution No. 3912, adopted on March 22, 2012, and

WHEREAS, the City Council desires to amend Resolution No. 3912 by adding a Visitor Service Fee (transient occupancy tax) question;

Now, therefore, the City Council of the City of Capitola, does resolve, declare, determine and order as follows:

SECTION 1. That the City Council, pursuant to its right and authority, does order an amendment to Resolution No. 3912, by adding the following question on the General Municipal Election:

Shall the City of Capitola visitor services fee be increased from the current rate of 10% to 12% to pay for general City services including public safety, economic development and tourism, and social services?	Yes	
	No	

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department is requested to print the measure text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the November 6, 2012, election, attached hereto as Exhibit "A". The cost of printing and distribution of the measure text will be paid for by the City.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk of the City of Capitola is hereby ordered and directed to cause said proposed ordinance and notice of election to be published in accordance with the provisions of the California State Elections Code.

BE IT FURTHER RESOLVED AND ORDERED that the measure herein directed for inclusion on the November 6, 2012 Ballot is in addition to those measures directed for inclusion on said ballot pursuant to Resolution No. 3912 adopted by the City Council on March 22, 2012.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 14th day of June, 2012, by the following vote:

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

Michael Termini, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

RESOLUTION NO. _____

EXHIBIT "A"

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CAPITOLA AMENDING SECTION 3.32.030 OF THE CAPITOLA MUNICIPAL CODE PERTAINING TO THE CAPITOLA VISITORS SERVICES FEE

THE PEOPLE OF THE CITY OF CAPITOLA, CALIFORNIA DO ORDAIN AS FOLLOWS:

Section 1. Section 3.32.030 of the Capitola Municipal Code is hereby amended to read as follows:

"3.32.030 Fee/tax imposed.

A. For the privilege of occupancy in any hotel, each transient is subject to and shall pay a general tax in an amount of twelve percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city which is extinguished only by payment by the operator to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax is not paid to the operator of the hotel, the fee administrator may require that such tax shall be paid directly to the fee administrator. The general tax revenues shall be placed in the city's general fund."

Section 2. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected hereby.

Section 3. EFFECTIVE DATE. This ordinance relates to the levying and collecting of a City tax and shall take effect immediately.

Section 4. CODIFICATION. Upon adoption of this ordinance pursuant to the voters' approval, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Capitola Municipal Code.



Item #: 9.D.

CITY OF CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: OFFICE OF THE CITY CLERK
SUBJECT: 2012 GENERAL MUNICIPAL ELECTION

RECOMMENDED ACTION:

1. Adopt Resolution authorizing those identified members to write arguments and Council Members to file written arguments for or against City Measures and filing of rebuttal arguments for City Measure(s) submitted at the November 6, 2012 General Municipal Election;
2. Approve Timeline for Filing Arguments/Rebuttals for Measure(s).

BACKGROUND/DISCUSSION: At the March 22, 2012 meeting, Council approved Resolution No. 3912 requesting County Elections conduct the election, consolidate the General Municipal Election for the City of Capitola (on Tuesday, November 6, 2012), and include a ballot measure regarding a permanent sales tax increase of one quarter percent be adopted to pay for disaster recovery and to maintain general services including public safety and street improvements.

The next step in preparation for the General Municipal Election is for the City Council to adopt a Resolution authorizing certain Council Members to file written arguments for or against the City ballot measure and filing of rebuttal arguments for City measure(s) submitted at the November 6, 2012 General Municipal Election. In addition, the City Clerk has prepared a timeline for submitting the impartial analysis, arguments for and against, and rebuttals to the arguments.

The following information is provided regarding specific Council action to be taken:

- 1. Resolution Authorizing Certain Council Members to File Written Arguments and Filing of Rebuttal Arguments for City Measure(s):** Elections Code § 9282 provides that the City Council or any individual voter who is eligible to vote on measure(s)... may file a written argument for or against any city measure(s)." Since the City Council is including measure(s) on the November 6, 2012 ballot, the Council has the opportunity to designate up to five authors for the argument in support of the measure and up to five authors to write the rebuttal. That pursuant to § 9220 and 9285 of the Elections Code, when the elections official has selected the arguments for and against the measure which will be printed and distributed to the voters, the elections official shall send a copy of an argument in favor of the measure to the authors of any argument against the measure and copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments. The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. A rebuttal argument may not be signed by more than five persons. A draft Resolution is provided for Council adoption (Attachment 1).

2. **Signature Statement:** All arguments concerning measures shall be accompanied by the form entitled "Signature Statement and Authorization for Another Person or Persons to Sign Rebuttal Argument". This form is to be signed by each proponent, and by each author, if different, of the argument (Exhibit A to draft Resolution).
3. **Impartial Analysis of Measure:** The City Attorney has prepared an Impartial Analysis showing the effect of the measure on the existing law and operation of the measure pursuant to Elections Code Section 9280. The impartial analysis is printed preceding the arguments for and against the measure and is 500 words or less (Attachment 2).
4. **Timeline for Filing Arguments/Rebuttals:** The proposed Timeline for Filing Arguments/Rebuttals for City Measures is attached (Attachment 3). These dates have been reviewed and are acceptable to the County Elections Department.

The County Elections Department will be conducting "Candidate Information Forums" this month. A flyer is attached. Capitola will be hosting an information night on Monday, June 25, 2012, from 5:30 to 7:00 p.m. in the Council Chambers. This is a great opportunity for individuals who are thinking about running for office to find out more about what is required.

FISCAL IMPACT: The City is responsible for costs involved in the printing and distribution of the measure text, impartial analysis, and arguments/rebuttals for or against measures in the voter information pamphlet. According to the County Elections Department, the estimated cost for this would be based on the number of registered voters.

ATTACHMENTS

1. Draft Resolution authorizing certain Council Members to file written arguments for or against a City Measure and filing of rebuttal arguments for City Measure(s);
2. Impartial Analysis prepared by the City Attorney;
3. Timeline for filing arguments/rebuttals for City Measures;
4. 2012 General Municipal Election Information Sheet;
5. Candidate information forums notice.

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA, CALIFORNIA,
AUTHORIZING CERTAIN OF ITS MEMBERS TO FILE WRITTEN ARGUMENTS FOR OR
AGAINST CITY MEASURE(S) AND FILING OF REBUTTAL ARGUMENTS FOR CITY
MEASURE(S) SUBMITTED AT THE NOVEMBER 6, 2012 GENERAL MUNICIPAL ELECTION**

WHEREAS, a regular General Municipal Election is to be held in the City of Capitola on Tuesday, November 6, 2012, at which there will be submitted to the qualified electors of said City the following City measure:

MEASURE "___": Shall a City of Capitola permanent sales tax increase of one quarter of one percent be adopted to pay for disaster recovery and to maintain general services including public safety and street improvements? YES or NO

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAPITOLA CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council authorizes the following member(s) of it's body to file written argument not exceeding words regarding the City measure as specified above, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

The arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the *Form of Statement To Be Filed By Author(s) of Argument*.

SECTION 2. That pursuant to Section 9285 of the Elections Code of the State of California, when the elections official has selected the arguments for and against the measure which will be printed and disributed to the voters, the elections official shall send a copy of an argument in favor of the proposition to the authors of any argument against the measure and a copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments.

The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.

A rebuttal argument may not be signed by more than five authors.

The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, not more than 10 days after the final date for filing direct arguments. The rebuttal arguments shall be accompanied by the Signature Statement, and Authorization for Another Person or Persons to Sign Rebuttal Argument, if applicable (Exhibit A).

SECTION 3. That the City Council directs the City Clerk to transmit a copy of the measure to the city attorney. The city attorney shall prepare an impartial analysis of the measure not exceeding 500 words showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 14th day of June, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Termini, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

EXHIBIT A

SIGNATURE STATEMENT

(Elections Code Section 9600)

All arguments concerning measures filed pursuant to Division 9 of the Elections Code shall be accompanied by the following statement to be signed by each author of the argument. Names and titles listed will be printed in the Voter's Information Pamphlet in the order provided below and will appear as indicated below.

"The undersigned author(s) of the:

- argument in favor of
- argument against
- rebuttal to the argument in favor of
- rebuttal to the argument against

ballot measure (insert letter) _____ at the Consolidated General Municipal Election for the City of Capitola to be held on November 6, 2012 hereby state that such argument is true and correct to the best of _____ knowledge and belief."
(his/her/their)

ARGUMENT/REBUTTAL FILED BY (check any of the following that apply) This information will be provided on the County Clerk/Elections Website:

Board of Supervisors or Governing Board
Contact Person's Printed Name: _____
Contact Person's Signature: _____
Title: _____
Phone: _____ FAX: _____
E-Mail: _____

Bona Fide Association of Citizens or Filers of Special District Initiative
Name of Association: _____
Principal Officer's Printed Name: _____
Principal Officer's Signature: _____
Title: _____
Phone: _____ FAX: _____
E-Mail: _____

Attach list of officers if document relates to a school district measure

Individual voter who is eligible to vote on the measure
Printed Name: _____
Signature of Voter: _____
Address Where You Live: _____
Phone: _____ FAX: _____
E-Mail: _____

SIGNATURE STATEMENT - PAGE 2

CHECK ONE OF THE FOLLOWING & RECORD LETTER OF MEASURE:

- Argument in Favor of Measure _____
- Argument Against Measure _____
- Rebuttal to Argument in Favor of Measure _____
- Rebuttal to Argument Against Measure _____

The signatures of the following persons will be printed as submitted below following the argument or rebuttal.

SIGNATURE	PRINT NAME as it will appear in the Voter's Information Pamphlet	PRINT TITLE AND NAME OF ASSOCIATION (IF APPLICABLE) as it will appear in the Voter's Information Pamphlet.	Are you signing on behalf of an association? YES or NO*	DATE

* If the argument or rebuttal is being signed by a principal officer on behalf of an association that is supporting or opposing the measure, the name of the association will appear on the first line, followed by the principal officer's name and title on the second line as the example illustrates:

AUTHORIZATION FOR ANOTHER PERSON OR PERSONS TO SIGN REBUTTAL ARGUMENT

I, _____ authorize the following person(s) to sign
(print name of FILER of the argument)

the rebuttal to the argument

- in favor
 against

Measure _____ for the November 6, 2012 Consolidated General Municipal Election.
(Letter)

(One or more people who signed the argument may be replaced with different people to sign the rebuttal)

1. _____ to sign instead of _____
(print name of rebuttal signer) (print name of argument signer)
2. _____ to sign instead of _____
(print name of rebuttal signer) (print name of argument signer)
3. _____ to sign instead of _____
(print name of rebuttal signer) (print name of argument signer)
4. _____ to sign instead of _____
(print name of rebuttal signer) (print name of argument signer)
5. _____ to sign instead of _____
(print name of rebuttal signer) (print name of argument signer)

Signature of Filer: _____ Date: _____

Attach this form to the 2-page "Signature Statement" submitted with the rebuttal argument.

CITY ATTORNEY IMPARTIAL ANALYSIS

**CITY OF CAPITOLA PERMANENT ONE QUARTER PERCENT SALES TAX
INCREASE**

In 2004, City voters approved a temporary $\frac{1}{4}$ cent sales tax increase which was originally scheduled to sunset on June 30, 2010. In 2008 City voters extended the sunset date to December 31, 2017. As a result of these two voter approvals the current sales tax rate (combined state and local sales tax) in Capitola is $8\frac{1}{4}$ percent.

This ordinance, if adopted by the voters, would increase the sales tax rate by another $\frac{1}{4}$ percent from the current rate of $8\frac{1}{4}$ percent to $8\frac{1}{2}$ percent. The sales tax increase proposed by this ballot measure has no sunset date. Accordingly if the proposed permanent $\frac{1}{4}$ percent tax increase is approved by the voters, the City's sales tax, also known as the City's retail transactions and use tax, will total $8\frac{1}{2}$ percent through December 31, 2017 and $8\frac{1}{4}$ percent thereafter.

All City revenue generated by the sales tax is used by the City to pay for general City operations and programs including public safety and street improvements. As such, this ballot measure proposes a "general purpose tax" rather than a "special purpose tax" and requires a simple majority vote for adoption.

The above statement is an impartial analysis of the proposed sales tax increase ordinance. If you desire a copy of the ordinance, please call the City Clerk's office at 831 475-7300 and a copy will be mailed or electronically transmitted to you at no cost to you.

Word Count: 255



**2012
GENERAL MUNICIPAL ELECTION**

**Timeline for Filing
Arguments/Rebuttals for City Measure**

**PUBLISH NOTICE SETTING DEADLINES
FOR ARGUMENTS/REBUTTALS:**

Wednesday, June 30, 2004

**DEADLINE FOR FILING ARGUMENTS:
10-Day Public Inspection:**

Tuesday, August 14, 2012 – 5:00 p.m.
Wednesday, August 15 to Thursday, August 25

**DEADLINE FOR REBUTTALS:
10-day Public Inspection:**

Thursday, July 29, 2004 – 5:00 p.m.
Friday, July 30 to Monday, August 9

10- DAY PUBLIC INSPECTION:

Arguments and rebuttals are available for 10-day public inspection. During this period a writ of mandate or injunction may be sought to require amendments or deletions.

DEADLINE FOR IMPARTIAL ANALYSIS:

Tuesday, August 21, 2012 – 5:00 p.m.

WHERE:

Capitola City Hall, Office of the City Clerk
420 Capitola Avenue
Capitola, CA 95010

WRITTEN ARGUMENTS/REBUTTALS:

Arguments may not exceed 300 words in length, and rebuttals may not exceed 250 words in length.

CONFIDENTIALITY OF ARGUMENTS:

Arguments and rebuttals shall remain confidential until 5:00 p.m. on Tuesday, August 14, 2012.

WITHDRAWAL/CHANGES:

Arguments and rebuttals may be changed or withdrawn until and including the date fixed for final submission to the City Clerk.

MULTIPLE ARGUMENTS:

If more than one argument is submitted, the City Clerk will select one of the arguments to be printed based on a priority specified in the Elections Code.

CONSOLIDATION WITH COUNTY:

At the close of the deadline for filing of said arguments/rebuttals, the materials filed with the City Clerk will be forwarded to the County Elections Department for inclusion in the Sample Ballot.



CITY OF CAPITOLA

2012 GENERAL MUNICIPAL ELECTION INFORMATION

The City of Capitola will be holding its General Municipal Election on **Tuesday, November 6, 2012**, to be consolidated with the Statewide Presidential Election Statewide General Election. The following information is provided to answer general questions you might have regarding the city's election. Additional information can be obtained from the City Clerk at Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010, by calling (831) 475-7300, or by email at ssneddon@ci.capitola.ca.us.

OFFICES TO BE FILLED BY ELECTION

Two (2) Members of the City Council (4 year terms)
One (1) City Treasurer (4-year term)

INCUMBENTS PRESENTLY HOLDING OFFICE

Kirby Nicol, Council Member (*Unable to seek re-election pursuant to term limit ordinance*)
Dennis Norton, Council Member
Jacques Bertrand, City Treasurer

SALARIES FOR ELECTED OFFICIALS

Member of the City Council	\$500.00 per month
City Treasurer	\$250.00 per month

QUALIFICATIONS FOR CANDIDATES

A person is eligible to hold office if he/she is a United States citizen, 18 years of age or older, and is a registered voter residing within the City of Capitola city limits at the time the nomination papers are issued. Verification will be required prior to issuing nomination papers.

FILING FEES

There will be no filing fees for taking out nomination papers.

DATES AND PROCEDURES FOR TAKING OUT, CIRCULATING AND FILING NOMINATION PAPERS

Monday, July 16, 2012 to Friday, August 10, 2012 at 5:00 P.M.

Nomination papers may be taken out and filed during this period. Not less than 20 or more than 30 valid signatures are required for nomination to elected office in the City of Capitola.

NOMINATIONS (Continued)

A nomination paper may be circulated and subsequently filed by the candidate or by any other person registered to vote at the election. The circulator is required to indicate by affidavit the dates between which all signatures were obtained.

Nomination papers shall be filed with the Capitola City Clerk not later than 5:00 P.M. on the 88th day (Friday, August 10, 2012) before the election. A candidate may withdraw his/her nomination paper after it has been filed until 5:00 P.M. on the 88th day, but not after then.

TIME EXTENSION IF INCUMBENT FAILS TO FILE

Should an incumbent fail to file by 5:00 P.M. on the 88th day, the voters shall have until 5:00 P.M. on the 83rd day (**Wednesday, August 15, 2012**) to nominate candidates other than the incumbent for such elective office.

PROCEDURES FOR FILING CANDIDATES' STATEMENTS, FINANCIAL DISCLOSURE STATEMENTS, AND CAMPAIGN EXPENDITURE FORMS

Candidates' Statements, if desired, must be filed with the nomination papers and shall remain confidential until expiration of the filing period. The candidate is responsible for printing costs of the statement in the Sample Ballot.

The Santa Cruz County Clerk/Elections Department has determined the cost for including a 200-word statement in the sample ballot for a Capitola candidate will be \$260. The Capitola City Clerk will collect a deposit of \$260 at the time a candidate files his/her Candidate's Statement. Should a candidate also desire his/her statement to appear in the sample ballot in Spanish, a deposit of \$520 would be required. Checks shall be made payable to the "City of Capitola." The County Elections Department will charge \$100 if a candidate does not submit their Candidate Statement on a CD to the City Clerk or it may be emailed to the Capitola City Clerk at ssneddon@ci.capitola.ca.us prior to filing their nomination papers. One signed hard copy must be filed with the City Clerk by the filing deadline.

Statements of Economic Interest - A Candidates' Statement of Economic Interest (Fair Political Practices Commission Form 700) is required to be filed at the time nomination papers are filed. Candidates can access this form and instructions on line at:

<http://www.fppc.ca.gov/index.php?id=500>

Campaign Statements - Every candidate for any elective office and every committee must file campaign statements. A candidate for local office must file a **Form 501, Candidate Intention Statement, BEFORE** solicitation or receipt of any contribution, or expenditure of any personal funds used for the election. A **Form 410, Statement of Organization-Recipient Committee**, must be filed within 10 days of receiving \$1,000 in contributions. Form 410 is filed with the Secretary of State, with a copy to the City Clerk. Forms and instructions are available in the City Clerk's Office and on the Fair Political Practices Commission website at www.fppc.ca.gov

BALLOT ORDER FOR CANDIDATES NAMES

On Thursday, August 16, 2012, at 11:00 A.M., the Secretary of State draws the randomized alphabet to determine the order of candidates' names on the ballot for the election.

THE LAST DAY TO REGISTER TO VOTE IN THE NOVEMBER 6, 2012 MUNICIPAL ELECTION IN ORDER TO RECEIVE A SAMPLE BALLOT IS: TUESDAY, OCTOBER 9, 2012

Santa Cruz County Elections Department Candidate Information Nights-November 6, 2012 Presidential General Election

Candidate filing season has arrived and the Elections Department has arranged the following nights to answer any questions potential candidates may have.

Thursday, June 21 Watsonville Community Room 275 Main St., 4th Floor 6:00 p.m. to 7:30 p.m.	Monday, June 25 Capitola Council Chambers 420 Capitola Ave., Capitola 5:30 p.m. to 7:00 p.m.
Wednesday, June 27 Scotts Valley Council Chambers 1 Civic Center Dr., Scotts Valley 6:00 p.m. to 7:30 p.m.	Thursday, June 28 Santa Cruz Council Chambers Santa Cruz Council Chambers 6:00 p.m. to 7:30 p.m.

Frequently asked questions by prospective candidates are:

- ▶ how and when to file papers;
- ▶ what qualifications are required;
- ▶ how to prepare a Candidate Statement of Qualifications;
- ▶ what election data is available;
- ▶ how to raise money for campaigns;
- ▶ how to prepare for a "vote by mail" drive.

All of these questions and any others will be answered at these candidate information nights. We will have Candidate's Handbooks available for all interested parties as well. More information concerning the November election is available on our website at www.votescount.com.

If you have any question concerning any of these meeting please call Crystal Bertheau at 831-454-2408.



Item #: 9.E.

CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 14, 2012

FROM: OFFICE OF THE CITY CLERK

SUBJECT: DESIGNATION OF VOTING DELEGATE AND ALTERNATES FOR THE 2011 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE TO BE HELD IN SAN DIEGO FROM SEPTEMBER 5 THROUGH SEPTEMBER 7, 2012

RECOMMENDED ACTION: Designate Capitola's Voting Delegate and Alternate(s) for the 2012 League of California Cities Annual Conference.

DISCUSSION: The League of California Cities ("League") Annual Conference for 2012 will be held in San Diego, California, from Wednesday, September 5 through Friday, September 7, 2012. The annual business meeting (at the General Assembly) is scheduled for 12 p.m. (Noon) on Friday, September 7, at the San Diego Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy. It is important that all cities be represented at this meeting. Attached is a memorandum from the League regarding designation of Voting Delegates and Alternates. City Council action is advised by no later than Friday, August 15, 2012, in order to meet the League's deadline for submitting Voting Delegate/Alternate Form. There are specific procedures that must be followed with respect to the voting delegate and alternate(s):

1. In order to vote at the Annual Business Meeting, the city council must designate a voting delegate.
2. The city council may also appoint up to two alternate voting delegates, one of whom may vote in the event the designated voting delegate is unable to serve in that capacity.
3. Designation of the voting delegate and alternate(s) **must** be done by city council action.
4. The voting delegate and alternate(s) must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only.
5. At least one voting delegate or alternate must be present at the Business Meeting on Friday afternoon and in possession of the voting card in order to cast a vote. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may **not** transfer the voting card to another city official.

Vice Mayor Stephanie Harlan is planning to attend this conference.

FISCAL IMPACT – None

ATTACHMENTS

1. Memo dated May 3, 2012, from the League of California Cities with accompanying attachments.

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

Council Action Advised by August 3, 2012

May 3, 2012

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 5 - 7, San Diego**

The League's 2012 Annual Conference is scheduled for September 5 - 7 in San Diego. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 7, at the San Diego Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Wednesday, August 15, 2012. This will allow us time to establish voting delegate/alternates' records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one person must be present at the Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up

-over-

the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the San Diego Convention Center, will be open at the following times: Wednesday, September 5, 9:00 a.m. – 6:30 p.m.; Thursday, September 6, 7:00 a.m. – 4:00 p.m.; and September 7, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but not during a roll call vote, should one be undertaken.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Wednesday, August 15. If you have questions, please call Mary McCullough at (916) 658-8247.

Attachments:

- 2012 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures 2012 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.