

City of Capitola Agenda

Mayor: Jacques Bertrand
Vice Mayor: Kristen Petersen
Council Members: Ed Bottorff
Yvette Brooks
Sam Storey



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JULY 25, 2019

7:00 PM

CITY COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CLOSED SESSION – 8:30 AM
CITY HALL COMMUNITY ROOM

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

PUBLIC EMPLOYEE APPOINTMENT [Govt. Code § 54957(b)]

Title: City Attorney

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to **Govt. Code § 54956.9(d)(2)**
(One potential case)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Govt. Code § 54956.9 (d)(1)]

(Two cases)

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

Savanah Smith and Thanh-Thanh Hoang v. County of Santa Cruz, et. al
Luke Smith, et al. v. County of Santa Cruz
U.S. Northern California District Court Case Nos. 17-CV-05095 and 17-CV-06594

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

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

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Sam Storey, Kristen Petersen, Yvette Brooks, Ed Bottorff, and Mayor Jacques Bertrand

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

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

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. CITY COUNCIL / STAFF COMMENTS

City Council Members/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration. No individual shall speak for more than two minutes.

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Historical Museum Board Appointment

RECOMMENDED ACTION: Appoint Dean Walker to a three-year term on the Capitola Historical Museum Board as recommended by its trustees.

B. Appointment of Youth Member to Advisory Boards

RECOMMENDED ACTION: Appoint Bryce Ebrahimian to a one-year term as a youth member of the Commission on the Environment and the Finance Advisory Committee.

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

- A. Consider the June 13 and June 27, 2019, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Receive the June 6, 2019, Planning Commission Regular Meeting Action Minutes
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Registers Dated June 7, June 14, June 21, and June 28, 2019
RECOMMENDED ACTION: Approve check registers.
- D. Update on the Capitola Branch Library Project
RECOMMENDED ACTION: Receive report.
- E. Consider Community Grant Review Contract
RECOMMENDED ACTION: Authorize the City Manager to enter into a contract with Optimal Solution Consulting in the amount not to exceed \$7,000 to review the City's Community Grant Program.
- F. Consider a Resolution Approving Recreation Job Classifications
RECOMMENDED ACTION: Adopt a Resolution approving new job classifications for Afterschool Coordinator and Afterschool Leader and amending the Part-Time/Seasonal Pay Schedule.
- G. Second Reading of an Ordinance Amending Title 5, Business Taxes, Licenses and Regulations, and Title 8, Health and Safety, of the Capitola Municipal Code Pertaining to Prohibiting Sales of Flavored Tobacco Products
RECOMMENDED ACTION: Adopt an Ordinance adding Municipal Code Chapter 5.38 Tobacco Retailer License Required, amending 8.38.120, and relocating 8.38.130 Regulating the Sale of Tobacco Products.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Consider a Report on the Jewel Box Traffic Calming Project Results
RECOMMENDED ACTION: Accept report and provide direction to staff.

- B. Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2019/2020
RECOMMENDED ACTION: Conduct the public hearing and adopt the proposed Resolution levying the Fiscal Year 2019/2020 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.
- C. Sidewalk Vending and Compliance with Senate Bill 946
RECOMMENDED ACTION: Provide staff direction on future regulations for sidewalk vending in Capitola.
- D. Consider an Appeal by Embarc Capitola of the Selection Committee's Decision to Issue Cannabis Retail Licenses to The Apothecarium Capitola and TreeHouse Capitola
RECOMMENDED ACTION: Hold requested public appeal hearing and uphold staff's issuance of preliminary retail cannabis licenses to The Apothecarium Capitola and TreeHouse Capitola.
- E. Consider Public Banking Legislation
RECOMMENDED ACTION: No recommended action. Council discretion to consider directing the Mayor to send a letter Regarding Assembly Bill 857 or Senate Bill 528 to the City's State legislative delegation and to the bills' authors, or take no action at this time.

10. ADJOURNMENT

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

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

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

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

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
July 25, 2019

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

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



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department
SUBJECT: Historical Museum Board Appointment

RECOMMENDED ACTION: Appoint Dean Walker to a three-year term on the Capitola Historical Museum Board as recommended by its trustees.

BACKGROUND/DISCUSSION: Four terms on the Capitola Historical Museum Board ended on June 13, 2019, and recruitment for these positions was held this spring. Three of those positions were filled in June. Following the deadline for the Museum Board to interview applicants, the City Clerk received an application from Dean Walker, who as required by Museum Board bylaws was interviewed by the Board of Trustees on July 2 and has been recommended for appointment. (Attachments 1 and 2.) The three-year term will end June 9, 2022.

ATTACHMENTS:

1. Walker museum app public
2. Walker Museum Recommendation

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/19/2019

CITY OF CAPITOLA
CITY CLERK

JUN 12 2019



CITY of CAPITOLA

BOARDS AND COMMISSIONS APPLICATION

Application for:

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

Name: Walker Dean
Last First

Residential Neighborhood: Soquel

Occupation: retired physician (Santa Cruz Medical Clinic/Foundation - now PAMF)

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

Interest in and moderate knowledge of local history
35 year resident and 4th generation property owner in SC County
Extensive committee experience (Clinic, Hospital, County Medical Society
including Medicine Chair at Dominican Hospital and Chief of
Medical Staff at Sutter Maternity and Surgery Center
Prior Board memberships at SCMF and SMSC

Amateur genealogist (Use additional paper, if necessary)

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

6/12/2019
Date

Dean Walker MD
Signature of Applicant

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

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

Attachment: Walker museum app public (Historical Museum Board Appointment)



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

Capitola Historical Museum

July 3, 2019

Mayor Jacques Bertrand and Members of the City Council
 City of Capitola
 420 Capitola Avenue
 Capitola, CA 95010

Dear Mayor Bertrand:

I am pleased to report that the Capitola Museum Board of Trustees interviewed Dean Walker at their July 2 meeting and they recommend him for appointment to the empty seat on the board.

Dr. Walker is a retired physician who has long had a close relationship to Capitola and a love of Santa Cruz County History. Members of his family settled in Santa Cruz County in the very early 1900s. He grew up in the San Francisco Bay Area, but has lived in our mid-county area since the 1980s. Dr. Walker's children attended New Brighton Middle School and participated in Junior Guards. He took classes from Sandy Lydon at Cabrillo College, attended tours led by Museum Curator Frank Perry, and is anxious to learn more about local history and share it through the Museum. The board feels his enthusiasm for local history, past experience on boards, and connections in the community will be an asset to the Museum.

Sincerely,

Frank Perry, Curator



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Appointment of Youth Member to Advisory Boards

RECOMMENDED ACTION: Appoint Bryce Ebrahimiyan to a one-year term as a youth member of the Commission on the Environment and the Finance Advisory Committee.

BACKGROUND/DISCUSSION: The City Council adopted Administrative Policy I-38 to allow youth representation on certain City advisory bodies in 2017. On June 11, the City Clerk's Office received an application from Bryce Ebrahimiyan to serve as a youth representative on the Commission on the Environment and the Finance Advisory Committee (Attachment 1). As a resident of Capitola, he resides within in the Soquel Union Elementary School District and therefore is eligible for appointment.

ATTACHMENTS:

1. Ebrahimiyan youth app COE FAC_public

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/18/2019

JUN 11 2019



CITY of CAPITOLA

BOARDS AND COMMISSIONS APPLICATION

Application for:

- Art & Cultural Commission
[Artist; Arts Professional; At Large Member]
Please circle category above
- Finance Advisory Committee
[Business Representative; At Large Member]
Please circle category above
- Commission on the Environment
- Historical Museum Board
- Architectural & Site Committee
[Architect; Landscape Architect; Historian]
Please circle category above
- Planning Commission
- Other Committee _____
- Check if applying as youth member to any board

Name: Ebrahimian Bryce
Last First

Residential Neighborhood: Capitola, CA 95010

Occupation: High School Student

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

***Please see attached.**

(Use additional paper, if necessary)

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

5/4/19
Date

Bryce Ebrahimian
Signature of Applicant

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

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

Attachment: Ebrahimian youth app COE FAC_public (Appointment of Youth Member to Advisory Boards)

*After being personally encouraged by Mayor Jacques Bertrand, I feel an enthusiasm to apply as a youth member to Capitola's Finance and Environmental Committees. This opportunity would not only act as a way for me to serve a community I grew up in and care about but also to enrich myself in an educational experience.

I have always had a keen interest in governmental function and policymaking. This interest was amplified in my AP Government and Politics class, receiving its top student award and a full score of 5 on the AP exam. At my school, Monte Vista Christian, I have always been involved with student government from my starting role as Freshman class president to currently being elected as Student Body President. This summer, I will be working as an intern for Congressman Jimmy Panetta. I desire not only to learn and experience how national politics work but also on a local level by serving on these Capitola committees. Through my leadership positions, I feel that I can be an asset in providing the unique perspective of a teenager.

A healthy, sustainable environment and a fiscally responsible municipality are motivating factors of mine. I hope to get a greater understanding of how these challenges are addressed and managed effectively on a local level and I hope to contribute to the community in any way I can.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Consider the June 13 and June 27, 2019, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the regular meetings of June 13 and 27, 2019.

ATTACHMENTS:

1. 6-13 draft minutes
2. 6-27 draft minutes

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/18/2019

**DRAFT
CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, JUNE 13, 2019**

CALL TO ORDER

Mayor Bertrand called the meeting to order at 6:30 p.m.

No members of the public were present and the Council adjourned to the City Manager's Office with the following items to be discussed in Closed Session:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Govt. Code § 54957(b)]

City Council's Performance Evaluation of the City Attorney

PUBLIC EMPLOYMENT [Govt. Code § 54957(b)]

Title: City Attorney

PUBLIC EMPLOYEE APPOINTMENT [Govt. Code § 54957(b)]

Title: City Attorney

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

2. REPORT ON CLOSED SESSION

Deputy City Attorney Reed Gallogly reported that the Council discussed the listed public employment evaluation and an interim contract, including a change to termination language, which will be heard later in open session.

3. ADDITIONAL MATERIALS - None

4. ADDITIONS AND DELETIONS TO AGENDA - None

5. PUBLIC COMMENTS

Dennis Lowrey distributed a letter and explained he has been looking into the process to permit an individual emergency shelter other than as an expansion or secondary unit on a residential property. He wanted to introduce the issue to the City Council as he works with staff.

6. CITY COUNCIL / STAFF COMMENTS

Council Member Brooks attended the Santa Cruz County Youth Violence Prevention Task Force final meeting on June 5 and ask for a future presentation at a Council meeting from City participants.

Mayor Bertrand attended the same event and echoed Council Member Brooks enthusiasm for the youth violence prevention programs.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 13, 2019

City Manager Goldstein announced the budget adopted by the state legislature today includes the \$2 million to fund Wharf rehabilitation.

7. CONSENT CALENDAR

MOTION:	APPROVE AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Vice Mayor
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

- A. Consider the May 23, 2019, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Consider the City's Investment Policy [100-10/350-10]
RECOMMENDED ACTION: Approve changes to the City's Administrative Policy Number III-1, Investment Policy as recommended by the Finance Advisory Committee.
- C. Consider the Adoption of a Resolution Setting the Fiscal Year 2019/2020 Appropriation Limit [330-05]
RECOMMENDED ACTION: Adopt **Resolution No. 4153**.
- D. Consider a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2019-2020 [140-05]
RECOMMENDED ACTION: Adopt **Resolution No. 4150** of intention that provides notification of the City's intent to levy business improvement assessments for Fiscal Year 2019/2020; receiving the annual report and proposed budget of the CVWBIA; setting the date for a public hearing to be held on Thursday, June 27, 2019; and outlining noticing requirements.
- E. Consider a Side Letter to the Capitola Police Officers Association Agreement [600-10]
RECOMMENDED ACTION: Approve a side letter to the existing Memorandum of Understanding between the City of Capitola and the Capitola Police Officers Association adding Short Term Disability and clarifying FSLA overtime hours.
- F. Consider a Resolution Accepting Two Offers of Dedication for Street, Sidewalk, and Utility Purposes for the Tera Commons Subdivision, 1575 38th Avenue
RECOMMENDED ACTION: Adopt **Resolution No. 4151** accepting two offers of dedication for street, sidewalk, and utility purposes for the Tera Commons subdivision, Tract No. 1596, located at 1575 38th Avenue.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Report on Proposed Wharf Rehabilitation Options
RECOMMENDED ACTION: Receive a report on phasing options for the Wharf Rehabilitation Project and direct staff to proceed with design and permitting efforts for Phase 1 of the project.

Brad Porter of Moffett and Nichol provided background and options on the Wharf rehabilitation project. He reviewed the historic pattern of repairs and noted it is quite expensive to replace piles individually. To increase resilience, he recommends increasing the trestle width from three to six piles across. The recommended approach is

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

June 13, 2019

a phased project with widening and structural improvements in the first phase and an eventual increase to a 24.5-foot elevation and building reconstruction recommended. He explained pile height can be lengthened with fiber glass, and estimated 12 months for environmental permits and design of the first phase.

This phase would have a life of 10 to 20 years with no repairs and the City should anticipate that about every 20 years it will incur major repair costs. At some point it may wish to replace the entire Wharf. He confirmed that fiberglass piles filled with concrete have a life of 40 to 50 years. The Council asked if there are sufficient funds for the first phase. Measure F does expire and also includes flume and jetty work, but there should be enough funding as proposed.

Council Member Brooks confirmed the Wharf is by age historic but is not a registered landmark and ask if there would be any additional parking available. Director Jesberg said the Wharf is not designed for significant vehicle traffic, but a few spaces could potentially be added.

In public comments, Willie Case of the Wharf House Restaurant asked to resume subcommittee meetings.

Council Member Bottorff supports this direction, appearance, and phasing as made possible by fiberglass. Council Member Storey seconded the motion with the addition of a formal thank you to State Senator Stone for the additional funding. They also accepted a friendly amendment to identify options and costs of additional parking.

MOTION:	DIRECT STAFF TO PURSUE THE FIRST PHASE OF REHABILITATION AS RECOMMENDED, SEND A THANK YOU TO STATE SENATOR STONE, AND INVESTIGATE OPTIONS FOR ADDITIONAL PARKING.
RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Sam Storey, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

B. Consider Designating Two New 24-Minute Village Parking Spots Between 331 and 401 Capitola Avenue

RECOMMENDED ACTION: Consider designating two new 24-minute parking spaces under the rail trestle along Capitola Avenue as requested by the property owners at 331 and 401 Capitola Avenue.

Director Jesberg presented the staff report. This request came out of a recent project approval by the Planning Commission, which does not have jurisdiction to create or designate parking.

Council Member Storey asked what would happen if the City later wishes to widen the sidewalks. Director Jesberg said the sidewalk width could extend to five feet with the new spaces, but not eight.

In public comment, Amy Chang, 401 Capitola Avenue property owner, said she supports either the green curb or a loading zone as a benefit to businesses in the area.

Council Member Storey noted that in the future, he would prioritize sidewalk widening, and several members agreed.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 13, 2019

MOTION:	DESIGNATE TWO NEW 24-MINUTE PARKING SPACES AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

C. Consider the Fiscal Year 2019/2020 Budget and Capital Improvement Program for the City of Capitola [330-05/780-30]

RECOMMENDED ACTION: Approve **Resolution No. 4152** adopting the Fiscal Year 2019/20 City Budget and Capital Improvement Program.

Finance Director Jim Malberg presented the staff report and an overview of the budget hearing process. Items to review at mid-year include sales tax revenue, cannabis tax, community grants, and CalPERS actuarial reports.

The was no public comment.

MOTION:	APPROVE BUDGET AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

D. Consider Recreation Strategic Plan Contract

RECOMMENDED ACTION: Consider funding levels for Recreation Strategic Plan project contract and authorize the City Manager to enter into a contract with BluePoint Planning.

Recreation Supervisor Nikki LeBlond presented the staff report, noting that in February Council allocated \$13,700 for the plan, but the top three responding companies estimated costs from \$60,000 to \$80,000. Staff was unanimous in its recommendation of BluePoint Planning, which is offering options at three funding levels: \$13,700, \$35,000, and 58,000.

Council discussed the difference in process and final projects between the various funding levels, asking whether the base funding option would provide adequate information and community engagement. Some members supported the possibility of adding more funding for BluePoint after the initial process if it is available and would provide a more robust end product.

There was no public comment.

MOTION:	ADOPT THE \$13,700 FUNDING MODEL INCLUDING UPDATES DURING THE PROCESS
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvette Brooks, Council Member
SECONDER:	Kristen Petersen, Vice Mayor
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 13, 2019

- E. Consider an Interim City Attorney Contract
RECOMMENDED ACTION: Consider the agreement for Interim City Attorney Services with RWG Legal in the amount of \$22,260 for July and August 2019 and authorize the City Manager to execute the agreement.

Mayor Bertrand made the required oral announcement regarding an interim contract with RWG Legal for \$22,260. City Manager Goldstein presented the staff report and noted a change of the termination notice from 30 days to 60.

There was no public comment.

MOTION:	AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT AS RECOMMENDED
RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Vice Mayor
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

9. **ADJOURNMENT**

The meeting adjourned at 8:35 p.m.

Jacques Bertrand, Mayor

ATTEST:

Linda Fridy, City Clerk

Attachment: 6-13 draft minutes (Approval of City Council Minutes)

**DRAFT
CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, JUNE 27, 2019**

CALL TO ORDER

Vice Mayor Petersen called the meeting to order at 6:30 p.m.

No members of the public were present and the Council adjourned to the City Manager's Office with the following items to be discussed in Closed Session:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Gov't. Code § 54956.9(d)(2).
(One potential case)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Govt. Code § 54956.9 (d)(1)]

(one case)

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

2. PRESENTATIONS

- A. Recognition of Outgoing Board Historical Museum Members
- B. Proclamation Honoring Roberta Bristol on Her 95th Birthday

Vice Mayor Petersen presented the proclamation, and Ms. Bristol said she has been blessed to come to Capitola and work at Cabrillo College. Tandy Beal read poem by Ms. Bristol entitled "I Didn't Know I'd Fall in Love Again."

3. REPORT ON CLOSED SESSION

Deputy City Attorney Reed Gallogly said no reportable action was taken.

4. ADDITIONAL MATERIALS

- A. Item 10.A – Two public comment emails
- B. Item 10.B – One email protesting the proposed fees
- C. Item 10.C – Staff memo with two additional attachments
- D. Item 10.D – Staff memo with revised policy
- E. Item 10.E -- Staff memo with corrected salary schedule

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 27, 2019

5. ADDITIONS AND DELETIONS TO AGENDA

There were no changes to the agenda, but staff noted that due to an error on the notice letter mailed to members of the Capitola Village Wharf and Business Association, it recommends continuing the hearing until the July 25 meeting.

MOTION:	CONTINUE ITEM 10.B TO THE REGULAR MEETING OF JULY 25, 2019
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvette Brooks, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT:	Sam Storey, Jacques Bertrand

6. PUBLIC COMMENTS

Susan Westman, Riverview resident, asked that the entire historic district be noticed when a project in the district comes forward.

Pam Greeninger, resident, noted the death of Noel Smith of the *Capitola-Soquel Times* and asked that the meeting be adjourned in his memory.

7. CITY COUNCIL / STAFF COMMENTS

Council Member Brooks requested that the Commission on the Environment review the City's plastics policy to see if additional actions are recommended.

City Manager Jamie Goldstein thanked State Senator Mark Stone and Governor Gavin Newsom for the \$2 million wharf funding in the state's next fiscal year budget.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Historical Museum Board Appointments

RECOMMENDED ACTION: Appoint Emmy Mitchell-Lynn to a three-year term on the Capitola Historical Museum Board as recommended by its trustees and reappoint Niels Kisling and Gordon van Zuidan for three-year terms.

MOTION:	MAKE APPOINTMENTS AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Yvette Brooks, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT:	Sam Storey, Jacques Bertrand

9. CONSENT CALENDAR

MOTION:	APPROVE AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvette Brooks, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT:	Sam Storey, Jacques Bertrand

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 27, 2019

- A. Approval of City Check Registers Dated May 3, May 10, May 17, May 24, and May 31, 2019
RECOMMENDED ACTION: Approve check registers.
- B. Consider a Funding Agreement with the Capitola Chamber of Commerce
RECOMMENDED ACTION: Authorize the City Manager to enter into a Funding Agreement with the Capitola Soquel Chamber of Commerce.
- C. Schedule an Appeal of Selection Committee's Decision to Not Issue a Cannabis License to Embarc Capitola, LLC
RECOMMENDED ACTION: Schedule the appeal for the regular meeting of July 25, 2019.
- D. Consider an Agreement between the City of Capitola, the County of Santa Cruz and Zone 5 of the Santa Cruz County Flood Control and Water Conservation District Regarding Repairs and Maintenance of Various Storm Drain Systems
RECOMMENDED ACTION: Approve the proposed agreement between the City of Capitola, County of Santa Cruz, and Zone 5 of the Santa Cruz County Flood Control and Water Conservation District regarding drainage facilities.
- E. Consider Authorizing the City Manager to Sign a Letter Regarding Traffic Studies for a Proposed Medical Office Building on Soquel Avenue
RECOMMENDED ACTION: Authorize and direct the City Manager to sign a letter regarding the traffic studies underway for the proposed medical office building at 5940 Soquel Avenue in the County of Santa Cruz.
- F. Consider Awarding a Contract to Anderson Pacific for the Park Avenue Sidewalk Project
RECOMMENDED ACTION: Award a contract to Anderson Pacific Engineering Construction, Inc., in the amount of \$907,600 for construction of the Park Avenue Sidewalk Project.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Introduce an Ordinance Amending Title 5, Business Taxes, Licenses and Regulations, and Title 8, Health and Safety, of the Capitola Municipal Code Pertaining to Prohibiting Sales of Flavored Tobacco Products
RECOMMENDED ACTION: Approve the first reading of an Ordinance adding Municipal Code Chapter 5.38 Tobacco Retailer License Required, amending 8.38.120, and relocating 8.38.130 Regulating the Sale of Tobacco Products.

Police Chief Terry McManus introduced the item and Captain Andrew Dally. Captain Dally reviewed the health concerns, particularly for youth, that led to the Council's direction to pursue the ordinance. All 16 current tobacco retailers were delivered information about this hearing and ordinance. Staff will research and present a fee for the Tobacco Retail License later this year, but it is expected to be between \$100 and \$200. The recommended start date of January 1 allows retailers to sell or relocate any product ahead of the change.

Council Member Brooks confirmed that the flavored tobacco products definition does include menthol products.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

June 27, 2019

In public comment, Jackson Laughlin said he understands the flavor ban, but it does not keep the products out of the hands of minors since they can still be purchased online. He also noted the potential for lost tax revenue.

Rachel Kippen, Santa Cruz County Tobacco Education Coalition, thanked the Council for addressing the concerns of candy-flavored nicotine products and supports the ordinance.

Terra Leonard, health educator, countered the impression that e-cigarettes are a valuable quit device. She said they are not endorsed by the Federal Drug Administration and new studies show increased cardiovascular risks. She supports this effort to prevent youth from ever beginning to smoke.

Maria Maze, environmental educator, supports the ordinance to protect youth.

Martin Valle shared his journey with tobacco, which began as a teenager, and his concerns that less reliable products will replace safer products. He would prefer more regulation rather than a ban.

Council Member Bottorff acknowledged the loss of revenue and balancing it with the will of the people. He believes it is worth banning certain products to protect the community.

Council Member Brooks echoed that safety of children is more important than revenue.

Vice Mayor Petersen addressed matters of personal liberty regarding risks but said in this instance as a City leader she does not wish to offer that risk.

MOTION:	PASS FIRST READING
RESULT:	FIRST READING APPROVED [UNANIMOUS]
MOVER:	Yvette Brooks, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT:	Sam Storey, Jacques Bertrand

B. Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2019/2020 [140-05]

RECOMMENDED ACTION: Conduct the public hearing and adopt the proposed Resolution levying the Fiscal Year 2019-2020 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.

RESULT:	CONTINUED UNDER AGENDA ITEM 5 TO JULY 25 [UNANIMOUS]
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C. Continue Discussion of the Revised Zoning Code for Coastal Commission Certification - City Attorney Review

RECOMMENDED ACTION: Accept staff presentation and continue the discussion to the meeting of August 22, 2019.

Deputy City Attorney Gallogly reviewed specific suggestions by California Coastal Commission staff for changes to the Local Coastal Plan under the recent Zoning Code Update. He focused on recommendations that may be inconsistent with Coastal Act language and proposed language that undermines or makes ambiguous local authority. His specific comments were distributed as additional materials and were discussed

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
June 27, 2019

individually. These code section changes were not recommended for adoption by the Planning Commission, and Attorney Gallogly said he believes the City should continue to negotiate with Coastal Commission staff.

In public comment, Susan Westman encouraged the Council to adopt an ordinance that suits the City and not Coastal Commission staff.

Planning Commissioner and resident TJ Welch expressed appreciation for the legal review and echoed support for the City to stick to its guns.

Council Member Brooks encouraged continued discussions with the Coastal Commission. Council Member Bottorff said he supports and shares the concerns identified by the City Attorney.

Staff noted that since the agenda was published the August meeting agenda has grown and it recommends continuing the discussion to the September 12 meeting. The Council concurred.

RESULT: CONTINUED TO SEPTEMBER 12 [UNANIMOUS]

D. Consider an Administrative Policy on Social Media Use By City Council and Advisory Body Members

RECOMMENDED ACTION: Approve draft policy I-18 Elected and Appointed Official's Use of Social Media Policy and revoke current administrative policy V-8 Councilmember Online Forums/Web Logs ("Blogs").

Records coordinator Chloe Woodmansee presented the staff report, noting the policy format, but not content, was amended and distributed as additional materials. The policy is intended to promote online behavior that allows officials to continue to participate in the City's decision-making process. She offered examples of positive engagement and more problematic postings.

There was no public comment.

Council members praised the effort, noting that many cities have yet to create policies and they are pleased to put one in place.

MOTION: APPROVE THE AMENDED POLICY AND REVOKE V-8 AS RECOMMENDED
RESULT: ADOPTED [UNANIMOUS]
MOVER: Ed Bottorff, Council Member
SECONDER: Yvette Brooks, Council Member
AYES: Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT: Sam Storey, Jacques Bertrand

E. Consider the 2019/2020 Salary Schedule [600-10]

RECOMMENDED ACTION: Approve the Resolution authorizing the Fiscal Year 2019/2020 annual salary adjustment consistent with existing employee labor agreements.

Vice Mayor Petersen read the required statement explaining who is covered by the Salary Schedule prior to the hearing. Assistant to the City Manager Larry Laurent

Attachment: 6-27 draft minutes (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

June 27, 2019

presented the staff report, noting the schedule was based on the Memoranda of Understanding entered in 2018. A corrected schedule was distributed as additional materials.

There was no public comment.

MOTION:	APPROVE THE RESOLUTION AND CORRECTED SCHEDULE AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Yvette Brooks, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
ABSENT:	Sam Storey, Jacques Bertrand

11. **ADJOURNMENT**

The meeting adjourned in memory of Noel Smith at 8:35 p.m.

ATTEST:

Kristen Petersen, Vice Mayor

Linda Fridy, City Clerk



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Receive the June 6, 2019, Planning Commission Regular Meeting Action Minutes

RECOMMENDED ACTION: Receive minutes.

DISCUSSION: Attached for Council review are the action minutes of the June 6, 2019, Planning Commission regular meeting.

ATTACHMENTS:

1. 6-6-19 Action

Report Prepared By: Chloe Woodmansee
Records Coordinator

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/19/2019

RESULT:	APPROVED [4 TO 1]
MOVER:	Mick Routh
SECONDER:	Courtney Christiansen
AYES:	Welch, Wilk, Routh, Christiansen
NAYS:	Newman

- B. 606 Burlingame Avenue #19-0172 035-101-17**
 Design Permit for a covered entry porch and front room addition to an existing single-family residence located within the R-1 (Single-Family) zoning district.
 This project is in the Coastal Zone but does not require a Coastal Development Permit.
 Environmental Determination: Categorical Exemption
 Property Owner: Gino Blefari
 Representative: Stephen Dorcich, Filed: 04.15.19

MOTION: Approve the Design Permit.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Mick Routh
SECONDER:	Peter Wilk
AYES:	Newman, Welch, Wilk, Routh, Christiansen

5. PUBLIC HEARINGS

- A. 529 Capitola Avenue #19-0014 APN: 035-093-01**
 Design Permit and Conditional Use Permit for the addition of two dormers to an historic single-family home located within the CN (Neighborhood Commercial) zoning district.
 This project is in the Coastal Zone but does not require a Coastal Development Permit.
 Environmental Determination: Categorical Exemption
 Property Owner: Jim LaTorre
 Representative: Dennis Norton, Filed: 05.02.2019

MOTION: Approve the Design Permit and Conditional Use Permit.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Peter Wilk
SECONDER:	Courtney Christiansen
AYES:	Newman, Welch, Wilk, Routh, Christiansen

- 6. DIRECTOR'S REPORT**
- 7. COMMISSION COMMUNICATIONS**
- 8. ADJOURNMENT**

Chloé Woodmansee, Clerk to the Commission

Attachment: 6-6-19 Action (PC minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Finance Department

SUBJECT: Approval of City Check Registers Dated June 7, June 14, June 21, and June 28, 2019

RECOMMENDED ACTION: Approve check registers.

Account: City Main				
Date	Starting Check #	Ending Check #	Payment Count	Amount
6/7/2019	92739	92779	42	\$106,702.04
6/14/2019	92780	92872	98	\$308,746.30
6/21/2019	92873	92934	64	\$74,375.32
6/28/2019	92935	93021	92	\$268,162.21

The main account check register dated May 31, 2019, ended with check #92738.

Account: Library				
Date	Starting Check #	Ending Check #	Payment Count	Amount
6/7/2019	129	130	2	\$5,199.94
6/14/2019	131	131	1	\$2,655
6/21/2019	132	133	2	\$23,861.32
6/28/2019	134	136	3	\$317,590.19

The library account check register dated May 31, 2019, ended with check #128.

Account: Payroll				
Date	Starting Check #	Ending Check #	Payment Count	Amount
6/7/2019	5528	5532	99	\$163,612.42
6/21/2019	5533	5543	137	\$191,251.61
6/28/2019	5544	5544	1	\$7,245.05

The payroll account check register dated May 24, 2019, ended with check #5527.

Following is a list of payments issued for more than \$10,000 and descriptions of the expenditures:

Check	Issued to	Dept	Description	Amount
EFT	CalPERS Health Insurance	CM	June health insurance	\$59,775.34

Approval of City Check Registers
July 25, 2019

783				
92801	Community Bridges	CM	Community grant funding	\$50,283.00
92840	PG&E	PW	May utilities	\$15,590.05
92847	SCC Auditor-Controller	PD	May citation processing	\$11,394.50
EFT 784	CalPERS Member Services	CM	PERS contributions PPE 6/1/19	\$49,979.10
EFT 786	IRS	FN	Federal taxes & Medicare PPE 6/1/19	\$26,089.43
133	Noll and Tam Architects	PW	Library architect services	\$23,306.32
92939	Atchison Barisone & Condotti	CM	May legal services	\$14,786.77
92954	CalPERS Fiscal Services	FN	OPEB trust contribution	\$60,000
92998	PG&E	PW	June utilities	\$15,269.91
EFT 792	IRS	FN	Federal taxes and Medicare PPE 6/15/19	\$28,283.78
EFT 793	CalPERS Member Services	CM	PERS contributions PPE 6/15/19	\$50,543.22
135	John F. Otto Escrow	PW	Library construction retainer	\$15,541.51
136	Otto Construction Inc.	PW	Library construction services	\$295,288.68

ATTACHMENTS:

1. 6/7/19 City Check Register
2. 6/14/19 City Check Register
3. 6/21/19 City Check Register
4. 6/28/19 City Check Register

Report Prepared By: Maura Herlihy
Accountant I

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

7/18/2019


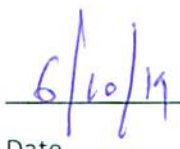

City main account checks dated June 7, 2019, numbered 92739 to 92779 plus 1 EFT, totaling \$106,702.04, 2 Library checks totaling \$5,199.94, and 5 Payroll checks and 94 EFTs, totaling \$163,612.42, for a grand total of \$275,514.40, have been reviewed and authorized for distribution by the City Manager.

As of June 7, 2019, the unaudited cash balance is \$6,340,474.46

CASH POSITION - CITY OF CAPITOLA 6/7/19

	<u>Net Balance</u>
General Fund	\$2,116,420.27
Payroll Payables	\$136,970.76
Contingency Reserve Fund	\$2,036,345.66
Facilities Reserve Fund	\$404,433.06
Capital Improvement Fund	\$1,161,237.07
Stores Fund	\$38,832.50
Information Technology Fund	\$133,715.21
Equipment Replacement	\$258,061.91
Self-Insurance Liability Fund	\$52,004.01
Workers' Comp. Ins. Fund	\$155,437.54
Compensated Absences Fund	<u>(\$152,983.53)</u>
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$6,340,474.46</u>

The Emergency Reserve Fund balance is \$1,344,205.54 (not included above).
The PERS Contingency Fund balance is \$845,131.93 (not included above).
The Library Fund balance is \$2,713,399.57 (not included above).

 <hr/> Jamie Goldstein, City Manager	 <hr/> Date
 <hr/> Jim Malberg, City Treasurer	 <hr/> Date

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92739	06/05/2019			CAPITOLA POLICE DEPARTMENT	\$59.00
	Reissue check	Date	Description		Amount
		02/28/2019	BIA Sip N' Stroll event permit 1321 - BIA Capitola Village-Wharf		\$59.00
92740	06/07/2019			ACTION SPORTS CONSTRUCTION	\$2,800.00
	Invoice	Date	Description		Amount
	100185	05/28/2019	Pump track maintenance and soil stabilizer application		\$2,800.00
92741	06/07/2019			ADT SECURITY SERVICES INC.	\$205.46
	Invoice	Date	Description		Amount
	ADT052919	05/29/2019	Corp. yard & museum security system monitoring		\$205.46
92742	06/07/2019			AMAZON CAPITAL SERVICES	\$66.99
	Invoice	Date	Description		Amount
	1Q3D-JYH6-HGX1	05/19/2019	Shredder		\$66.99
92743	06/07/2019			AUTHENTIC APPROACH	\$1,500.00
	Invoice	Date	Description		Amount
	11004	06/01/2019	BIA communication & marketing management 1321 - BIA Capitola Village-Wharf		\$1,500.00
92744	06/07/2019			BAY PHOTO LAB	\$10.84
	Invoice	Date	Description		Amount
	14358575	06/03/2019	Museum film scan		\$10.84
92745	06/07/2019			BEAR ELECTRICAL SOLUTIONS INC.	\$616.00
	Invoice	Date	Description		Amount
	8069	04/30/2019	April traffic signal maintenance services - routine 1310 - Gas Tax		\$616.00
92746	06/07/2019			BOB BROWN MARINE CANVAS	\$483.00
	Invoice	Date	Description		Amount
	153716	05/30/2019	Mask bags for junior guards		\$483.00
92747	06/07/2019			CALIFORNIA COAST UNIFORM COMPANY	\$552.76
	Invoice	Date	Description		Amount
	7183	05/22/2019	500 tailoring		\$45.00
	7149	05/08/2019	523 class A hat		\$141.65
	7122	05/01/2019	533 uniform name tag		\$60.93
	7182	05/22/2019	533 531 training uniforms		\$305.18

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92748	06/07/2019			CARIN HANNA	\$3,582.55
	Invoice	Date	Description		Amount
	CH052319	05/15/2019	BIA Sip and Stroll expense reimbursement 1321 - BIA Capitola Village-Wharf		\$3,582.55
92749	06/07/2019			CERTIFIED FOLDER DISPLAY SERVICE INC	\$959.10
	Invoice	Date	Description		Amount
	564834	06/01/2019	BIA advertising 1321 - BIA Capitola Village-Wharf		\$959.10
92750	06/07/2019			CLEAN BUILDING MAINTENANCE CO.	\$3,719.13
	Invoice	Date	Description		Amount
	22435	05/31/2019	May janitorial services 1000 - General Fund 1311 - Wharf	\$3,453.63 \$265.50	\$3,719.13
92751	06/07/2019			COMMUNITY ACTION BOARD	\$4,675.00
	Invoice	Date	Description		Amount
	CAB052819	05/28/2019	March emergency housing program admin. & rent assistance		\$3,076.33
	CAB05282019	05/28/2019	May emergency housing program admin. & rent assistance 5552 - Housing SA- Prog Income		\$1,598.67
92752	06/07/2019			COMMUNITY PRINTERS	\$1,783.41
	Invoice	Date	Description		Amount
	24574011	05/21/2019	Twilight concert series postcards and poster		\$1,783.41
92753	06/07/2019			CVS PHARMACY INC.	\$129.99
	Invoice	Date	Description		Amount
	9712	05/30/2019	Batteries		\$20.70
	6034	06/03/2019	First aid supplies for community center		\$109.29
92754	06/07/2019			ELEVATOR SERVICE COMPANY INC.	\$180.00
	Invoice	Date	Description		Amount
	23563	06/01/2019	Quarterly elevator service and inspection		\$180.00
92755	06/07/2019			FERGUSON ENTERPRISES INC 795	\$2,421.97
	Invoice	Date	Description		Amount
	CM756091	04/22/2019	Return sensor flush valves (3)		(\$1,799.58)
	6630311	05/01/2019	Flush valves (4)		\$754.28
	6611541	04/11/2019	Sensor flush valves		\$3,467.27

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92756	06/07/2019			FIRST ALARM	\$215.16
	Invoice	Date	Description		Amount
	469620	05/15/2019	Recreation alarm monitoring		\$215.16
92757	06/07/2019			FRANK PERRY	\$130.55
	Invoice	Date	Description		Amount
	FP052519	05/25/2019	Museum supplies and volgistics reimbursement		\$130.55
92758	06/07/2019			Hinderliter deLlamas & Associates	\$1,500.00
	Invoice	Date	Description		Amount
	0031184-IN	05/23/2019	Sales tax services October - December		\$1,500.00
92759	06/07/2019			HOME DEPOT CREDIT SERVICES	\$950.18
	Invoice	Date	Description		Amount
	9644456	05/14/2019	Paint rollers		\$24.42
	8612701	06/04/2019	Duct tape, markers		\$12.46
	6635207	05/27/2019	Wood putty, scissors, drill bit		\$21.24
	5620802	05/28/2019	Drill bits		\$67.45
	4630123	05/29/2019	Tool bag, ratchet, hammer, poly sheeting		\$161.22
	3624794	05/20/2019	Self drilling screws, hinges		\$14.95
	3624785	05/20/2019	Drywall screws, hinge		\$4.12
	0620001	05/23/2019	Painting supplies, nail puller		\$37.28
	3611105	05/20/2019	Chalk and reel kit		\$11.96
	3062824	05/30/2019	Wharf PVC cement, primer		\$27.93
	3062794	05/30/2019	Rakes		\$49.01
	3061711	05/20/2019	Lifeguard tower painting supplies		\$113.52
	2611199	05/21/2019	Epoxy syringe		\$18.54
	2061759	05/21/2019	Wire spools, plant hook		\$48.37
	2611175	05/21/2019	Folding table		\$52.30
	1221964	05/22/2019	Return wire spools		(\$47.45)
	2032384	05/21/2019	Shop shelving materials		\$302.46
	5062616	05/28/2019	Recycling bin, storage box, lumber		\$30.40
			1000 - General Fund	\$922.25	
			1311 - Wharf	\$27.93	
92760	06/07/2019			HUB INTERNATIONAL	\$102.24
	Invoice	Date	Description		Amount
	HUB060319	06/03/2019	May community center event insurance		\$102.24

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92761	06/07/2019			INTERNATIONAL BRONZE PLAQUE COMPANY	\$556.00
	Invoice	Date	Description		Amount
	19-52137	05/17/2019	Memorial bench plaque		\$139.00
	19-51673	03/15/2019	Memorial bench plaque		\$139.00
	19-52150	05/17/2019	Memorial bench plaques (2)		\$278.00
92762	06/07/2019			JACQUELINE ALUFFI	\$292.88
	Invoice	Date	Description		Amount
	JA060419	06/04/2019	Education reimbursement		\$292.88
92763	06/07/2019			JIM MALBERG - PETTY CASH CUSTODIAN	\$480.28
	Invoice	Date	Description		Amount
	PC060519	06/05/2019	Petty cash expenditures February - June		\$480.28
			1000 - General Fund	\$399.53	
			2210 - ISF - Stores Fund	\$80.75	
92764	06/07/2019			MEDCO SUPPLY CO.	\$262.42
	Invoice	Date	Description		Amount
	IN91463925	05/22/2019	Instant cold packs		\$262.42
92765	06/07/2019			MISSION LINEN SUPPLY	\$78.06
	Invoice	Date	Description		Amount
	509907576	05/20/2019	Community Center mop and mat service		\$78.06
92766	06/07/2019			MISSION PRINTERS	\$46.89
	Invoice	Date	Description		Amount
	59081	05/20/2019	Development Service Technician business cards		\$46.89
92767	06/07/2019			PALACE OFFICE SUPPLIES	\$359.69
	Invoice	Date	Description		Amount
	535414-0	05/24/2019	Computer monitor stand, paper		\$19.41
	535519-0	05/28/2019	Coin tote bag		\$118.69
	535542-0	05/28/2019	Computer stand		\$112.29
	9607023-0	05/28/2019	White board, office supplies, finger puppets, cards, laser pen		\$92.60
	9607635-0	05/30/2019	Pencil bags		\$6.51
	9607030-0	05/28/2019	Rubberbands		\$10.19
92768	06/07/2019			POSITIVE DISCIPLINE COMMUNITY RESOURCES	\$100.00
	Invoice	Date	Description		Amount
	701	05/22/2019	Positive discipline workshop for junior life guard trainees		\$100.00

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92769	06/07/2019			ROCKY MOUNTAIN SKIING LLC	\$837.29
	Invoice	Date	Description		Amount
	IN-13282	05/22/2019	Bulk sun block		\$837.29
92770	06/07/2019			SANTA CRUZ COUNTY INFORMATION SERVICES	\$633.68
	Invoice	Date	Description		Amount
	SCC052919	05/29/2019	June open query scan charges		\$633.68
92771	06/07/2019			SANTA CRUZ COUNTY SANITATION DISTRICT	\$251.15
	Invoice	Date	Description		Amount
	SCC053119	05/31/2019	Urban runoff discharge permit & sewer charges		\$251.15
92772	06/07/2019			SANTA CRUZ OCCUPATIONAL MEDICAL CENTER	\$130.00
	Invoice	Date	Description		Amount
	I-23096	04/30/2019	Medical exam		\$130.00
92773	06/07/2019			SPECTRUM BUSINESS	\$3,262.61
	Invoice	Date	Description		Amount
	0000178051919	05/19/2019	May internet service		\$3,262.61
			1000 - General Fund	\$1,304.31	
			2211 - ISF - Info Tech	\$1,958.30	
92774	06/07/2019			SPORT ABOUT GRAPHICS	\$1,357.58
	Invoice	Date	Description		Amount
	7876deposit	05/23/2019	Softball champion t-shirts (50% deposit)		\$242.80
	7873deposit	05/16/2019	Junior guards t-shirts (50% deposit)		\$1,114.78
92775	06/07/2019			SUMMIT UNIFORMS	\$508.01
	Invoice	Date	Description		Amount
	58287	04/05/2019	533 uniform		\$346.32
	57766	03/15/2019	566 pants		\$161.69
92776	06/07/2019			TPX COMMUNICATIONS	\$1,656.15
	Invoice	Date	Description		Amount
	116794948-0	05/23/2019	May phone service		\$1,656.15
			1000 - General Fund	\$830.54	
			2211 - ISF - Info Tech	\$825.61	
92777	06/07/2019			UNITED PARCEL SERVICE	\$6.90
	Invoice	Date	Description		Amount
	0000954791219	05/25/2019	Document shipping		\$6.90

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92778	06/07/2019			WHEELCHAIRS OF SAN MATEO & TECH	\$9,264.00
	Invoice	Date	Description		Amount
	00010411	04/05/2019	566 wheelchair		\$8,380.00
	00010947	04/16/2019	562 wheelchair cushion and cover		\$884.00
92779	06/07/2019			Kathi Howard	\$199.78
	Invoice	Date	Description		Amount
	KH060419	04/04/2019	Pictures and frames		\$199.78
Type Check Totals:					\$46,926.70
<u>EFT</u>					
783	06/04/2019			CalPERS Health Insurance	\$59,775.34
	Invoice	Date	Description		Amount
	1001331696	06/04/2019	June health insurance		\$59,775.34
			1000 - General Fund	\$2,749.55	
			1001 - Payroll Payables	\$57,025.79	
Type EFT Totals:					\$59,775.34
Library - Library					
<u>Check</u>					
129	06/07/2019			BOWMAN & WILLIAMS INC.	\$1,430.00
	Invoice	Date	Description		Amount
	13665	05/15/2019	Library surveying		\$1,430.00
			1360 - Library Fund		
130	06/07/2019			WEBER HAYES & ASSOCIATES INC.	\$3,769.94
	Invoice	Date	Description		Amount
	11993	01/30/2019	Library soil sampling		\$3,769.94
			1360 - Library Fund		
Type Check Totals:					\$5,199.94

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 7, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
CITY - Main City Totals				Counts	Totals
Checks				41	\$46,926.70
EFTs				1	\$59,775.34
All				42	\$106,702.04
Library - Library Totals					
Checks				2	\$5,199.94
EFTs				0	\$0.00
All				2	\$5,199.94
WELLS - Payroll Totals					
Checks				5	\$4,346.15
EFTs				94	\$159,266.27
All				99	\$163,612.42
Grand Totals:					
Checks				48	\$56,472.79
EFTs				95	\$219,041.61
All				143	\$275,514.40

Attachment: 6/7/19 City Check Register (Approval of City Check Registers)

City main account checks dated June 14, 2019, numbered 92780 to 92872 plus 5 EFTs, totaling \$308,746.30, and 1 Library check totaling \$2,655.00, for a grand total of \$311,401.30, have been reviewed and authorized for distribution by the City Manager.

As of June 14, 2019, the unaudited cash balance is \$6,318,858.05.

CASH POSITION - CITY OF CAPITOLA 6/14/19

	<u>Net Balance</u>
General Fund	\$2,199,398.34
Payroll Payables	\$42,497.97
Contingency Reserve Fund	\$2,036,345.66
Facilities Reserve Fund	\$404,433.06
Capital Improvement Fund	\$1,152,232.07
Stores Fund	\$38,378.84
Information Technology Fund	\$132,988.20
Equipment Replacement	\$258,125.89
Self-Insurance Liability Fund	\$52,004.01
Workers' Comp. Ins. Fund	\$155,437.54
Compensated Absences Fund	<u>(\$152,983.53)</u>
TOTAL UNASSIGNED GENERAL FUNDS	<u>\$6,318,858.05</u>

The Emergency Reserve Fund balance is \$1,344,205.54 (not included above).
The PERS Contingency Fund balance is \$853,211.30 (not included above).
The Library Fund balance is \$2,710,658.61 (not included above).



Jamie Goldstein, City Manager

6/17/19
Date



Jim Malberg, City Treasurer

6/17/19
Date

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92780	06/10/2019			KARL HEEBNER	\$2,250.00
	Invoice	Date	Description		Amount
	106	06/05/2019	June twilight concerts sound engineer		\$2,250.00
92781	06/10/2019			LISA M ALLEN	\$1,000.00
	Invoice	Date	Description		Amount
	G061219	06/10/2019	Twilight concert performance		\$1,000.00
92782	06/10/2019			DISASTER KLEENUP SPECIALISTS	\$65.00
	Licensee #	Date	Description		Amount
	3641	06/10/2019	Business license refund		\$65.00
92783	06/14/2019			2ND NATURE SOFTWARE INC.	\$7,138.56
	Invoice	Date	Description		Amount
	cc2019-2	06/05/2019	FY19-20 stormwater management software		\$7,138.56
92784	06/14/2019			A TOOL SHED	\$405.00
	Invoice	Date	Description		Amount
	1349818-5	05/23/2019	Excavator rental Depot Hill		\$405.00
92785	06/14/2019			ADVOCACY INC.	\$4,074.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$4,074.00
92786	06/14/2019			AMAZON CAPITAL SERVICES	\$223.33
	Invoice	Date	Description		Amount
	1NMF-G6Q4-NK3L	05/29/2019	Toner 2210 - ISF - Stores Fund		\$223.33
92787	06/14/2019			ARTS COUNCIL OF SANTA CRUZ COUNTY	\$529.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$529.50
92788	06/14/2019			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice	Date	Description		Amount
	47427	05/22/2019	May wharf meter reading 1311 - Wharf		\$40.00
92789	06/14/2019			AXCIENT	\$125.00
	Invoice	Date	Description		Amount
	FY19INEFI018482	05/31/2019	May AppAssure storage 2211 - ISF - Info Tech		\$125.00

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92790	06/14/2019			B & B SMALL ENGINE REPAIR	\$1,620.99
	Invoice	Date	Description		Amount
	420465	05/22/2019	Hedge trimmer, power scythe, pruning saw, oil, tools		\$1,559.52
	420427	05/22/2019	Rake, trimmer line		\$61.47
92791	06/14/2019			BIG BROTHERS BIG SISTERS OF SC COUNTY	\$1,531.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding 1305 - Restricted TOT		\$1,531.00
92792	06/14/2019			BIG CREEK LUMBER	\$111.89
	Invoice	Date	Description		Amount
	1149346	05/28/2019	Wharf entrance cedar split rail		\$22.19
	1147623	05/23/2019	Wharf entrance rail, split posts 1311 - Wharf		\$89.70
92793	06/14/2019			CABRILLO COLLEGE STROKE CENTER	\$3,802.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$3,802.50
92794	06/14/2019			CALIFORNIA GREY BEARS INC.	\$7,884.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$7,884.50
92795	06/14/2019			CALIFORNIA LAW ENFORCEMENT ASSOCIATION	\$514.50
	Invoice	Date	Description		Amount
	CLEA052119	05/21/2019	June POA long term disability 1001 - Payroll Payables		\$514.50
92796	06/14/2019			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,681.50
	Invoice	Date	Description		Amount
	POA060719	06/07/2019	POA and gym dues PPE 6/1/19 1001 - Payroll Payables		\$1,681.50
92797	06/14/2019			CASA OF SANTA CRUZ COUNTY	\$1,681.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding 1305 - Restricted TOT		\$1,681.00
92798	06/14/2019			CENTRAL COAST CENTER FOR INDEPENDENT LI	\$5,354.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$5,354.50

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92799	06/14/2019			COASTAL WATERSHED COUNCIL	\$851.28
	Invoice	Date	Description		Amount
	1722	04/30/2019	Stormwater education & outreach		\$851.28
92800	06/14/2019			COMMUNITY ACTION BOARD	\$732.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$732.00
92801	06/14/2019			COMMUNITY BRIDGES	\$50,283.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$49,792.00
	06102019	06/10/2019	Child Development Division community grant funding		\$491.00
			1000 - General Fund	\$49,792.00	
			1305 - Restricted TOT	\$491.00	
92802	06/14/2019			CONFLICT RESOLUTION CENTER OF SANTA CRL	\$1,705.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,705.50
92803	06/14/2019			CRYSTAL SPRINGS WATER CO.	\$379.50
	Invoice	Date	Description		Amount
	CSW053119	05/31/2019	May drinking water		\$379.50
92804	06/14/2019			DIENTES COMMUNITY DENTAL CARE	\$744.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$744.50
92805	06/14/2019			ENCOMPASS COMMUNITY SERVICES	\$7,899.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$4,024.00
	06102019	06/10/2019	Youth services counseling community grant funding		\$3,875.50
			1000 - General Fund	\$4,024.00	
			1305 - Restricted TOT	\$3,875.50	
92806	06/14/2019			EWING IRRIGATION	\$424.52
	Invoice	Date	Description		Amount
	7490430	05/22/2019	Deanes Lane irrigation and landscaping supplies		\$424.52
92807	06/14/2019			FAMILY SERVICE AGENCY OF THE CENTRAL CO.	\$6,238.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$6,238.00

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92808	06/14/2019			FARWEST NURSERY	\$35.96
	Invoice	Date	Description		Amount
	823913	05/23/2019	Wharf entrance bougainvillea 1311 - Wharf		\$35.96
92809	06/14/2019			FASTENAL COMPANY	\$1,293.88
	Invoice	Date	Description		Amount
	CASAT52541	04/30/2019	Winches, cutter drill bits, washers		\$636.73
	CASAT52608	04/30/2019	Cutting wheels		\$88.27
	CASAT52723	05/07/2019	Cutting drill bits		\$492.24
	CASAT52750	05/08/2019	Nuts, bolts, sling		\$76.64
92810	06/14/2019			FIRST SECURITY	\$344.93
	Invoice	Date	Description		Amount
	IN-0007209	06/05/2019	June Jade St. park patrol service		\$344.93
92811	06/14/2019			FIRST SECURITY	\$356.42
	Invoice	Date	Description		Amount
	IN-0007854	06/05/2019	June skate park patrol service		\$356.42
92812	06/14/2019			FLYERS ENERGY LLC	\$4,613.46
	Invoice	Date	Description		Amount
	19-913199	05/23/2019	486 gallons gasoline		\$2,082.81
	19-913201	05/23/2019	71 gallons diesel		\$289.06
	19-916773	05/30/2019	300 gallons gasoline		\$1,291.92
	19-916772	05/30/2019	222 gallons diesel		\$949.67
92813	06/14/2019			GARDAWORLD	\$201.55
	Invoice	Date	Description		Amount
	10491333	06/01/2019	June armored transportation service		\$201.55
92814	06/14/2019			GEORGE McMENAMIN	\$921.17
	Invoice	Date	Description		Amount
	2019-12	06/04/2019	Bay Street and Peery Park riparian restoration		\$921.17
92815	06/14/2019			GRANICUS LLC	\$1,190.70
	Invoice	Date	Description		Amount
	113406	06/01/2019	June legislative management software 1320 - PEG - Public Education and Govt		\$1,190.70

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92816	06/14/2019			HOME DEPOT CREDIT SERVICES	\$96.97
	Invoice	Date	Description		Amount
	5620822	05/28/2019	Carabiner, utility bag		\$10.08
	6612999	06/06/2019	Chain		\$19.27
	2080919	05/31/2019	Duct tape, zip ties		\$67.62
			1000 - General Fund	\$77.70	
			1310 - Gas Tax	\$19.27	
92817	06/14/2019			HOMELESS SERVICE CENTER OF SANTA CRUZ C	\$1,422.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,422.00
92818	06/14/2019			HOSE SHOP	\$235.11
	Invoice	Date	Description		Amount
	416494	05/29/2019	Sweeper solenoid coil, hose, parkoil, clamp		\$235.11
			1310 - Gas Tax		
92819	06/14/2019			HOSPICE of SANTA CRUZ COUNTY	\$853.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$853.00
92820	06/14/2019			HUMBOLDT PETROLEUM LLC	\$32.50
	Invoice	Date	Description		Amount
	088352	05/31/2019	May car wash service		\$32.50
92821	06/14/2019			ICMA RETIREMENT TRUST 457	\$7,420.17
	Invoice	Date	Description		Amount
	41762765	06/07/2019	Employee 457 contributions PPE 6/1/19		\$7,420.17
			1001 - Payroll Payables		
92822	06/14/2019			INCITERS MUSIC LLC	\$1,400.00
	Invoice	Date	Description		Amount
	TI061919	05/21/2019	Twilight concert performance 6/19		\$1,400.00
92823	06/14/2019			INTERSTATE ALL BATTERY CENTER	\$4.05
	Invoice	Date	Description		Amount
	1905501026322	04/23/2019	Additional sales tax on parking meter batteries		\$4.05
92824	06/14/2019			JAMES P ALLEN	\$405.00
	Invoice	Date	Description		Amount
	053119	05/31/2019	Wharf Rd. trees assessment, cabling direction for pine tree		\$405.00

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92825	06/14/2019			JIM CLARK	\$61.75
	Invoice	Date	Description		Amount
	51419	05/14/2019	Skate park backflow prevention device test		\$61.75
92826	06/14/2019			JOHNSON ROBERTS & ASSOCIATES INC.	\$15.00
	Invoice	Date	Description		Amount
	139636	05/02/2019	Employee background check		\$15.00
92827	06/14/2019			KBA Document Solutions LLC	\$615.03
	Invoice	Date	Description		Amount
	INV799889	06/03/2019	May copier usage charges		\$475.84
	INV799888	06/03/2019	May copier usage charges		\$139.19
			1000 - General Fund	\$13.02	
			2211 - ISF - Info Tech	\$602.01	
92828	06/14/2019			KINGS PAINT AND PAPER INC.	\$89.86
	Invoice	Date	Description		Amount
	A0283229	05/23/2019	Lifeguard tower painting supplies		\$73.95
	A0283228	05/23/2019	Lifeguard tower painting supplies		\$15.91
92829	06/14/2019			LABORMAX STAFFING	\$8,078.80
	Invoice	Date	Description		Amount
	26-107847	06/07/2019	Seasonal labor 6/3 - 6/7		\$2,769.50
	26-107559	05/31/2019	Seasonal labor 5/25 - 5/31		\$2,310.10
	26-107260	05/24/2019	Seasonal labor 5/18 - 5/24		\$2,999.20
92830	06/14/2019			LP POLICE	\$13.00
	Invoice	Date	Description		Amount
	519LP31150	05/31/2019	6 month premium search renewal		\$13.00
92831	06/14/2019			MACKAY METERS INC	\$226.80
	Invoice	Date	Description		Amount
	1053848	05/31/2019	May parking meter and credit card transaction fees		\$226.80
92832	06/14/2019			MID COUNTY AUTO SUPPLY	\$114.46
	Invoice	Date	Description		Amount
	MID-315799	05/21/2019	Wrenches		\$60.88
	MID-325115	05/29/2019	Rear view mirror		\$20.94
	MID-333948	06/04/2019	Hook and pick set, seal and o-ring remover		\$32.64

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92833	06/14/2019			MISSION LINEN SUPPLY	\$307.13
	Invoice	Date	Description		Amount
	509986280	05/29/2019	Fleet linen service & shop rags		\$36.16
	510033186	06/05/2019	Fleet linen service		\$36.16
	510060231	06/10/2019	PD mat service		\$55.23
	509986281	05/29/2019	Corp. Yard linen service		\$88.14
	509926565	05/22/2019	Corp. Yard linen service		\$91.44
92834	06/14/2019			MONARCH SERVICES	\$2,014.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$2,014.50
92835	06/14/2019			NATIVE ANIMAL RESCUE	\$637.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$637.00
92836	06/14/2019			NICHOLS CONSULTING ENGINEERS CHTD	\$9,005.00
	Invoice	Date	Description		Amount
	303085509	05/28/2019	Park Avenue storm damage slope repairs 1200 - Capital Improvement Fund		\$9,005.00
92837	06/14/2019			NUZ Inc. dba GOOD TIMES	\$529.00
	Invoice	Date	Description		Amount
	2019-334066	05/29/2019	Twilight concert advertisement		\$529.00
92838	06/14/2019			O'NEILL SEA ODYSSEY	\$1,562.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding 1305 - Restricted TOT		\$1,562.00
92839	06/14/2019			O'REILLY AUTO PARTS	\$30.50
	Invoice	Date	Description		Amount
	2763-454509	05/23/2019	Diesel exhaust fluid		\$30.50
92840	06/14/2019			PACIFIC GAS & ELECTRIC	\$15,590.05
	Invoice	Date	Description		Amount
	PGE051519-acct5	05/15/2019	May Pacific Cove parking lot utilities		\$942.14
	PGE041619-acct5	04/16/2019	April Pacific Cove parking lot utilities		(\$139.44)
	PGE052319-acct9	05/23/2019	May gas and electricity		\$14,787.35
			1000 - General Fund	\$5,455.69	
			1300 - SLESF - Supl Law Enfc	\$106.68	
			1310 - Gas Tax	\$7,712.00	
			1311 - Wharf	\$2,315.68	

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92841	06/14/2019			PALACE OFFICE SUPPLIES	\$272.55
	Invoice	Date	Description		Amount
	536757-0	06/06/2019	Paper		\$30.89
	536722-0	06/05/2019	Rubberbands		\$11.33
	535536-0	05/28/2019	Stamp		\$53.69
	535691-0	05/29/2019	Binders, tape, paper		\$174.80
	536761-0	06/06/2019	Ink pad		\$8.09
	C533748-0	05/16/2019	Return signature flags		(\$6.25)
			1000 - General Fund	\$42.22	
			2210 - ISF - Stores Fund	\$230.33	
92842	06/14/2019			PARENTS CENTER OF SANTA CRUZ	\$3,448.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$3,448.00
			1305 - Restricted TOT		
92843	06/14/2019			PITNEY BOWES	\$147.15
	Invoice	Date	Description		Amount
	1012913799	05/27/2019	Recreation postage machine rental		\$147.15
92844	06/14/2019			PROFORCE LAW ENFORCEMENT	\$1,329.80
	Invoice	Date	Description		Amount
	377905	05/29/2019	Taser		\$1,329.80
			1300 - SLESF - Supl Law Enfc		
92845	06/14/2019			ROYAL WHOLESALE ELECTRIC	\$376.37
	Invoice	Date	Description		Amount
	7719-645665	05/21/2019	High intensity discharge lamps (25), pliers		\$376.37
92846	06/14/2019			SAN LORENZO LUMBER	\$647.98
	Invoice	Date	Description		Amount
	55-0459457	05/28/2019	Padlocks (5)		\$131.40
	55-0459448	05/28/2019	Tee posts		\$98.00
	55-0458762	05/24/2019	Nuts, bolts, washers		\$58.63
	55-0458630	05/23/2019	Hammer, lifeguard tower lumber		\$114.88
	55-0457805	05/21/2019	Memorial bench lumber		\$32.07
	55-0457403	05/20/2019	Suspension system, tape, pad, lumber for floating docks		\$213.00
			1000 - General Fund	\$434.98	
			1311 - Wharf	\$213.00	
92847	06/14/2019			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$11,394.50
	Invoice	Date	Description		Amount
	SCC060519	06/05/2019	May citation processing		\$11,394.50

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City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92848	06/14/2019			SANTA CRUZ FIRE EQUIPMENT CO.	\$118.90
	Invoice	Date	Description		Amount
	104225	06/06/2019	Fire extinguisher service		\$118.90
92849	06/14/2019			SANTA CRUZ LIVE SCAN INC	\$630.00
	Invoice	Date	Description		Amount
	1180	06/01/2019	Recreation seasonal hire live scans		\$630.00
92850	06/14/2019			SANTA CRUZ MUNICIPAL UTILITIES	\$99.13
	Invoice	Date	Description		Amount
	SCMU052919	05/29/2019	Monthly water service for medians		\$99.13
92851	06/14/2019			SANTA CRUZ SENTINEL	\$451.20
	Invoice	Date	Description		Amount
	0001194277	05/31/2019	Park Ave. sidewalks project & public hearing notice		\$451.20
92852	06/14/2019			SANTA CRUZ TODDLER CARE CENTER	\$662.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$662.50
92853	06/14/2019			SECOND HARVEST FOOD BANK	\$5,546.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$5,546.00
92854	06/14/2019			SENIOR CITIZENS LEGAL SERVICES	\$5,391.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding 1305 - Restricted TOT		\$5,391.00
92855	06/14/2019			SENIOR NETWORK SERVICES INC.	\$1,360.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,360.00
92856	06/14/2019			SENIORS COUNCIL OF SC COUNTY	\$4,529.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$4,529.00
92857	06/14/2019			SPORT ABOUT GRAPHICS	\$272.77
	Invoice	Date	Description		Amount
	7875	05/23/2019	PW safety orange t-shirts		\$272.77

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92858	06/14/2019			SPRINT	\$6,041.18
	Invoice	Date	Description		Amount
	788070596-022	06/02/2019	May cell phone charges		\$3,000.97
	788070596-021	05/03/2019	April cell phone charges		\$3,040.21
92859	06/14/2019			STATE STEEL COMPANY	\$35.56
	Invoice	Date	Description		Amount
	125545	05/24/2019	Sheet metal for Esplanade park		\$35.56
92860	06/14/2019			T&T PAVEMENT MARKINGS AND PRODUCTS INC	\$2,486.01
	Invoice	Date	Description		Amount
	2019193	05/24/2019	2 gallons epoxy, 80 gallons white street paint 1310 - Gas Tax		\$2,486.01
92861	06/14/2019			THE CLEANING MACHINE INC.	\$2,680.00
	Invoice	Date	Description		Amount
	6331	05/24/2019	Sidewalk cleaning		\$2,680.00
92862	06/14/2019			THE DIVERSITY CENTER	\$568.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$568.50
92863	06/14/2019			UNITED PARCEL SERVICE	\$6.90
	Invoice	Date	Description		Amount
	0000954791239	06/08/2019	Document shipping		\$6.90
92864	06/14/2019			UNITED WAY OF SANTA CRUZ COUNTY	\$1,061.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,061.00
92865	06/14/2019			UNITED WAY OF SANTA CRUZ COUNTY	\$1,061.00
	Invoice	Date	Description		Amount
	06102019	06/10/2019	Community assessment project grant funding 1305 - Restricted TOT		\$1,061.00
92866	06/14/2019			US BANK PARS Acct 6746022400	\$335.04
	Invoice	Date	Description		Amount
	PARS060719	06/07/2019	PARS contributions PPE 6/1/19 1001 - Payroll Payables		\$335.04
92867	06/14/2019			VISTA CENTER FOR THE BLIND	\$1,007.00
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,007.00

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92868	06/14/2019			VOLUNTEER CENTERS OF SC COUNTY	\$1,705.50
	Invoice	Date	Description		Amount
	061019	06/10/2019	Community grant funding		\$1,705.50
92869	06/14/2019			Bruce Dunn	\$500.00
	Invoice	Date	Description		Amount
	18-0555	05/29/2019	Tree deposit refund		\$500.00
92870	06/14/2019			Ferrari Florist	\$70.90
	Invoice	Date	Description		Amount
	003232	05/31/2019	Flower arrangement		\$70.90
92871	06/14/2019			Ida Gourevitch	\$36.00
	Invoice	Date	Description		Amount
	244125531	06/10/2019	Citation refund		\$36.00
92872	06/14/2019			Santa Cruz County Bar Association	\$55.00
	Invoice	Date	Description		Amount
	828	05/30/2019	Ad for city legal services		\$55.00
Type Check Totals:					\$223,333.76
<u>EFT</u>					
784	06/13/2019			CalPERS Member Services Division	\$49,979.10
	Invoice	Date	Description		Amount
	1001338505-9	06/13/2019	PERS contributions PPE 6/1/19		\$49,979.10
			1000 - General Fund	(\$0.21)	
			1001 - Payroll Payables	\$49,979.31	
785	06/12/2019			EMPLOYMENT DEVELOPMENT DEPT	\$7,220.08
	Invoice	Date	Description		Amount
	1-990-869-696	06/12/2019	State taxes PPE 6/1/19		\$7,220.08
			1001 - Payroll Payables		
786	06/11/2019			INTERNAL REVENUE SERVICE	\$26,089.43
	Invoice	Date	Description		Amount
	34505861	06/11/2019	Federal taxes & Medicare PPE 6/1/19		\$26,089.43
			1001 - Payroll Payables		
787	06/10/2019			STATE DISBURSEMENT UNIT	\$1,232.76
	Invoice	Date	Description		Amount
	CAKPQJA6657	06/10/2019	Employee garnishments PPE 6/1/19		\$1,232.76
			1001 - Payroll Payables		

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 14, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
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788	06/11/2019			WELLS FARGO BANK	\$891.17
	Invoice	Date	Description		Amount
	WF061119	06/11/2019	Wells Fargo monthly bank charges		\$891.17

Type EFT Totals: \$85,412.54

Library - Library

Check

131	06/14/2019			BUTANO GEOTECHNICAL ENGINEERING	\$2,655.00
	Invoice	Date	Description		Amount
	4253	06/03/2019	Library construction phase observation & testing 1360 - Library Fund		\$2,655.00

Type Check Totals: \$2,655.00

CITY - Main City Totals	Count:	Total:
Checks	93	\$223,333.76
EFTs	5	\$85,412.54
All	98	\$308,746.30

Library - Library Totals	Count:	Total:
Checks	1	\$2,655.00
EFTs	0	\$0.00
All	1	\$2,655.00

Grand Totals:	Count:	Total:
Checks	94	\$225,988.76
EFTs	5	\$85,412.54
All	99	\$311,401.30

Attachment: 6/14/19 City Check Register (Approval of City Check Registers)



City main account checks dated June 21, 2019, numbered 92873 to 92934 plus 2 EFTs totaling \$74,375.32, 2 Library checks totaling \$23,861.32, and 11 Payroll checks plus 126 EFTs totaling \$191,251.61, for a grand total of \$289,488.25, have been reviewed and authorized for distribution by the City Manager.

As of June 21, 2019, the unaudited cash balance is \$6,161,526.75.

CASH POSITION - CITY OF CAPITOLA 6/21/19

	<u>Net Balance</u>
General Fund	\$827,325.54
Payroll Payables	\$177,134.92
Contingency Reserve Fund	\$2,036,345.66
Facilities Reserve Fund	\$449,433.06
Capital Improvement Fund	\$1,692,278.57
Stores Fund	\$47,641.49
Information Technology Fund	\$206,173.45
Equipment Replacement	\$387,375.89
Self-Insurance Liability Fund	\$154,191.41
Workers' Comp. Ins. Fund	\$231,640.79
Compensated Absences Fund	(\$48,014.03)
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$6,161,526.75</u></u>

The Emergency Reserve Fund balance is \$1,344,205.54 (not included above).
The PERS Contingency Fund balance is \$846,123.83 (not included above).
The Library Fund balance is \$2,710,478.79 (not included above).

 _____ Jamie Goldstein, City Manager	<u>6/21/19</u> _____ Date
 _____ Jim Malberg, City Treasurer	<u>6/24/19</u> _____ Date

Attachment: 6/21/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92873	06/15/2019			CUMBA C SIEGLER	\$65.00
	Invoice	Date	Description		Amount
	CS061019	06/10/2019	Instructor payment		\$65.00
92874	06/21/2019			A TOOL SHED	\$128.00
	Invoice	Date	Description		Amount
	1351046-5	05/28/2019	3" discharge hose (8)		\$128.00
92875	06/21/2019			ADVENTURE OUT LLC	\$900.00
	Invoice	Date	Description		Amount
	2002001	06/13/2019	Camp Capitola survival program balance due		\$900.00
92876	06/21/2019			ALLSAFE LOCK COMPANY	\$4.36
	Invoice	Date	Description		Amount
	51650	06/14/2019	Key tags		\$4.36
92877	06/21/2019			AMAZON CAPITAL SERVICES	\$611.50
	Invoice	Date	Description		Amount
	1NGF-TXYG-497Q	06/06/2019	Jr. guards radios		\$431.60
	1M4J-M773-LDXR	06/19/2019	Sunblock		\$134.87
	169W-73J4-LD1T	06/14/2019	Liquid spill absorbent powder		\$45.03
92878	06/21/2019			B & B SMALL ENGINE REPAIR	\$1,100.51
	Invoice	Date	Description		Amount
	422025	06/11/2019	Chain, tie downs		\$58.74
	422026	06/11/2019	Hedger repair, parts and labor		\$157.08
	422145	06/12/2019	Chain		\$104.43
	422239	06/13/2019	Tree trimming tools and supplies		\$701.94
	422558	06/17/2019	Chains, tie downs		\$78.32
92879	06/21/2019			BELSON OUTDOORS	\$2,426.45
	Invoice	Date	Description		Amount
	174498	05/10/2019	Trash can lids		\$2,426.45
92880	06/21/2019			BIG CREEK LUMBER	\$45.77
	Invoice	Date	Description		Amount
	1154625	06/05/2019	Lumber		\$45.77
92881	06/21/2019			BILL TASHNICK	\$78.00
	Invoice	Date	Description		Amount
	BT61519	06/15/2019	Softball umpire services 6/3, 6/5		\$78.00

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92882	06/21/2019			CA DEPARTMENT OF JUSTICE	\$896.00
	Invoice	Date	Description		Amount
	378544	06/05/2019	Jr. guards fingerprinting		\$896.00
92883	06/21/2019			CALIFORNIA COAST UNIFORM COMPANY	\$468.09
	Invoice	Date	Description		Amount
	7203	06/04/2019	518 uniform tailoring		\$67.00
	7204	06/05/2019	513 uniform tailoring		\$157.00
	7202	06/05/2019	523 uniform tailoring changes		\$15.00
	7206	06/05/2019	523 uniform		\$207.09
	7205	06/05/2019	566 uniform tailoring		\$22.00
92884	06/21/2019			COASTAL WATERSHED COUNCIL	\$814.61
	Invoice	Date	Description		Amount
	1734	05/31/2019	Stormwater education and outreach		\$814.61
92885	06/21/2019			COMMUNITY PRINTERS	\$1,667.98
	Invoice	Date	Description		Amount
	24833011	06/18/2019	BIA visitor's guide brochures 1321 - BIA - Capitola Village-Wharf BIA		\$1,667.98
92886	06/21/2019			COMMUNITY TREE SERVICE INC	\$3,200.00
	Invoice	Date	Description		Amount
	10885	04/16/2019	Corporation yard emergency tree service		\$3,200.00
92887	06/21/2019			CRAIG FAITEL	\$1,065.00
	Invoice	Date	Description		Amount
	02854	06/04/2019	Cortez & Jade St. park safety inspections		\$1,065.00
92888	06/21/2019			CVS PHARMACY INC.	\$212.68
	Invoice	Date	Description		Amount
	2999	06/15/2019	First aid supplies		\$171.85
	4640	06/11/2019	First aid supplies		\$40.83
92889	06/21/2019			D & G SANITATION	\$1,063.03
	Invoice	Date	Description		Amount
	261046	05/31/2019	Portable toilet rental - McGregor		\$252.65
	261047	05/31/2019	Portable toilet rental - Wharf		\$482.61
	261048	05/31/2019	Portable toilet rental - Esplanade		\$327.77
			1000 - General Fund	\$580.42	
			1311 - Wharf	\$482.61	

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92890	06/21/2019			DONALD W ALLEY	\$7,625.73
	Invoice	Date	Description		Amount
	619-01	06/15/2019	Monitored sand bar construction & lagoon, provided report		\$7,625.73
92891	06/21/2019			FASTENAL COMPANY	\$1,041.29
	Invoice	Date	Description		Amount
	CASAT52874	05/17/2019	Fleet supplies		\$355.67
	CASAT52905	05/20/2019	Cutters, hardware		\$371.59
	CASAT52911	05/20/2019	Hardware		\$18.63
	CASAT53010	05/24/2019	Fuel can, gloves		\$295.40
92892	06/21/2019			FIRST ALARM	\$239.10
	Invoice	Date	Description		Amount
	479896	06/15/2019	Alarm monitoring for evidence room		\$239.10
92893	06/21/2019			FLYERS ENERGY LLC	\$4,069.05
	Invoice	Date	Description		Amount
	19-920934	06/06/2019	245 gallons gasoline		\$1,011.76
	19-920953	06/06/2019	250 gallons diesel		\$1,080.93
	19-925230	06/14/2019	Fuel		\$1,782.48
	19-925299	06/14/2019	49 gallons diesel		\$193.88
92894	06/21/2019			FRED C. BEYERS	\$234.00
	Invoice	Date	Description		Amount
	FB053119	05/31/2019	Softball official 5/22 - 5/31		\$156.00
	FB061519	06/15/2019	Softball official services 6/3, 6/5		\$78.00

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92895	06/21/2019			HOME DEPOT CREDIT SERVICES	\$1,440.32
	Invoice	Date	Description		Amount
	5623696	06/17/2019	Table, trash bags, markers		\$87.01
	6623585	06/16/2019	Hose, power strip		\$39.19
	1622764	06/11/2019	Drill		\$162.41
	0352945	06/12/2019	Esplanade supplies		\$211.74
	0522898	06/12/2019	Buckets, brooms, dust pans		\$189.54
	0632549	06/12/2019	Ratchet		\$23.95
	1041696	06/11/2019	Lifeguard tower lumber, drill bits, loctite, chalk		\$40.94
	1613583	06/11/2019	Anti-skid pads, door plate, drill bits, bolts, mending plates		\$33.99
	2273942	05/21/2019	Chauk, impact drill bit and socket sets, trash cans		\$190.48
	2622661	06/10/2019	Tube cutter, hex wrench set, spigot, plumbing elbow		\$43.69
	2632231	06/10/2019	Drill bits		\$67.48
	5054238	06/07/2019	Car show supplies		\$32.63
	7034286	06/05/2019	Bandstand supplies		\$208.78
	7642170	06/05/2019	Bandstand swivel double pulleys		\$19.49
	9011709	06/13/2019	Lumber for Zelda's ADA ramp		\$9.09
	9064603	06/13/2019	Tool bag, black markers		\$38.60
	9522119	06/03/2019	Respirator, safety glasses, gloves		\$41.31
			1000 - General Fund	\$1,249.84	
			1311 - Wharf	\$190.48	
92896	06/21/2019			HYDROSCIENCE ENGINEERS INC.	\$2,160.00
	Invoice	Date	Description		Amount
	331010008	06/03/2019	Stormwater review 4199 Clares Street project #2019-0169		\$2,160.00
92897	06/21/2019			INTERSTATE ALL BATTERY CENTER	\$100.21
	Invoice	Date	Description		Amount
	643215	06/12/2019	Battery		\$100.21
92898	06/21/2019			INTERSTATE BATTERY SYSTEM OF SAN JOSE II	\$259.13
	Invoice	Date	Description		Amount
	50278456	06/12/2019	Batteries		\$259.13
92899	06/21/2019			INTERSTATE TRAFFIC CONTROL PRODUCTS	\$575.31
	Invoice	Date	Description		Amount
	231315	05/02/2019	Street painting supplies		\$575.31

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92900	06/21/2019			KIMLEY HORN AND ASSOCIATES INC	\$9,294.40
	Invoice	Date	Description		Amount
	13288887	02/28/2019	Brommer St. project management, construction documents		\$8,009.40
	13291434	02/28/2019	Park Ave. engineering services		\$1,285.00
			1200 - Capital Improvement Fund	\$1,285.00	
			1309 - RTC Streets	\$8,009.40	
92901	06/21/2019			KINGS PAINT AND PAPER INC.	\$186.09
	Invoice	Date	Description		Amount
	A0283524	05/31/2019	Paint, drop cloths, rollers, brushes		\$123.52
	A0283465	05/30/2019	Graffiti removal paint		\$62.57
92902	06/21/2019			MISSION LINEN SUPPLY	\$449.92
	Invoice	Date	Description		Amount
	510011172	06/03/2019	Community Center mop and mat service		\$78.06
	509811350	05/06/2019	Community Center mop and mat service		\$78.06
	509702813	04/22/2019	Community Center mop and mat service		\$78.06
	510080347	06/12/2019	Fleet linen service and shop towels		\$36.16
	510080348	06/12/2019	Corp. yard linen service		\$88.14
	510033187	06/05/2019	Corp. yard linen service & mats, towels		\$91.44
92903	06/21/2019			MONTEREY ONE WATER	\$380.00
	Invoice	Date	Description		Amount
	12936	05/03/2019	Regional storm water televised public service announcements		\$380.00
92904	06/21/2019			NUZ Inc. dba GOOD TIMES	\$1,466.00
	Invoice	Date	Description		Amount
	2019-326279	06/05/2019	Camp Capitola advertisng		\$350.00
	2019-326278	05/15/2019	Camp Capitola advertising		\$350.00
	2019-330319	05/08/2019	Skate-tola advertising		\$766.00
92905	06/21/2019			PACIFIC MONARCH	\$7,400.00
	Invoice	Date	Description		Amount
	51954	03/25/2019	FY19-20 Camp Capitola bus transportation for various events		\$7,400.00

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92906	06/21/2019			PALACE OFFICE SUPPLIES	\$536.96
	Invoice	Date	Description		Amount
	9609221-0	06/05/2019	Recreation center office supplies		\$164.38
	537453-0	06/12/2019	Paper		\$95.90
	537067-0	06/10/2019	Labels		\$49.85
	9610839-0	06/11/2019	Pens, pencils, binders		\$99.90
	9610950-0	06/12/2019	USB drive, card stock		\$28.33
	9611977-0	06/15/2019	Tissue paper, marker board, shrink film, binder clips, markers		\$98.60
			1000 - General Fund	\$487.11	
			2210 - ISF - Stores Fund	\$49.85	
92907	06/21/2019			PET PALS DISCOUNT PET SUPPLIES	\$189.06
	Invoice	Date	Description		Amount
	2127772	06/16/2019	K-9 supplies		\$189.06
92908	06/21/2019			PRAXAIR DISTRIBUTION INC.	\$470.22
	Invoice	Date	Description		Amount
	89540130	05/22/2019	Acetylene cylinder rental		\$118.50
	89424962	05/16/2019	Helmet, wire, flow regulator		\$351.72
92909	06/21/2019			RDO EQUIPMENT CO.	\$465.92
	Invoice	Date	Description		Amount
	P97363	06/13/2019	Lawn mower solenoids, switch		\$465.92
92910	06/21/2019			ROBERT M PATTERSON	\$150.00
	Invoice	Date	Description		Amount
	RMP061019	06/10/2019	3 parking citation administrative hearings		\$150.00
92911	06/21/2019			ROBIN H EVEREST	\$135.20
	Invoice	Date	Description		Amount
	RE061719	06/17/2019	Instructor payment		\$135.20
92912	06/21/2019			ROYAL WHOLESALE ELECTRIC	\$476.12
	Invoice	Date	Description		Amount
	7719-645680	05/21/2019	Low profile lights		\$74.56
	7719-645915	05/29/2019	Low profile lights		\$401.56
92913	06/21/2019			S&S WORLDWIDE INC.	\$619.38
	Invoice	Date	Description		Amount
	IN100154386	06/10/2019	Camp Capitola art supplies		\$619.38

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92914	06/21/2019			SAN LORENZO LUMBER	\$214.67
	Invoice	Date	Description		Amount
	55-0464557	06/17/2019	Orbital sander, stud finder, scratch pad		\$154.21
	55-0463046	06/11/2019	Shop supplies		\$60.46
92915	06/21/2019			SANTA CRUZ MUNICIPAL UTILITIES	\$85.23
	Invoice	Date	Description		Amount
	SCMU060519	06/05/2019	Monthly water service for medians		\$85.23
92916	06/21/2019			SERVPRO OF SANTA CRUZ	\$372.66
	Invoice	Date	Description		Amount
	546	06/04/2019	Biohazard cleaning service car #162		\$372.66
92917	06/21/2019			SPORT ABOUT GRAPHICS	\$778.56
	Invoice	Date	Description		Amount
	7879	06/06/2019	Sport staff t-shirts		\$478.72
	7883	06/07/2019	Camp Capitola coordinator t-shirts		\$299.84
92918	06/21/2019			STAPLES ADVANTAGE	\$246.52
	Invoice	Date	Description		Amount
	8054627861	06/08/2019	PD breakroom supplies, stamps		\$246.52
92919	06/21/2019			THE HOME DEPOT PRO	\$1,793.86
	Invoice	Date	Description		Amount
	492863402	05/17/2019	Restroom supplies		\$961.45
	493974885	05/24/2019	Restroom & cleaning supplies		\$832.41
92920	06/21/2019			TRACTOR SUPPLY COMPANY	\$113.59
	Invoice	Date	Description		Amount
	200252400	04/10/2019	Hand winch, pulleys		\$113.59
92921	06/21/2019			TRANSPORTATION ALLIANCE BANK INC.	\$1,674.81
	Invoice	Date	Description		Amount
	650986	06/06/2019	Sweeper blended filaments, G.B. set 1310 - Gas Tax		\$1,674.81
92922	06/21/2019			TruWest Inc.	\$406.10
	Invoice	Date	Description		Amount
	19545	06/13/2019	Jr. guard swim caps		\$406.10
92923	06/21/2019			UNITED RENTALS (NORTH AMERICA) INC.	\$195.35
	Invoice	Date	Description		Amount
	169741864-001	05/28/2019	Discharge hoses, wrench		\$195.35

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City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92924	06/21/2019			WATSONVILLE BLUEPRINT	\$25.67
	Invoice	Date	Description		Amount
	85837	06/10/2019	Dry weather diversion plans		\$25.67
92925	06/21/2019			WATSONVILLE POLICE DEPARTMENT	\$1,375.00
	Invoice	Date	Description		Amount
	R19-CPD-001	06/12/2019	February and March range use		\$1,375.00
92926	06/21/2019			WELLS FARGO BANK	\$9,632.19
	Invoice	Date	Description		Amount
	WF060319	06/03/2019	May credit card purchases		\$9,632.19
			Purchases over \$500 threshold:		
			Volunteer dinner	\$4,105.55	
			Lifesaving Manual	\$593.03	
			First aid training equipment	\$677.97	
			Special event insurance	\$2,275.95	
			1000 - General Fund	\$6,994.34	
			2213 - ISF - Self-Ins Liability	\$2,637.85	
92927	06/21/2019			WESTERN EXTERMINATOR COMPANY	\$121.00
	Invoice	Date	Description		Amount
	7061796	05/31/2019	City Hall rodent control		\$60.50
	7061797	05/31/2019	Cliff Dr. turnout rodent control		\$60.50
92928	06/21/2019			ZEE MEDICAL SERVICE CO.	\$99.20
	Invoice	Date	Description		Amount
	66584089	06/12/2019	PD first aid supplies		\$99.20
92929	06/21/2019			Adella Koenig	\$34.00
	Invoice	Date	Description		Amount
	2003680.002	06/10/2019	Class refund		\$34.00
92930	06/21/2019			Barbara Whitmore	\$36.00
	Invoice	Date	Description		Amount
	233125270	06/14/2019	Citation refund		\$36.00
92931	06/21/2019			Janet Russel	\$500.00
	Invoice	Date	Description		Amount
	19-0148	06/18/2019	Tree deposit refund 622 Riverview Ave.		\$500.00
92932	06/21/2019			Jonathan Roeloffs	\$500.00
	Invoice	Date	Description		Amount
	19-0205	06/18/2019	Tree deposit refund 809 Balboa Ave.		\$500.00

Attachment: 6/21/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
92933	06/21/2019			Lassen Community College	\$148.50
	Invoice	Date	Description		Amount
	LCC061819	06/18/2019	Basic law enforcement armorer school (3 officers)		\$148.50
92934	06/21/2019			Nancy Ginty	\$380.00
	Invoice	Date	Description		Amount
	233124761	06/14/2019	Citation refund		\$380.00
Type Check Totals:					\$73,443.30
<u>EFT</u>					
789	06/19/2019			EMPLOYMENT DEVELOPMENT DEPT	\$244.92
	Invoice	Date	Description		Amount
	2-087-379-648	06/19/2019	State taxes for employee final paycheck 1001 - Payroll Payables		\$244.92
790	06/18/2019			INTERNAL REVENUE SERVICE	\$687.10
	Invoice	Date	Description		Amount
	75081791	06/18/2019	Federal taxes & Medicare employee final paycheck 1001 - Payroll Payables		\$687.10
Type EFT Totals:					\$932.02
Library - Library					
<u>Check</u>					
132	06/21/2019			BOWMAN & WILLIAMS INC.	\$555.00
	Invoice	Date	Description		Amount
	13729	06/12/2019	Library site surveying to locate overhead power lines 1360 - Library Fund		\$555.00
133	06/21/2019			NOLL AND TAM ARCHITECTS	\$23,306.32
	Invoice	Date	Description		Amount
	0058277	05/31/2019	Library mileage, interiors FF&E, construction administration 1360 - Library Fund		\$23,306.32
Type Check Totals:					\$23,861.32

Attachment: 6/21/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 21, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
CITY - Main City Totals				Count:	Total:
Checks				62	\$73,443.30
EFTs				2	\$932.02
All				64	\$74,375.32
Library - Library Totals					
Checks				2	\$23,861.32
EFTs				0	\$0.00
All				2	\$23,861.32
WELLS - Payroll Totals					
Checks				11	\$10,240.94
EFTs				126	\$181,010.67
All				137	\$191,251.61
Grand Totals:					
Checks				75	\$107,545.56
EFTs				128	\$181,942.69
All				203	\$289,488.25

Attachment: 6/21/19 City Check Register (Approval of City Check Registers)

City main account checks dated June 28, 2019, numbered 92935 to 93021 plus 5 EFTs totaling \$268,162.21, 3 Library checks totaling \$317,590.19, and 1 Payroll check totaling \$7,245.05, for a grand total of \$592,997.45, have been reviewed and authorized for distribution by the City Manager.

As of June 28, 2019, the unaudited cash balance is \$5,899,863.20.

CASH POSITION - CITY OF CAPITOLA 6/28/19

	<u>Net Balance</u>
General Fund	\$676,634.95
Payroll Payables	\$67,176.81
Contingency Reserve Fund	\$2,036,345.66
Facilities Reserve Fund	\$449,433.06
Capital Improvement Fund	\$1,692,278.57
Stores Fund	\$46,675.67
Information Technology Fund	\$206,124.42
Equipment Replacement	\$387,375.89
Self-Insurance Liability Fund	\$154,191.41
Workers' Comp. Ins. Fund	\$231,640.79
Compensated Absences Fund	(<u>\$48,014.03</u>)
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$5,899,863.20</u></u>

The Emergency Reserve Fund balance is \$1,344,205.54 (not included above).
The PERS Contingency Fund balance is \$846,123.83 (not included above).
The Library Fund balance is \$2,392,888.60 (not included above).



Jamie Goldstein, City Manager

6/28/19
Date



Jim Malberg, City Treasurer

6/28/19
Date

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
92935	06/24/2019			AMAZON CAPITAL SERVICES	\$39
	Invoice	Date	Description		Amount
	1NXP-4VH4-VF1W	06/16/2019	Table skirts		\$39.18
92936	06/24/2019			AT&T	\$9
	Invoice	Date	Description		Amount
	ATT060119	06/01/2019	June long distance charges		\$9.12
			1000 - General Fund	\$4.48	
			2211 - ISF - Infor Tech	\$4.64	
92937	06/24/2019			AT&T/CALNET 3	\$463
	Invoice	Date	Description		Amount
	000013189464	06/13/2019	June telephone service		\$463.08
			1000 - General Fund	\$453.07	
			2211 - ISF - Info Tech	\$10.01	
92938	06/24/2019			AT&T/CALNET 3	\$889
	Invoice	Date	Description		Amount
	000013190132	06/13/2019	June T-1 access		\$889.28
92939	06/24/2019			ATCHISON BARISONE & CONDOTTI	\$14,786
	Invoice	Date	Description		Amount
	ABC061019	06/10/2019	May city attorney services		\$14,786.77
92940	06/24/2019			CADILLAC DESIGNS INC.	\$568
	Invoice	Date	Description		Amount
	8378	06/02/2019	Twilight concert banner and design service		\$568.00
92941	06/24/2019			CLASSIFIED SOUND	\$1,500
	Invoice	Date	Description		Amount
	190626Adeposit	06/05/2019	Twilight concert sound engineer deposit		\$1,500.00
92942	06/24/2019			COMMUNITY TELEVISION OF SANTA CRUZ COUNTY	\$770
	Invoice	Date	Description		Amount
	2673	06/18/2019	May televised meetings		\$770.00
92943	06/24/2019			CYNTHIA LARSON	\$1,000
	Invoice	Date	Description		Amount
	CL062119	06/21/2019	Twilight concert performance 6/26		\$1,000.00
92944	06/24/2019			FIRST SECURITY	\$382
	Invoice	Date	Description		Amount
	IN-0007855	06/05/2019	June Esplanade patrol service		\$382.50

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
92945	06/24/2019			HOUSING AUTHORITY OF SCC	\$2,828
	Invoice	Date	Description		Amount
	19-11 COC HAP	06/14/2019	Homeless Action Partnership cost share		\$2,828.00
92946	06/24/2019			KATHY D'ANGELO	\$400
	Invoice	Date	Description		Amount
	000V-05212019	06/10/2019	Museum interview services		\$400.00
92947	06/24/2019			KBA Document Solutions LLC	\$43
	Invoice	Date	Description		Amount
	INV804190	06/13/2019	June copier usage charges		\$34.38
	INV803807	06/12/2019	June copier usage charges		\$9.57
			1000 - General Fund	\$9.57	
			2211 - ISF - Info Tech	\$34.38	
92948	06/24/2019			MADLINE C HORN	\$701
	Invoice	Date	Description		Amount
	034	06/12/2019	Begonia festival - cataloging and organizing museum artifacts		\$701.00
92949	06/24/2019			NUZ Inc. dba GOOD TIMES	\$529
	Invoice	Date	Description		Amount
	2019-334067	06/05/2019	Twilight concert advertising		\$529.00
92950	06/24/2019			SINGING WOOD MARIMBA	\$400
	Invoice	Date	Description		Amount
	SWM062119	06/21/2019	Art and Music at the Beach performance 6/30		\$400.00
92951	06/24/2019			US BANK EQUIPMENT FINANCE	\$288
	Invoice	Date	Description		Amount
	387500556	06/13/2019	PD copier lease		\$288.85
92952	06/24/2019			US BANK EQUIPMENT FINANCE	\$481
	Invoice	Date	Description		Amount
	387255821	06/11/2019	City Hall & Recreation copier leases		\$481.78
			1000 - General Fund	\$25.80	
			2210 - ISF - Stores Fund	\$455.98	
92953	06/24/2019			US BANK EQUIPMENT FINANCE	\$103
	Invoice	Date	Description		Amount
	387255698	06/11/2019	Recreation copier lease		\$103.55

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
92954	06/25/2019			CalPERS Fiscal Services Division	\$60,000
	Invoice	Date	Description		Amount
	PERS062519	06/25/2019	OPEB trust contribution FY18/19		\$60,000.00
92955	06/28/2019			AFLAC	\$1,705
	Invoice	Date	Description		Amount
	219628	06/25/2019	June supplemental insurance 1001 - Payroll Payables		\$1,705.46
92956	06/28/2019			ALLSAFE LOCK COMPANY	\$3
	Invoice	Date	Description		Amount
	51707	06/19/2019	Locker key		\$3.27
92957	06/28/2019			ALWAYS UNDER PRESSURE	\$573
	Invoice	Date	Description		Amount
	89758	04/22/2019	Hose reel		\$573.77
92958	06/28/2019			AMAZON CAPITAL SERVICES	\$671
	Invoice	Date	Description		Amount
	1K6G-G693-LPLN	06/19/2019	2 way radios		\$215.80
	1WW3-44WV-G969	06/26/2019	Footballs, volleyballs, equipment bag, pinnies		\$456.07
92959	06/28/2019			ARCHIVES & ARCHITECTURE LLC	\$1,400
	Invoice	Date	Description		Amount
	AA05172019	05/17/2019	#18-0278 207 Saxon Avenue historic review		\$1,400.00
92960	06/28/2019			AUTOMATION TEST ASSOCIATES	\$40
	Invoice	Date	Description		Amount
	47519	06/22/2019	June wharf meter reading 1311 - Wharf		\$40.00
92961	06/28/2019			BAY PHOTO LAB	\$29
	Invoice	Date	Description		Amount
	14407480	06/17/2019	Photo prints for museum		\$29.83
92962	06/28/2019			BIOBAG AMERICAS INC.	\$2,380
	Invoice	Date	Description		Amount
	464910	06/13/2019	Dog waste bags		\$2,380.00
92963	06/28/2019			BRINKS AWARDS & SIGNS	\$582
	Invoice	Date	Description		Amount
	81259	06/14/2019	Jr Guard award ribbons		\$582.08

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transac Amc
92964	06/28/2019			CALE AMERICA INC.	\$2,830
	Invoice	Date	Description		Amount
	154567	05/31/2019	May active meters		\$1,829.00
	154898	06/17/2019	Antenna and modem upgrade		\$1,003.61
92965	06/28/2019			CALIFORNIA BUILDING OFFICIALS	\$45
	Invoice	Date	Description		Amount
	3574	06/20/2019	Building Inspector job posting		\$45.00
92966	06/28/2019			CALIFORNIA COAST UNIFORM COMPANY	\$590
	Invoice	Date	Description		Amount
	7224	06/18/2019	VIP uniform		\$107.60
	7223	06/18/2019	532 uniform		\$191.79
	6952	06/18/2019	532 uniform		\$294.14
92967	06/28/2019			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,680
	Invoice	Date	Description		Amount
	POA062119	06/21/2019	POA and gym dues PPE 6/15/19 1001 - Payroll Payables		\$1,681.50
92968	06/28/2019			CODE PUBLISHING COMPANY INC.	\$170
	Invoice	Date	Description		Amount
	63784	06/07/2019	Municipal code web update		\$175.50
92969	06/28/2019			CVS PHARMACY INC.	\$200
	Invoice	Date	Description		Amount
	0304	06/19/2019	Camp supplies		\$206.75
92970	06/28/2019			CYNTHIA LARSON	\$400
	Invoice	Date	Description		Amount
	CL051519	05/15/2019	Art and Music at the Beach performance		\$400.00
92971	06/28/2019			DOUG PENNY	\$80
	Invoice	Date	Description		Amount
	DP062419	06/24/2019	Instructor payment		\$83.20
92972	06/28/2019			EVERBRIDGE INC	\$4,200
	Invoice	Date	Description		Amount
	M44308	06/17/2019	Nixil upgrade 1300 - SLESF - Supl Law Enfc		\$4,200.00

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transac Amc
92973	06/28/2019			EWING IRRIGATION	\$39
	Invoice	Date	Description		Amount
	7588767	06/05/2019	Irrigation supplies		\$258.21
	7643003	06/12/2019	Caution tape, tree stakes		\$134.22
92974	06/28/2019			EXTREME TOWING	\$22
	Invoice	Date	Description		Amount
	014289	06/10/2019	Tow to Corporation Yard		\$225.00
92975	06/28/2019			FERGUSON ENTERPRISES INC 795	\$6
	Invoice	Date	Description		Amount
	6723516	06/07/2019	Paste, urn spuds		\$41.46
	6730385	06/12/2019	Tubing		\$18.70
92976	06/28/2019			FLYERS ENERGY LLC	\$2,37
	Invoice	Date	Description		Amount
	19-925220	06/13/2019	450 gallons gasoline		\$1,811.52
	19-925218	06/13/2019	134 gallons diesel		\$567.07
92977	06/28/2019			FRANCHISE TAX BOARD	\$6
	Invoice	Date	Description		Amount
	607119956-1	05/08/2019	Earnings withholding order for taxes 1001 - Payroll Payables		\$66.85
92978	06/28/2019			HANYA FOJACO	\$1,50
	Invoice	Date	Description		Amount
	HF062419	06/24/2019	Instructor Payment		\$1,501.50
92979	06/28/2019			HELEN PETERSON	\$7
	Invoice	Date	Description		Amount
	HP062419	06/24/2019	Instructor payment		\$74.10
92980	06/28/2019			HO KUK MU SUL CORPORATION	\$6
	Invoice	Date	Description		Amount
	HKMS062419	06/24/2019	Instructor payment		\$63.70

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amount
92981	06/28/2019			HOME DEPOT CREDIT SERVICES	\$650
	Invoice	Date	Description		Amount
	4065274	06/18/2019	Fleet supplies		\$30.48
	620015	05/23/2019	Spray paint		\$4.34
	632561	06/12/2019	Sanding belts and discs		\$53.46
	1064315	06/11/2019	Specialty saw blade		\$52.29
	2050281	06/20/2019	Painting supplies for grafitti coverup		\$18.85
	3037841	04/30/2019	Galvanized tension wire		\$29.43
	3065386	06/19/2019	Screwdrivers, dremel blade, right angle adaptor		\$39.68
	4512128	06/18/2019	Bungee cords, gloves		\$8.65
	4512532	04/09/2019	Gloves, sand paper		\$24.95
	6034324	06/06/2019	Level, snips, chisel, bolts, screws		\$74.62
	7615132	06/25/2019	Painting supplies, cleaning supplies		\$89.33
	7621713	04/26/2019	Wallplate, screwdrivers, GFCI outlet		\$34.00
	8012057	04/25/2019	Pipes, straps, bucket, rope		\$37.01
	8631378	04/05/2019	Vacuum filter		\$30.49
	9061896	04/04/2019	Gloves		\$5.43
	8061084	05/15/2019	Glass cleaner, chrome wire		\$117.67
			1000 - General Fund	\$613.67	
			1311 - Wharf	\$37.01	
92982	06/28/2019			HUMBOLDT PETROLEUM LLC	\$32
	Invoice	Date	Description		Amount
	088386	06/15/2019	Car wash service		\$32.50
92983	06/28/2019			ICMA RETIREMENT TRUST 457	\$7,567
	Invoice	Date	Description		Amount
	41765118	06/21/2019	457 contributions PPE 6/15/19		\$7,567.77
			1001 - Payroll Payables		
92984	06/28/2019			INTERSTATE ALL BATTERY CENTER	\$68
	Invoice	Date	Description		Amount
	643219	06/21/2019	Batteries		\$68.13
92985	06/28/2019			INTERSTATE TRAFFIC CONTROL PRODUCTS	\$184
	Invoice	Date	Description		Amount
	232271	06/20/2019	Street markers		\$184.80
92986	06/28/2019			JOHANNA WEINSTEIN	\$680
	Invoice	Date	Description		Amount
	AJ062419	06/24/2019	Instructor payment		\$680.55

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
92987	06/28/2019			KARL HEEBNER	\$1,900
	Invoice	Date	Description		Amount
	107	07/03/2019	July Twilight Concert sound services		\$1,900.00
92988	06/28/2019			LABORMAX STAFFING	\$7,534
	Invoice	Date	Description		Amount
	26-108156	06/14/2019	Public works seasonal labor		\$3,458.60
	26-108473	06/21/2019	Public works seasonal labor		\$4,075.50
92989	06/28/2019			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA	\$2,424
	Invoice	Date	Description		Amount
	CIGNA063019	06/21/2019	June disability and life insurance		\$2,424.53
			1000 - General Fund	(\$0.12)	
			1001 - Payroll Payables	\$2,424.65	
92990	06/28/2019			LIUNA PENSION FUND	\$958
	Invoice	Date	Description		Amount
	DL1067	06/21/2019	June LIUNA pension dues		\$958.80
			1001 - Payroll Payables		
92991	06/28/2019			MAR-KEN K-9 TRAINING CENTER	\$240
	Invoice	Date	Description		Amount
	0236-19	06/19/2019	June K-9 training		\$240.00
92992	06/28/2019			MID COUNTY AUTO SUPPLY	\$11
	Invoice	Date	Description		Amount
	MID-352074	06/17/2019	Sealant		\$11.95
92993	06/28/2019			MILLER'S TRANSFER & STORAGE CO.	\$223
	Invoice	Date	Description		Amount
	91150	06/08/2019	June record storage and May warehouse handling		\$223.50
92994	06/28/2019			MISSION LINEN SUPPLY	\$311
	Invoice	Date	Description		Amount
	510159323	06/24/2019	PD mat service		\$55.23
	509966545	05/27/2019	PD mat service		\$55.23
	510128148	06/19/2019	Fleet linen service		\$36.16
	510128149	06/19/2019	Corp. Yard linen service		\$169.78
92995	06/28/2019			NANCY ELLEN GALLOWAY	\$103
	Invoice	Date	Description		Amount
	NG062419	06/24/2019	Instructor payment		\$103.35

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
92996	06/28/2019			NANCY HOWELLS	\$27
	Invoice	Date	Description		Amount
	NH062419	06/24/2019	Instructor payment		\$27.30
92997	06/28/2019			O'REILLY AUTO PARTS	\$87
	Invoice	Date	Description		Amount
	2763-460565	06/19/2019	Wiper blades, exhaust fluid		\$87.09
92998	06/28/2019			PACIFIC GAS & ELECTRIC	\$15,269
	Invoice	Date	Description		Amount
	PGE061919-acct9	06/19/2019	Monthly utilities		\$14,279.02
	PGE061319-acct0	06/13/2019	Wharf Road Rispin Mansion utilities		\$9.97
	PGE061419-acct5	06/14/2019	Pacific Cove parking lot utilities		\$988.37
	PGE041419-acct0	04/14/2019	Wharf Road Rispin Mansion utilities		(\$17.74)
	PGE051419-acct0	05/14/2019	Wharf Road Rispin Mansion utilities		\$10.29
			1000 - General Fund	\$6,053.21	
			1300 - SLESF - Supl Law Enfc	\$111.11	
			1310 - Gas Tax	\$6,643.35	
			1311 - Wharf	\$2,462.24	
92999	06/28/2019			PALACE OFFICE SUPPLIES	\$209
	Invoice	Date	Description		Amount
	538462-0	06/21/2019	File storage box, document covers		\$117.38
	538136-0	06/19/2019	Pens, sanitizer		\$67.77
	9613495-0	06/21/2019	Printer ink		\$20.82
			1000 - General Fund	\$20.82	
			2210 - ISF - Stores Fund	\$185.15	
93000	06/28/2019			PHOENIX GROUP INFORMATION SYSTEMS	\$4,658
	Invoice	Date	Description		Amount
	052019070	06/13/2019	May citation process		\$4,658.45
93001	06/28/2019			PITNEY BOWES	\$324
	Invoice	Date	Description		Amount
	PB061919	06/19/2019	City Hall postage machine equipment and service		\$324.69
			2210 - ISF - Stores Fund		
93002	06/28/2019			PREFERRED BENEFIT INSURANCE ADMIN.	\$5,261
	Invoice	Date	Description		Amount
	EIA28615	06/01/2019	June dental and vision insurance		\$5,261.80
			1000 - General Fund	(\$21.30)	
			1001 - Payroll Payables	\$5,283.10	

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City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transac Amc
93003	06/28/2019			ROYAL WHOLESALE ELECTRIC	\$21.79
	Invoice	Date	Description		Amount
	7719-646530	06/12/2019	GFCI outlet		\$21.79
93004	06/28/2019			SAN LORENZO LUMBER	\$10.46
	Invoice	Date	Description		Amount
	55-0464575	06/17/2019	Wharf lumber		\$10.46
93005	06/28/2019			SANTA CRUZ APTOS AUTO TOWING	\$528.66
	Invoice	Date	Description		Amount
	10881	06/13/2019	Evidence tow 19c-00964		\$278.66
	10791	05/16/2019	Lift wharf ramp		\$125.00
	10836	05/23/2019	Lower wharf ramp		\$125.00
			1000 - General Fund	\$278.66	
			1311 - Wharf	\$250.00	
93006	06/28/2019			SANTA CRUZ COUNTY OFFICE OF EDUCATION	\$30.00
	Invoice	Date	Description		Amount
	19474	06/13/2019	Employee fingerprinting		\$30.00
93007	06/28/2019			SC Swimming CAFL	\$111.80
	Invoice	Date	Description		Amount
	QSC062419	06/24/2019	Instructor payment		\$111.80
93008	06/28/2019			SENTINEL PRINTERS INC.	\$508.01
	Invoice	Date	Description		Amount
	303181	06/24/2019	Temporary no parking signs		\$508.01
93009	06/28/2019			SOQUEL CREEK WATER DISTRICT	\$2,308.05
	Invoice	Date	Description		Amount
	SCWD052019	05/30/2019	May water service		\$2,308.05
	SCWD05202019	05/20/2019	May water service		\$386.29
93010	06/28/2019			THE CLEANING MACHINE INC.	\$570.00
	Invoice	Date	Description		Amount
	6345	06/04/2019	Sidewalk cleaning		\$570.00

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transact Amo
93011	06/28/2019			THE HOME DEPOT PRO	\$2,358
	Invoice	Date	Description		Amount
	496310442	06/10/2019	Public restroom supplies		\$1,084.82
	496587486	06/11/2019	Bulk handwash		\$244.47
	496587494	06/11/2019	Public restroom supplies		\$940.46
	496750001	06/11/2019	Bulk hand soap		\$261.86
	467844049	12/06/2018	Return soap dispensers		(\$173.24)
93012	06/28/2019			TODD C MORGAN	\$1,000
	Invoice	Date	Description		Amount
	TM062819	05/21/2019	Twilight concert performance		\$1,000.00
93013	06/28/2019			TOYOTA OF SANTA CRUZ	\$534
	Invoice	Date	Description		Amount
	225251	06/20/2019	2011 Camry blower motor repair		\$534.68
93014	06/28/2019			UNITED PARCEL SERVICE	\$53
	Invoice	Date	Description		Amount
	0000954791259	06/22/2019	Document shipping		\$53.23
93015	06/28/2019			UNITED STATES POSTAL SERVICE	\$1,401
	Invoice	Date	Description		Amount
	USPS936	06/10/2019	Bulk permit #7013 postage refill		\$1,401.60
93016	06/28/2019			UNITED WAY OF SANTA CRUZ COUNTY	\$30
	Invoice	Date	Description		Amount
	UW060119	06/21/2019	June employee contributions 1001 - Payroll Payables		\$30.00
93017	06/28/2019			UPEC LIUNA LOCAL 792	\$1,187
	Invoice	Date	Description		Amount
	UPEC060119	06/01/2019	June UPEC dues 1001 - Payroll Payables		\$1,187.50
93018	06/28/2019			US BANK PARS Acct 6746022400	\$2,084
	Invoice	Date	Description		Amount
	PARS062119	06/21/2019	PARS contributions PPE 6/15/19 1001 - Payroll Payables		\$2,084.71

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transac Amc
93019	06/28/2019			VERIZON WIRELESS	\$2,894
	Invoice	Date	Description		Amount
	9827912786	04/10/2019	April telephone charges		(\$46.75)
	9829890829	05/10/2019	May telephone charges		\$490.00
	981866739	06/10/2019	June telephone charges		\$2,451.38
93020	06/28/2019			Rebecca Connolly	\$500
	Invoice	Date	Description		Amount
	18-069	06/21/2019	Refund tree deposit #18-069		\$500.00
93021	06/28/2019			COMPLETE MAILING SERVICE INC.	\$6,667
	Invoice	Date	Description		Amount
	4373	04/30/2019	Summer recreation brochure mailing		\$1,467.02
	4552	06/25/2019	Summer recreation brochure postage - bulk permit #200		\$5,200.00
Type Check Totals:					\$180,469
<u>EFT</u>					
791	06/26/2019			EMPLOYMENT DEVELOPMENT DEPT	\$7,497
	Invoice	Date	Description		Amount
	1-008-440-000	06/26/2019	State taxes PPE 6/15/19 1001 - Payroll Payables		\$7,497.62
792	06/26/2019			INTERNAL REVENUE SERVICE	\$28,283
	Invoice	Date	Description		Amount
	4399619	06/26/2019	Federal taxes and Medicare PPE 6/15/19 1001 - Payroll Payables		\$28,283.78
793	06/27/2019			CalPERS Member Services Division	\$50,543
	Invoice	Date	Description		Amount
	PERS062119	06/27/2019	PERS contributions PPE 6/15/19 1000 - General Fund (\$0.24) 1001 - Payroll Payables \$50,543.46		\$50,543.22
794	06/24/2019			STATE DISBURSEMENT UNIT	\$1,232
	Invoice	Date	Description		Amount
	TFBWI686657	06/24/2019	Garnishments PPE 6/15/19 1001 - Payroll Payables		\$1,232.76
795	06/25/2019			DISCOVERY BENEFITS	\$135
	Invoice	Date	Description		Amount
	0001019870-IN	05/31/2019	May COBRA and FSA		\$135.00
Type EFT Totals:					\$87,699

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)

City Checks Issued June 28, 2019

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transac Amc
Library - Library					
<u>Check</u>					
134	06/28/2019			BOGARD CONSTRUCTION INC.	\$6,760
	Invoice	Date	Description		Amount
	160707-33	05/31/2019	Project Mgmt Services-Construction of Capitola Branch Library 1360 - Library Fund		\$6,760.00
135	06/28/2019			JOHN F OTTO INC ESCROW NO 02-701154	\$15,541.51
	Invoice	Date	Description		Amount
	13181retainer	06/14/2019	Library construction retainer 1360 - Library Fund		\$15,541.51
136	06/28/2019			OTTO CONSTRUCTION INC.	\$295,288.68
	Invoice	Date	Description		Amount
	13181	06/14/2019	Library construction services 1360 - Library Fund		\$295,288.68
Type Check Totals:					\$317,590
CITY - Main City Totals					
				Count:	Tt
Checks				87	\$180,460
EFTs				5	\$87,690
All				92	\$268,150
Library - Library Totals					
Checks				3	\$317,590
EFTs				0	\$0
All				3	\$317,590
WELLS - Payroll Totals					
Checks				1	\$7,240
EFTs				0	\$0
All				1	\$7,240
Grand Totals:					
Checks				91	\$505,300
EFTs				5	\$87,690
All				96	\$592,990

Attachment: 6/28/19 City Check Register (Approval of City Check Registers)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Public Works Department

SUBJECT: Update on the Capitola Branch Library Project

RECOMMENDED ACTION: Receive report.

BACKGROUND: Since April with the end of the winter rains, construction progress has picked up. In the past three months more than 10 percent of the project has been completed. Regarding the undergrounding of utilities, schematic layout plans have been submitted to PG&E and staff is awaiting the estimate of costs and time to complete the construction drawings. Staff anticipates utility undergrounding construction will take place later this fall. Negotiations with the design team regarding responsibility for the undergrounding costs are ongoing.

DISCUSSION: The contractor, Otto Construction, has almost completed the foundation systems and is currently installing the on-site underground utilities connections such as water, sewer, and gas. With completion of this work, it is anticipated that the slab on-grade foundation will be poured on July 25, 2019. If this schedule holds, the wall layout will be completed by the end of the month and the steel columns set by August 9, 2019. Construction of the wall systems will then commence. The weekly owner, architect, and contractor meetings have continued to address any questions or issues that can be resolved in advance.

Contract change order No. 3 was issued in the amount of \$46,514. This change order included both value engineering efforts and also added extra work items to address some unanticipated conditions such as unsuitable material in the backfill and system changes and upgrades. All value engineering efforts have now been completed with a total value saved of \$847,724, which is approximately \$100,000 over the target amount. Eight contract payments made have been made in the total amount of \$1,983,194. Attachment 1 is a summary of the change order values and Attachment 2 is breakdown of Change Order No. 3.

Original Contract Award:	\$12,325,000
VE Change Orders	\$ (847,724)
<u>Additive Items</u>	<u>\$ 157,797</u>
Current Contract Value	\$11,635,073

% Complete 14.6%

All change orders issued have been in compliance with the adopted Field Order and Change Order Policy adopted for this project and no Council action is required at this time.

Construction is currently anticipated to be completed in May 2020 with the opening in mid-summer.

Library Update
July 25, 2019

FISCAL IMPACT: The contract remains on budget with a current contingency of \$838,000.

ATTACHMENTS:

1. Library Value Engineering and CCO Tracking as of June 10, 2019
2. Library CCO 3 details

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/19/2019

Apparent Low Bid (Otto Construction)	\$ 12,325,000.00
Construction Budget	\$ 9,988,330.00
Delta	\$ (2,336,670.00)

Item	Description	Estimated Savings (Approved Items for Incorporation into Project)	Change Order #1 (Approved)	Change Order #2 (Approved)	Change Order #3 (Approved)
1	Consider using a pre-manufactured ceiling system (Rulon).	\$ 52,000			\$ 51,91
2	Review changing to slab-on-grade. - Adjust grading, reduce footing and stem wall sizes - Revise mechanical system - Delete soil export - Delete fire sprinklers in crawl space.	\$ 413,604	\$ 427,321		
7	Delete full-height tile and maintain tile floor and wainscot.	\$ 39,650			\$ 46,25
8	Consider fireplace substitution to "Da Vinci." Review "Cool Glass." Make one-sided only.				\$ 23,15
15	Review change exterior tile pattern and simplify layout and detailing (standard sizes).				\$ 8,27
16A	Reduce plant spacing/quantity in parking lot - \$10K savings goal.				\$ 6,04
24	Allow alternate light fixture package. - Different manufacturers, not different types of lights	\$ 100,000		\$ 88,296	
25	Delete automated window and their connection to BMS. - All operable windows remain, however they are now all manual	\$ 94,750		\$ 93,737	
26	Reduce and/or eliminate conduit runs for data cabling in ceiling - use j-hooks (ring and string). - Not visible since it all occurs above ceiling	\$ 7,500		\$ 7,650	
31	Allow use of rectangle ducts to round ducts. - Might impact finish ceiling height	\$ 20,000	\$ 91,872		
33	Delete voice evacuation requirement for fire alarm system.	\$ 5,000			\$ -
36	Simplify signage package (10%). - Material substitution for room id signs - Some of the exterior signs from Stainless steel to clear coated Aluminum				\$ 14,00
37	Delete window shades. - Reduced quantity of window shades	\$ 7,000			\$ 4,91
45	City provides Builder's Risk Insurance.	\$ 65,000	\$ 65,000		
	Bid Add Alt for concrete donation pavers.	\$ (18,000)	\$ (18,000)		
		\$ (50,000)			
		\$ 11,000			
		\$ 10,000			
	V.E. Target	\$ 757,504			
	V.E. Actual (Total V.E. Change Order 1, Change Order 2 and Change Order 3)	\$ 910,424	\$ 566,193	\$ 189,683	\$ 154,54
	Change Order 3 - Add V.E. Items Related to V.E.	\$ (62,700)			\$ (62,70
	V.E. Total (including V.E. related adds)	\$ 847,724			
	Difference between V.E. Target and V.E. Total	\$ 90,220			
OTHER ITEMS					
	Additional cost saving to electrical work associated with HVAC system redesign.			\$ 15,589	
	Otto's Contribution to project web-cam.			\$ 2,800	
	Otto Construction preconstruction costs (August 2018 thru December 2018).			\$ (34,960)	
	Minor electrical adds due to clarification (one Type E8, one GFI and two each 60A and 30A disconnects).			\$ (2,864)	
	Premium for single mechanical equipment manufacturer (Daiken).			\$ (19,435)	
	MEP changes and upgrades				\$ (109,36
	Unanticipated Conditions				\$ (28,99
	Change Order 1		\$ 566,193		
	Change Order 2			\$ 170,248	
	Change Order 3				\$ (46,51

Attachment: Library Value Engineering and CCO Tracking as of June 10, 2019 (Library Update)

Cost Time

Change Order 3 - V. E. Items

Bulletin 1	8/31/18	PCO 1.1R1	Use of Pre-Manufacturer Ceiling	\$ (51,919.00)	0
Bulletin 1	8/31/18	PCO 1.8	Fireplace substitution to Da Vinci. Make one-sided only.	\$ (23,151.00)	0
Bulletin 1	8/31/18	PCO 1.15	Change exterior tile to other material (Prodema?) - simplify layout, use standard sizes and detailing.	\$ (8,272.00)	0
Bulletin 1	8/31/18	PCO 1.16A	Reduce plant spacing quantity in parking lot - \$10K savings goal. Costs included in PCO 1.16B R1	\$ (6,045.00)	0
Bulletin 1	8/31/18	PCO 1.7 R2	Delete full-height tile in restrooms, maintain tile floor and wainscot. Delete tile in door walls. Delete tile from Room 112. Eliminate full-height tile splash in the staff lounge, and Community Room kitchen, and replace with 6" solid surface splash (in the counter-top material), and paint the remainder.	\$ (46,251.00)	0
Bulletin 1	8/31/18	PCO 1.36	Simplify signage package (10%).	\$ (14,000.00)	0
Bulletin 1	8/31/18	PCO 1.37	Reduce quantity of manual window shades - Delete manual roller shades in Room 107, southwest elevation, Room 107, east elevation, Room 110, north elevation, Room 121, north elevation, and Room 123, north elevation.	\$ (4,910.00)	0
Total V.E. Credits				\$ (154,548.00)	0

Change Order 3 - Add Items Related to V.E.

Bulletin 3	11/28/18	PCO 4	Mechanical Scope Additions for Bulletin #3 and MEP, Glazing & Book Stack Scope Additions for Bulletin #4, single source manufacturer (Daikin) for major Mechanical Systems, Daikin iTouch Manager, remote sensors for Central Control of HVAC, Window interlocks to iTouch Manager including two remote switches at Reception Desk, motorized and manual operable windows that are to coordinate with the mechanical controls system, revise library shelves and end panels. Also includes added costs from the plumbing subcontractor to revised sanitary sewer system to be underground and for plumbing fixture costs increases.	\$ 62,700.00	0
Total Add Itmes Related to V.E.				\$ 62,700.00	

Change Order 3 - Systems Upgrades (Includud in PCO 4)

Bulletin 4	1/10/19	PCO 4	Premium for Single Manufacturer of Mechanical Equipment (Daiken)	\$ 55,321.00	
Bulletin 4	1/10/19	PCO 4	Added Central Control Panel Unit	\$ 11,193.00	
Bulletin 4	1/10/19	PCO 4	Added Window Operators	\$ 42,853.00	
Total Systems Upgrade				\$ 109,367.00	0

Change Order 3 - Unanticipated Conditions

SCWD Email	3/6/19	PCO 3	Remove Transite Pipe in Wharf Road - Conflict with New Water Connection	\$ 6,000.00	0
			Non-Compensable Increase to Contract Time - Weather Impacts	\$ -	51
		PCO 4	Non-VE Items included in PCO 4 - glazing and book stack scope additions for Bulletin #4, revise library shelves and end panels, revise sanitary sewer system to be underground, plumbing fixture costs increases, add back operable windows, and window vendor material increases and tariffs.	\$ 22,995.00	
Total Unanticipated Conditions				\$ 28,995.00	51

TOTAL CHANGE ORDER 3 \$ 46,514.00 51

Attachment: Library CCO 3 details (Library Update)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Consider Community Grant Review Contract

RECOMMENDED ACTION: Authorize the City Manager to enter into a contract with Optimal Solution Consulting in the amount not to exceed \$7,000 to review the City's Community Grant Program.

BACKGROUND: The City of Capitola, through the Community Grant Program, has funded more than 35 agencies and almost 50 programs. Over the past few grant cycles, the City has made changes to the administration and funding of the program, including dedicating a portion of the Transitory Occupancy Tax to fund early childhood and youth programs.

During the annual budget process, the City Council requested that the Capitola Community Grant program be reviewed by an outside consultant. The Council budgeted \$7,000 for this project.

The City published a Request for Qualifications (RFQ) for the project and received four responses. Mayor Bertrand, Vice Mayor Peterson, and the City Manager met as a subcommittee to review the submittals. The subcommittee selected two consultants to present their proposed scope of work.

DISCUSSION: Based on the response to the RFQ and presentation, the subcommittee agreed that Optimal Solutions Consulting (OSG) was the most qualified consultant to perform the review. OSG has extensive experience with grant programs and is very familiar with the local non-profit landscape.

OSG has proposed a review of the City's Community Grant program that will begin around August 15, 2019 and will be completed by the end of 2019. The proposed workplan will include a review of the current program, meetings with stakeholders, a report with recommendations, and a presentation to the Council subcommittee and the full Council.

FISCAL IMPACT: The not-to-exceed amount for this contract is \$7,000 and is included in the current 2019/2020 budget.

ATTACHMENTS:

1. OSG Community Grant Review Agreement

Report Prepared By: Larry Laurent
Assistant to the City Manager

Community Grant Review
July 25, 2019

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/18/2019

CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT
 Community Grants Program Review
 Optimal Solution Consulting

THIS AGREEMENT is entered into on July 25, 2019, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Optimal Solutions Consulting, 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 Community Grants Program Review 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 Larry Laurent, 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 if 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:

- The date Consultant completes the services required by this Agreement, as agreed by the City; or
- The date either party terminates the Agreement as provided below.

Work shall begin on or about August 15, 2019.

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 and for 1 year thereafter, 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 General 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, and Employer's Liability Insurance.

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. Employer's Liability Insurance | \$1,000,000 per accident for bodily injury and property damage. |

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
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 except after prior written notice has been given to the City.

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.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Capitola** for all work performed by the Contractor, its employees, agents and subcontractors.

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

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the City, its directors, officers, employees from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as defined in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of the City.

For Design Professional Services under Civil Code §2782.8: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the City, its directors, officers, and employees from and against any and all claims, demands, actions, liabilities, damages, or expenses (including attorneys' fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees, or agents in any way related to the obligations or in the performance of design professional services under this Agreement as defined in Civil Code §2782.8, except where caused by the sole or active negligence, or willful misconduct of the City. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8. and against all claims, damages, losses, and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, Consultant's employees, agents or subcontractors, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

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:

Professional Services Agreement July 25, 2019
Community Grants Program Review
Optimal Solutions Consulting
Page 7

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

CONSULTANT
Optimal Solutions Consulting
831.594.1498

By: _____
Benjamin Goldstein, City Manager

By: _____
Nicole Young, MSW Owner/Principal

Dated: _____

Dated: _____

Attachment: OSG Community Grant Review Agreement (Community Grant Review)

APPENDIX ONE Scope of Services

1. Consultant Tasks & Timeline

Review background materials on City of Capitola's Community Grants (common application, grantee applications and reports).

- How does the grants committee decide which applications to fund and how much?
- What has been the expectation about data/outcomes historically?
- How has that information been used by the City?
- What "story" do you want to be able to tell about Capitola's investments?

Plan and facilitate meeting(s) with stakeholder groups and/or key informant interviews (KIIs).

- Who: grantees, staff, and City Council representatives; other funders?
- What input would be most useful from each type of stakeholder?
- Are there particular process changes you're considering or want to explore?
- How much do you want to consider existing frameworks/tools?
- What is your "risk tolerance" level – i.e. any change is likely to generate some support as well as resistance. How big of a change is the City willing to consider?

Develop report with recommendations.

- Draft + 1 round of editing based on feedback from staff

Present final recommendations.

- Prep slide deck
- 1-hour meeting with staff and Council subcommittee
- Present to City Council

Tasks	Project Timeline: 8/15/19 – 12/31/19			
Review background materials	4 hrs			
Stakeholder meeting(s) and/or KIIs		20 hrs		
Draft recommendations			12 hrs	
Present final recommendations				4 hrs

2. Project Timeframe

Consultants' tasks are anticipated to begin on 8/15/19 and be completed by 12/31/19. Projected number of hours devoted to each task are listed in the table above, but actual billable number of hours per activity may vary as the project progresses.

APPENDIX TWO Fees and Payments

For the services performed, City will pay consultant on an hourly basis with a not-to-exceed amount. Payments will be issued monthly as charges accrue, the sum of consultant's salary expenses and non-salary expenses.

Consultant hereby represents and warrants, based upon Consultant's independent determination of the time and labor, including overtime, which will be required to perform said services, that Consultant will provide all said services at a cost which will not exceed the maximum price set forth in this agreement for Consultant's services. Consultant hereby assumes the risk that Consultant will perform said services within this maximum price constraint and Consultant acknowledges that its inability to do so shall not excuse completion of the services and shall not provide a basis for additional compensation.

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 this appendix. 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.

Salary payment for personnel time will be made at the rates set forth in this appendix for all time charged to the project. Consultant shall not charge the City for personnel overtime salary at rates higher than those set forth without the City's prior written authorization.

The Consultant shall bill the City at an hourly rate of \$175.00. In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$7000.00 (Seven Thousand Dollars and Zero Cents), 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 hours charged to the project. 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."



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Consider a Resolution Approving Recreation Job Classifications

RECOMMENDED ACTION: Consider a Resolution approving new Recreation job classifications for Afterschool Coordinator and Afterschool Leader and amending the Part-Time/Seasonal Pay Schedule.

BACKGROUND: At its June 13, 2019, City Council Meeting, Council adopted a budget that included a new afterschool program operated by Capitola Recreation Division and hosted at New Brighton Middle School. This new program included a staff plan of one coordinator and four leaders.

DISCUSSION: Staff created job descriptions for the Afterschool Coordinator and Afterschool Leader positions that reflect the duties anticipated for the new program (Attachments 1 and 2).

The Part-Time/Seasonal Pay Schedule will also need to be amended to include the two new positions. These two jobs are considered part-time/seasonal and are not represented by a bargaining unit (Attachment 3).

FISCAL IMPACT: These new positions are included in the adopted 2019/2020 budget.

ATTACHMENTS:

1. Afterschool Coordinator Job Description (PDF)
2. Afterschool Leader Job Description (PDF)
3. Part-Time/Seasonal Pay Schedule (PDF)

Report Prepared By: Nikki Bryant LeBlond
Recreation Supervisor

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

7/18/2019

Recreation Staff Addition
July 25, 2019

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPROVING NEW CLASSIFICATIONS OF AFTERSCHOOL COORDINATOR AND
AFTERSCHOOL LEADER, AND ADDING THE POSITIONS TO THE PART-TIME/SEASONAL
PAY SCHEDULE EFFECTIVE JULY 28, 2019**

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the personnel officer, and authorizes him to prepare class specifications that shall become effective upon Council approval; and

WHEREAS, the Capitola City Council approved the concept of an afterschool program in partnership with New Brighton Middle School; and

WHEREAS, the creation of the Afterschool Coordinator and Afterschool Leader positions is necessary to meet this goal; and

WHEREAS, the new job descriptions for Afterschool Coordinator and Afterschool Leader as Exhibit "A" and Exhibit "B" are herein incorporated by reference; and

WHEREAS, the Part-Time/Seasonal Pay Schedule adopted on December 13, 2018, in Resolution No. 4134 must be updated to include the Afterschool Coordinator and Afterschool Leader; and this update is included as Exhibit "C."

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby approve the new job description for the classification of Afterschool Coordinator and Afterschool Leader, which will be placed in the Part-Time/Seasonal group non-exempt.

NOW, THEREFORE, BE IT FUTHER RESOLVED, that the City Council of the City of Capitola hereby repeals Resolution No. 4134 in its entirety and declares the attached Part-Time/Seasonal Pay Schedule will take effect July 28, 2019.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 25th day of July, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jacques Bertrand, Mayor

ATTEST:

Linda Fridy, City Clerk

Job Description
Afterschool Coordinator
Part-Time/Seasonal

GENERAL PURPOSE

Plans, organizes and coordinates Teen Club, an afterschool recreation program at New Brighton Middle School, under the supervision of the Capitola Recreation Department administration. The Coordinator will: train, schedule and supervise afterschool staff; order and maintain equipment and supplies as related to the program; work with staff to plan, organize and implement activities; coordinate daily use and maintenance of utilized facilities; develop a weekly calendar of events; handle problems, complaints, and conflicts; complete all required paperwork; work closely with the Recreation Department's administration.

REQUIRED QUALIFICATIONS

- Any combination of education and/or background in recreational or educational programs for children or teens
- Experience supervising staff and providing feedback for performance improvement
- Ability to understand and carry out oral and written directions
- Ability to communicate effectively with children, parents, and provide direction for staff
- Ability to follow the program guidelines and perform to standard
- A safe driving record as determined by the City's Personnel Department
- Perform effectively in situations requiring disciplinary or emergency action;
- All applicants must be fingerprinted.
- Proof of negative tuberculosis test or clear chest X-ray must be presented within 14 days of hire - No exceptions.

DESIRABLE QUALIFICATIONS

- Ability to design and implement afterschool programs
- Ability to be versatile, flexible, friendly, cooperative, and willing to learn new skills
- Possess a valid California driver's license.
- Current Basic First Aid and C.P.R. certification or ability to obtain
- Training or experience in working with children with special needs.

Job Description
Afterschool Leader
Part-Time/Seasonal

GENERAL PURPOSE

Under the supervision of the Afterschool Coordinator, the Afterschool Leader will act as an instructor and activity leader an afterschool recreation program at New Brighton Middle School, under the supervision of the Capitola Recreation Department administration. Instructors will help design, organize, implement and supervise a variety of activities for middle school youth, including but not limited to sports, arts, technology, performance and youth leadership.

REQUIRED QUALIFICATIONS

- Any combination of education and/or background in recreational or educational programs for children
- Experience working in direct supervision and implementing activities for youth and teens
- Ability to enthusiastically plan and lead activities
- Ability to communicate effectively with youth, parents and other staff
- Ability to understand and carry out oral and written directions
- Ability to perform effectively in situations requiring disciplinary or emergency action
- Ability to follow the program guidelines and perform to standard
- Must be 18 years of age or older
- All applicants must be fingerprinted
- Proof of negative tuberculosis test or clear chest X-ray must be presented within 14 days of hire - No exceptions.

DESIRABLE QUALIFICATIONS

- Current Basic First Aid and C.P.R. certification or ability to obtain
- Ability to be versatile, flexible, friendly, cooperative, and willing to learn new skills
- Training or experience in working with children with special needs

Part-Time/Seasonal Pay Schedule

Updated July 28,2019 (Minimum wage \$12.00/hour)				
POSITION	0	1	2	3
Afterschool Leader	\$14.59	\$15.32	\$16.08	\$16.89
Afterschool Coordinator	\$21.55	\$22.63	\$23.76	\$24.95
Camp Capitola Assistant Leader	\$12.00	\$12.60	\$13.23	
Camp Capitola Leader	\$13.89	\$14.59	\$15.32	\$16.08
Camp Capitola Jr. Leader Coordinator	\$16.89	\$17.73	\$18.62	\$19.55
Camp Capitola Coordinator	\$20.52	\$21.55	\$22.63	\$23.76
Intern	\$15.25	\$16.01	\$16.81	\$17.65
Jr. Lifeguard Assistant Instructor	\$12.00	\$12.60	\$13.23	
Beach Lifeguard/Jr. Lifeguard Instructor	\$15.21	\$15.98	\$16.77	\$17.61
JG Coordinator/Lead City Lifeguard	\$19.81	\$20.80	\$21.85	\$22.94
Beach Lifeguard Captain	\$30.50	\$32.03	\$33.63	\$35.31
Recreation Facility Assistant	\$13.75	\$14.44	\$15.16	\$15.92
Seasonal Maintenance	\$13.75	\$14.44	\$15.16	\$15.92
Sports Scorekeeper	\$13.75	\$14.44	\$15.16	\$15.92
POSITION				
Retired Annuitant Officer	Salary will be equivalent to the position for which the individual is working in as per the CALPERS regulations.			
	However, retired Capitola Police Officers who apply and are accepted as Annuitant Officers will be paid an hourly wage consistent with Step F of the Police Officer salary			
Reserve Officer Level I	Automatically adjusts to 20% below the Police Officer Pay Scale			
Reserve Officer Level II	Automatically adjusts to 20% below the Level I Reserve Officer Pay Scale			
Seasonal Recreation Assistant	Salary will be equivalent to the position of Recreation Assistant			
Art and Cultural Assistant	Salary will be equivalent to the position of Administrative Assistant			



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department

SUBJECT: Second Reading of an Ordinance Amending Title 5, Business Taxes, Licenses and Regulations, and Title 8, Health and Safety, of the Capitola Municipal Code Pertaining to Prohibiting Sales of Flavored Tobacco Products

RECOMMENDED ACTION: Adopt an Ordinance adding Municipal Code Chapter 5.38 Tobacco Retailer License Required, amending 8.38.120, and relocating 8.38.130 Regulating the Sale of Tobacco Products.

BACKGROUND: During its April 25, 2019, public hearing, the City Council directed staff to prepare an ordinance creating Capitola Municipal Code (CMC) Chapter 5.38 - Tobacco Retailer License (TRL) regulating retail sales of tobacco products and banning the sale of all flavored tobacco and flavored tobacco products in the City of Capitola. At the same time Council supported an update to related current municipal code language.

DISCUSSION: The public hearing for the first reading of the ordinance was held at the June 27 regular City Council meeting. The Council received public comment both in favor of and against the law, and then passed the ordinance to a second reading and final approval.

In addition to creating a new local TRL program, the proposed ordinance amends CMC Chapter 8.38 to update language for section 8.38.120 to reference current state law and relocate section 8.38.130 to the new portion of Chapter 5. The code will be updated to reflect the state minimum age of 21 for the purchase of tobacco products. If adopted, this ordinance will take effect January 1, 2020.

FISCAL IMPACT: None.

Report Prepared By: Linda Fridy
City Clerk

Second Reading Flavored Tobacco Ban and TRL
July 25, 2019

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/19/2019

Second Reading Flavored Tobacco Ban and TRL
July 25, 2019

ORDINANCE NO. ____

**AN ORDINANCE AMENDING SECTION 8.38.120 OF THE CAPITOLA MUNICIPAL CODE,
REPEALING SECTION 8.38.130 OF THE CAPITOLA MUNICIPAL CODE AND ADDING
CHAPTER 5.38 OF THE CAPITOLA MUNICIPAL CODE (TOBACCO RETAILING
LICENSING)**

The Capitola City Council hereby finds and declares the following:

WHEREAS, approximately 480,000 people die in the United States from smoking-related diseases and exposure to secondhand smoke every year, making tobacco use the nation's leading cause of preventable death; and

WHEREAS, tobacco use continues to be an urgent public health issue, as evidenced by the following:

- 40,000 California adults die from their own smoking annually;
- More than 25% of all adult cancer deaths in California are attributable to smoking;
- Smoking costs California \$13.29 billion in annual health care expenses, \$3.58 billion in Medicaid costs, and \$10.35 billion in productivity losses;
- Tobacco use can cause disease in nearly all of the organs of the body and is responsible for 87% of lung cancer deaths, 32% of coronary heart disease deaths, and 79% of all cases of chronic obstructive pulmonary disease in the United States; and

WHEREAS, the federal Family Smoking Prevention and Tobacco Control Act ("Tobacco Control Act"), enacted in 2009, prohibited candy- and fruit-flavored cigarettes, largely because these flavored products are marketed to youth and young adults, and younger smokers were more likely than older smokers to have tried these products; and

WHEREAS, flavored tobacco products are commonly sold by California tobacco retailers. For example: 97.4% of stores that sell cigarettes sell menthol cigarettes; 94.5% of stores that sell little cigars sell them in flavored varieties; 84.2% of stores that sell electronic smoking devices sell flavored varieties; and 83.8% of stores that sell chew or snuff sell flavored varieties; and

WHEREAS, each day, approximately 2,500 children in the United States try their first cigarette; and another 8,400 children under 18 years of age become new regular, daily smokers. 81% of youth who have ever used a tobacco product report that the first tobacco product they used was flavored. Candy flavored tobacco products promote youth initiation of tobacco and help young occasional smokers to become daily smokers by reducing or masking the natural harshness and taste of tobacco smoke and thereby increasing the appeal of tobacco products; and

WHEREAS, data from the National Youth Tobacco Survey indicates that more than two-fifths of U.S. middle school and high school smokers report using flavored little cigars or flavored cigarettes. Further, the Centers for Disease Control and Prevention has reported a more than 800% increase in electronic cigarette use among middle school and high school students between 2011 and 2015. Nicotine solutions, which are consumed via electronic smoking devices

Second Reading Flavored Tobacco Ban and TRL
July 25, 2019

such as electronic cigarettes, are sold in thousands of flavors that appeal to youth, such as cotton candy, and bubble gum; and

WHEREAS, it is appropriate to repeal Section 8.38.130 (Regulating the Sale of Tobacco Products) of the Capitola Municipal Code, and address the issues covered by that section in Chapter 5.38 (Tobacco Retailing License); and

WHEREAS, it is appropriate to include certain provisions of Chapter 5.38 of the Capitola Municipal Code to restrict the sale of flavored tobacco products;

NOW THEREFORE the City Council of the City of Capitola hereby ordains as follows:

SECTION I

Section 8.38.120 of the Capitola Municipal Code is hereby amended as follows:

F. Businesses that sell tobacco products shall visibly post signs at each entrance to any premises on which any tobacco product is offered for sale, plainly visible from outside the premises, which state the current fine for buying tobacco or e-cigarettes for anyone under 21 in letters at least one-half inch tall, and which cite California Penal Code Section 308(a). These signs shall be updated to conform to any subsequent state or federal requirements and/or amendments to Penal Code Section 308(a). (Ord. 1000 § 1 (part), 2015; Ord. 980 § 4, 2013; Ord. 771, 1994. Formerly 8.38.110)

SECTION 2

Section 8.38.130 of the Capitola Municipal Code is hereby repealed.

SECTION 3

Chapter 5.38 of the Capitola Municipal Code is hereby added to read as follows:

Chapter 5.38 TOBACCO RETAILER LICENSE

Sections:

- 5.38.010 Definitions.
- 5.38.020 Tobacco retailer license – Violations.
- 5.38.030 Limits on tobacco retail license.
- 5.38.040 Application procedure.
- 5.38.050 Issuance of tobacco retail license.
- 5.38.060 License renewal and expiration.
- 5.38.070 License nontransferable.
- 5.38.080 License Fee.
- 5.38.090 Penalty assessment or license revocation by Chief of Police.
- 5.38.100 Notice of intended decision.
- 5.38.110 Procedure for hearing before the City Manager.
- 5.38.120 Decision of the City Manager.
- 5.38.130 Appeal to Council.
- 5.38.140 Tobacco retailing without a license – Seizure.
- 5.38.150 Enforcement.
- 5.38.160 Notice.

5.38.010 Definitions.

The following words and phrases, whenever used in this chapter, shall have the meanings defined in this section unless the context clearly requires otherwise:

- (a) “Characterizing flavor” means a taste or aroma, other than the taste or aroma of tobacco, imparted either prior to or during consumption of a tobacco product or any byproduct produced by the tobacco product, including, but not limited to, tastes or aromas relating to menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, or spice; provided, however, that a tobacco product shall not be determined to have a characterizing flavor solely because of the use of additives or the provision of ingredient information.
- (b) “Drug paraphernalia” shall have the definitions set forth in California Health and Safety Code Section [11014.5](#), as that section may be amended from time to time.
- (c) “Electronic smoking device” means an electronic device that can be used to deliver an inhaled dose of nicotine, or other substances, including any component, part, or accessory of such a device, whether or not sold separately. “Electronic smoking device” includes any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, or any other product name or descriptor.
- (d) “Flavored Tobacco Product” means any tobacco product or tobacco paraphernalia that imparts a characterizing flavor.
- (e) “Person” shall mean any natural person, partnership, cooperative association, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.
- (f) “Proprietor” shall mean a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ten (10%) percent or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person can or does have or share ultimate control over the day-to-day operations of a business.
- (g) “Tobacco paraphernalia” shall mean cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines, and any other item designed for the smoking, preparation, storing, or consumption of tobacco products.
- (h) “Tobacco product” shall mean:
 - i. Any product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including but not limited to cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, snuff; and
 - ii. Any electronic smoking device.
 - iii. Notwithstanding any provision of subsections (i) and (ii) to the contrary, “tobacco product” includes any component, part, or accessory intended or reasonably

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expected to be used with a tobacco product, whether or not sold separately. “Tobacco product” does not include drugs, devices, or combination products authorized for sale by the United States Food and Drug Administration.

- (i) “Tobacco retailer” shall mean any person or business who sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia, or who distributes free or low-cost samples of tobacco products or tobacco paraphernalia. “Tobacco retailing” shall mean the doing of any of these things. This definition is without regard to the quantity of tobacco, tobacco products, or tobacco paraphernalia sold, offered for sale, exchanged, or offered for exchange.

5.38.020 Tobacco retailer license – Violations.

- (a) It shall be unlawful for any person to act as a tobacco retailer, or to display or advertise the sale of tobacco products or tobacco paraphernalia, without obtaining and maintaining a valid tobacco retailer’s license pursuant to this chapter for each location at which that activity is to occur.
- (b) Tobacco retailing by persons on foot or from vehicles is prohibited.
- (c) Each tobacco retailer license shall be prominently displayed in a publicly visible location at the licensed location.

5.38.030 Limits on tobacco retail license.

- (a) No license shall be issued to authorize tobacco retailing at other than a fixed business place.
- (b) No license shall be issued to authorize tobacco retailing at any location during a period of ineligibility following a revocation.
- (c) It shall be a violation of this chapter for any tobacco retailer or any of the tobacco retailer’s agents or employees to sell or offer for sale, or to possess with intent to sell or offer for sale, any flavored tobacco product.
 1. There shall be a rebuttable presumption that a tobacco retailer in possession of four or more flavored tobacco products, including, but not limited to, individual flavored tobacco products, packages of flavored tobacco products, or any combination thereof, possesses such flavored tobacco products with intent to sell or offer for sale.
 2. There shall be a rebuttable presumption that a tobacco product is a flavored tobacco product if a tobacco retailer, manufacturer, or any employee or agent of a tobacco retailer or manufacturer has:
 - a. made a public statement or claim that the tobacco product imparts a characterizing flavor,
 - b. used text and/or images on the tobacco products’ labeling or packaging to explicitly or implicitly indicate that the tobacco product imparts a characterizing flavor; or
 - c. taken action directed to consumers that would be reasonably expected to cause consumers to believe the tobacco product imparts a characterizing flavor.

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(d) No tobacco retailer shall sell, offer to sell or permit to be sold any tobacco product to an individual without requesting and examining identification establishing the purchaser's age as twenty-one years or greater unless the seller has some other clear and convincing basis for knowing the buyer's age.

(e) No tobacco retailer shall be permitted to sell tobacco products from a location within one thousand feet of a school and/or a public library, as measured by the shortest distance traveled from any entrance of the proposed location for tobacco retailing to the parcel boundary of the school; provided, however, that the prohibition contained in this subsection shall not apply to the following:

1. A tobacco retailer selling tobacco products that was in operation lawfully on the date immediately prior to the ordinance codified in this chapter becoming effective; and
2. Any lawfully operating business that sells tobacco products that would otherwise become ineligible to receive or renew a tobacco retailer permit due to the creation or relocation of a school.

5.38.040 Application procedure.

(a) Application for a tobacco retailer's license shall be submitted in the name of each proprietor proposing to conduct retail tobacco sales and shall be signed by each proprietor or an authorized agent thereof.

- (1) A statement signed by each proprietor that no drug paraphernalia is or will be sold at the location for which the license is sought.

(b) It is the responsibility of each proprietor to be informed regarding all laws applicable to tobacco retailing, including those laws affecting the issuance of a tobacco retailer's license.

(c) No proprietor may rely on the issuance of a license as a determination by the City that the proprietor has complied with all laws applicable to tobacco retailing.

(d) A license issued contrary to this chapter, contrary to any other law, or on the basis of false or misleading information supplied by a proprietor shall be revoked pursuant to Section 5.38.090.

(e) Nothing in this chapter shall be construed to vest in any person obtaining and maintaining a tobacco retailer's license any status or right to act as a tobacco retailer in contravention of any provision of law.

(f) All applications shall be submitted on a form supplied by the Chief of Police or designee and shall contain the following information:

- (1) The name, address, and telephone number of each proprietor of the business that is seeking a license.
- (2) The business name, address, and telephone number of the single fixed location for which a license is sought.
- (3) A single name and mailing address authorized by each proprietor to receive all communications and notices (the "authorized address") required by, authorized by, or

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convenient to the enforcement of this chapter. If an authorized address is not supplied, each proprietor shall be understood to consent to the provision of notice at the business address specified in subsection (f)(2) of this section.

(4) Proof that the location for which a tobacco retailer's license is sought has been issued a valid state tobacco retailer's license by the California State Board of Equalization.

(5) Whether a proprietor has previously been issued a license pursuant to this chapter that was revoked and, if so, the dates and locations of all such revocations.

(6) Such other information as the Chief of Police or designee deems reasonably necessary for the administration or enforcement of this chapter.

(7) All information required to be submitted to apply for a tobacco retailer's license shall be updated with the Chief of Police or designee whenever the information changes. A tobacco retailer shall provide the Chief of Police or designee with any updates within ten (10) business days of a change.

5.38.050 Issuance of tobacco retail license.

Upon the receipt of a complete application for a tobacco retailer's license and the license fee required by this chapter, the Chief of Police or designee shall issue a tobacco retail license unless one (1) or more of the following exists:

(a) The application seeks authorization for tobacco retailing at a location for which a license has been revoked pursuant to this chapter, or for which this chapter otherwise prohibits issuance of tobacco retailer licenses;

(b) The application seeks authorization for tobacco retailing for a proprietor whose license has been revoked pursuant to this chapter for the subject location or another location, or to whom this chapter otherwise prohibits a tobacco retailer license to be issued;

(c) The City has information that the proprietor or his or her agent or employee has violated any local, State or Federal tobacco control law, including this chapter, within the preceding twelve (12) months; or

(d) The application seeks authorization for tobacco retailing that is prohibited pursuant to this chapter, that is otherwise unlawful pursuant to this code, or that is unlawful pursuant to any other local, State, or Federal law.

(e) Any denial of an application shall be in writing setting forth the reasons for denial of the permit. Such denial shall be subject to appeal in accordance with Section 5.38.130.

5.38.060 License renewal and expiration.

(a) A tobacco retailer license is invalid unless the appropriate fee has been paid in full and the term of the license has not expired. The term of a tobacco retailer license is one (1) year beginning each calendar year on January 1st and ending on December 31st of the following year. Each tobacco retailer shall apply for the renewal of his or her tobacco retailer's license and submit the license fee no later than thirty (30) days prior to expiration of the term.

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(b) A tobacco retailer's license that is not timely renewed shall expire at the end of its term. To reinstate a license that has expired, or to renew a license not timely renewed pursuant to subsection (a) of this section, the proprietor must:

- (1) Submit the license fee plus a reinstatement fee of ten (10%) percent of the license fee; and
- (2) Submit a signed affidavit affirming that the proprietor has not sold and will not sell any tobacco product or tobacco paraphernalia after the license expiration date and before the license is renewed.

5.38.070 License non-transferable.

(a) A tobacco retailer's license may not be transferred from one person to another or from one location to another. Whenever a tobacco retailing location has a change in proprietors a new tobacco retailer's license is required.

(b) Notwithstanding any other provision of this chapter, prior violations at a location shall continue to be counted against a location and license ineligibility periods shall continue to apply to a location unless:

- (1) The location has been fully transferred to a new proprietor or fully transferred to entirely new proprietors; and
- (2) The new proprietor(s) provides the City with clear and convincing evidence that the new proprietor(s) has acquired or is acquiring the location in an arm's length transaction. As used in this section, the term "arm's length transaction" shall mean a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither of which is under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for which a significant purpose is avoiding the effect of the violations of this chapter is not an arm's length transaction.

5.38.080 License Fee

The fee to issue or to renew a tobacco retailer's license shall be set by resolution of the City Council from time to time. The fee shall be calculated so as not to exceed that amount which would recover the total cost of both license administration and license enforcement, including, for example, issuing the license, administering the licensed program, retailer education, retailer inspection, and compliance checks, documentation of violations, and prosecution of violators. All fees shall be used exclusively to fund the program. Fees are nonrefundable except as may be required by law.

5.38.090 Penalty assessment, suspension, and license revocation by Chief of Police.

(a) In addition to any other remedy authorized by law, penalties will be assessed and licenses will be suspended if the Chief of Police or designee finds pursuant to this chapter that the licensee, or any of the licensee's agents or employees, has violated any of the requirements, conditions, or prohibitions of this chapter or has pleaded guilty, "no contest" or its equivalent, or admitted to a violation of any law designated in Section 5.38.020.

(b) Suspension

- (1) Upon the first finding, as determined by the Chief of Police or designee, as set forth

Second Reading Flavored Tobacco Ban and TRL
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- in subsection (a) of this section, the tobacco retailer's license shall be suspended for up to thirty days.
- (2) Upon the second finding, as set forth in subsection (a) of this section and within six months of the first determination, the tobacco retailer's license shall be suspended for ninety days.
 - (3) Upon the third finding, as set forth in subsection (a) of this section and within six months of the prior determination, the tobacco retailer's license shall be revoked and no new license issued for the location until one year has passed from the date of revocation.
- (c) Penalties.
- (1) Upon the first time that the Chief of Police or designee makes a finding as set forth in subsection (a) of this section, a fine of one hundred dollars;
 - (2) Upon the second time that the Chief of Police or designee makes a finding as set forth in subsection (a) of this section within six months of the first determination, a fine of two hundred dollars;
 - (3) Upon the third time that the Chief of Police or designee makes a finding as set forth in subsection (a) of this section within six months of the prior determination, a fine of four hundred dollars;
 - (4) Upon the fourth and each subsequent time that the Chief of Police or designee makes a finding as set forth in subsection (a) of this section within six months of the prior determination, a fine of eight hundred dollars.

(d) Revocation of License Issued in Error. A tobacco retailer's license shall be revoked if the Chief of Police or designee finds, after written notice and opportunity to be heard, that one (1) or more of the bases for denial of a license under Section 5.38.050 existed at the time the application was made or at any time before the license was issued. The decision by the Chief of Police or designee shall be final. The revocation shall be without prejudice to the filing of a new application for license.

5.38.100 Notice of intended decision.

- (a) Upon determining the existence of any of the grounds for revocation of a license, the Chief of Police or designee shall issue to the license holder a notice of intended decision.
- (b) The notice of intended decision shall state all the grounds upon which the revocation is based.
- (c) The notice of intended decision shall advise the licensee that the revocation shall become final unless the licensee files a written request for appeal before the City Manager or designee within ten (10) calendar days of the date of service of the notice of intended decision.
- (d) The notice of intended decision shall specify the effective date of the revocation.

5.38.110 Procedure for appeal hearing before the City Manager.

- (a) The written request for a hearing before the City Manager or designee must be received by the City Manager's Office within ten (10) calendar days of the date of service of the notice of intended decision.

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- (b) Upon timely receipt of a written request for a hearing, the City Manager or designee shall schedule a hearing which shall be held no later than thirty (30) calendar days after receipt of a timely request for hearing.
- (c) The City Manager or designee shall serve a notice of hearing on the licensee at least ten (10) calendar days prior to the scheduled date of the hearing.
- (d) At the appeal hearing before the City Manager, designee, or before a hearing officer at the City Manager's option, the licensee shall be given the opportunity to present witnesses and relevant documentary evidence.
- (e) The hearing will be conducted informally, and the technical rules of evidence shall not apply. Any and all evidence which the City Manager, designee or hearing officer deems reliable, relevant and not unduly repetitious may be considered.

5.38.120 Decision of the City Manager.

- (a) The City Manager, designee or hearing officer shall serve on the licensee a written decision sustaining, reversing or modifying the intended decision.
- (b) The decision by the City Manager, designee or hearing officer after appeal shall become final unless the licensee files an appeal within the time period specified in Section 5.38.130.

5.38.130 City Council Appeal.

- (a) A licensee whose appeal is denied by the City Manager may appeal to the city council in accordance with Chapter [2.52](#) of this code. The city council's decision with regard to the appeal shall be final.

5.38.140 Tobacco retailing without a license – Seizure.

- (a) Tobacco products and tobacco paraphernalia offered for sale or exchange in violation of this chapter are subject to seizure by the Chief of Police, designee or any peace officer and shall be forfeited after the owner of the tobacco products and tobacco paraphernalia seized is given reasonable notice and an opportunity to demonstrate that the tobacco products and tobacco paraphernalia were not offered for sale or exchange in violation of this chapter.
- (b) Forfeited tobacco products and tobacco paraphernalia shall be maintained and destroyed pursuant to the Chief's or designee's policy for seized evidence.

5.38.150 Enforcement.

- (a) The remedies provided by this chapter are cumulative and in addition to any other remedies available at law or in equity.
- (b) Whenever evidence of a violation of this chapter is obtained in any part through the participation of a person under the age of eighteen (18) years old, such a person shall not be required to appear or give testimony in any civil or administrative process brought to enforce this chapter and the alleged violation shall be adjudicated based upon the sufficiency and persuasiveness of the evidence presented.
- (c) Causing, permitting, aiding, abetting, or concealing a violation of any provision of this chapter shall also constitute a violation of this chapter.
- (d) Violations of this chapter are hereby declared to be public nuisances.

Second Reading Flavored Tobacco Ban and TRL
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(e) In addition to other remedies provided by this chapter or by other law, any violation of this chapter may be remedied by a civil action brought by the City Attorney.

5.38.160 Notice.

Whenever a notice is required to be given under this chapter, it shall be made as provided in this code, and addressed to such person to be notified at the authorized address provided in the application for a tobacco retail license pursuant to Section 5.38.040(f)(3) or, if an authorized address is not supplied, to the business address provided pursuant to Section 5.38.040(f)(2).

Section 4. Effective Dates. This ordinance shall be in full force and effect beginning January 1, 2020.

This ordinance was introduced on the 27th day of June, 2019, and was passed and adopted by the City Council of the City of Capitola on the 25th day of July, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Jacques Bertrand, Mayor

ATTEST:

Linda Fridy, City Clerk



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Public Works Department

SUBJECT: Consider a Report on the Jewel Box Traffic Calming Project Results

RECOMMENDED ACTION: Accept report and provide direction to staff.

BACKGROUND: On March 11, 2019, the city issued a contract for the construction of three speed tables on the west side of the Jewel Box neighborhood and the installation of commute-hour turn restrictions at Topaz Street and 45th Avenue and at 47th Avenue and Portola Drive. This work was completed in April 2019.

In conjunction with this work, the city collected traffic counts measuring both speeds and volume at 21 locations throughout the greater Jewel Box area both before and after the installation of improvements. These traffic counts were collected mid-week over a 24 hour period which is consistent with previous traffic counts taken on this project.

DISCUSSION: The data collected and a summary report on the impacts of the project are included in Attachment 1. The report identifies apparent changes in driver patterns during the commute hours of 3 p.m. to 6 p.m., overall daily traffic, and overall speeds.

Staff will present the report at the Council meeting after which the Council will take public testimony and then consider providing direction to staff. Options the Council may choose to consider include:

1. Taking no further action and declaring the project complete
2. Modifications to existing traffic control devices
3. Other actions

FISCAL IMPACT: The construction costs for the project are as follows:

Speed Tables	\$64,200
Signs	\$2,000
Traffic Monitoring	\$6,480
Total	\$72,680

This project was allocated \$80,000 in Capital Improvement Program funds. Future costs will be dependent on the direction provided by Council.

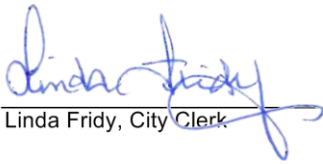
ATTACHMENTS:

Jewel Box Calming
July 25, 2019

1. Jewel Box Traffic Calming Post Project Report

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:



Linda Fridy, City Clerk

7/19/2019

Jewel Box Area Traffic Calming Project

Post Project Report

July 2019

Project Statement

For the past several years the City has been working to reduce the traffic in the Jewel Box neighborhood, particularly on Topaz Street between 45th Avenue and 49th Avenue. There have been six hearings before the City Council, a public survey of the residents, and a public workshop conducted. In November 2018 the Council directed Public Works to proceed with the construction of speed tables on Jade Street and 42nd Avenue and approved the installation of turn restriction signs during commute hours at Topaz Street and 45th Avenue and at 47th Avenue and Portola Drive. The construction contract for the speed tables was approved in March; the work, including installation of the signs was completed in April 2019.

Analysis

This analysis focuses on the effects of the traffic calming measures in the eastbound and northbound directions specifically reflecting the direction of late afternoon to evening traffic which was the intended target of the speed table and signage improvements.

Traffic Monitoring

In order to determine the impacts of these improvements, the city took speed and volume vehicle counts at 21 different locations throughout the greater Jewel Box area. The first set of data was collected on Thursday, March 14, 2019 approximately one week prior to any construction work. The second set of data as collected on Wednesday, May 1, 2019, three weeks following the installation of the speed tables and turn restriction signs.

Overall Daily Traffic Volume Results

The measure of overall daily traffic provides a comparison between the two days of monitoring. Looking at the volume numbers on Capitola Road and Jade Street, the two primary streets leading into the Jewel Box during commute hours, the traffic volume was higher during the post-project day by 2% - 4%, or by approximately 40 additional cars on Jade Street and 200 cars on Capitola Road. This variation is within the limits of daily fluctuations of traffic. Based on these counts it is hard to make any determination on the overall effect the traffic calming measures had on diverting traffic away from the greater Jewel Box area.

47th Avenue also serves as an entrance to the Jewel Box neighborhood. A 12% decrease in volume was realized on this street. This is a direct effect of the turn restrictions implemented.

Commute Hour Traffic Volume Results from Turn Restrictions

During the commute hours of 3 p.m. to 6 p.m. signage prohibited access to eastbound Topaz Street and northbound 47th Avenue.

Topaz Street turn restriction – looking the first block of Topaz Street between 45th Avenue and 47th Avenue, the traffic on Topaz Street decreased by 74 trips, from 203 cars down to 129 cars. At the same

time the volume of traffic increased on 45th Avenue by 77 cars, Opal Street by 56 cars, Jewel Street by 6 cars, and Garnet Street by 16 cars.

47th Avenue turn restrictions – the volume of northbound traffic on 47th Avenue immediately north of Portola Drive decreased by 107 trips, from 524 cars to 417 cars.

Overall Speed Results

The speed on Jade Street decreased with the addition of two speed tables, decreasing by 6 mph on the block immediately east of 41st Avenue and then 3 mph on the eastern block between 42nd Avenue and 45th Avenue. The pre-project speed on both blocks of the street was 32 mph, 6 mph over the posted speed.

The speed on 42nd Avenue, where one speed table was constructed, actually increased by 2 mph based on the data collected. The pre-project speed on this street was 25 mph, which is the posted speed and design speed of the speed tables. The effect of the speed table was not significant, and the 2 mph increase in speed is likely just a result in variations of daily traffic.

Enforcement

Capitola Police Department traffic officers began enforcing the turn restrictions a few days after the signs were installed. Officers issued warnings to drivers for the first week, and then began issuing citations. The traffic officers randomly selected days of the week to conduct enforcement in the area so as not to establish any pattern.

Impacts on Local Traffic

Local Traffic in this context is the traffic which travels through the Jewel Box neighborhood to all destinations. The impacts are determined by how the movement of traffic changed within the local streets. During peak hours, traffic was diverted from traveling eastbound on Topaz Street to other streets nearby (Opal Street, Jewel Street, Garnet Street, 45th Avenue). The decrease in Topaz Street traffic of 74 cars closely matches the total sum increases on Opal Street, Jewel Street, and Garnet Street of 78 cars. It is important to note that even with the rerouting of traffic, the volume of cars traveling eastbound on Topaz Street during the peak time was higher than the volume of any other three streets individually.

Post project eastbound trip for these streets is as follows:

Topaz Street - 129
Opal Street - 81
Jewel Street - 33
Garnet Street - 35

The data indicates that local impacts resulting in the turn restriction at 47th Avenue are primarily noticed on 47th Avenue itself where an average 23% decline in traffic was measured at the two data points along the street. Traffic on Capitola Road by comparison remained relatively unchanged.

Impacts on Regional Traffic

Regionally, the greatest impact was a result of the turn restrictions at 47th Avenue. Solely based on comments received, many motorists travel on 47th Avenue to get to Wharf Road and Soquel Drive. The turn restriction now requires them to stay on Portola Drive and travel through Capitola Village, use 41st Avenue, or some other alternate routes.

Even with the turn restriction on 47th Avenue in place, 417 cars continued traveling north on 47th Avenue from either west bound traffic on Cliff Drive or ignoring the signage restricting the left hand turn from Portola Drive.

Comments Received

Since the full implementation of the project, the city has received 27 comments on the project. The comments were received by local residents of the Jewel Box, residents of nearby neighborhoods, and regional users of the road system.

Post Project Changes

Following the initial implementation of the improvements several minor adjustments were made to the signage at both Topaz Street and 47th Avenue.

1. The turn restrictions were intended to be in place only on weekdays, but this language was omitted in the initial signage. Monday thru Friday signs were added later.
2. A No Right Turn was added at Topaz Street at the driveway exiting Jade Street Park to prevent cars exiting the parking lot from turning onto Topaz Street
3. A No Right Turn was added at 47th Avenue to prevent cars coming from Opal Cliff Drive from turning on to 47th Avenue

These changes in the signage were made following the post project data collection, but it is unlikely they made any measurable difference in the volumes of traffic.

Appendices

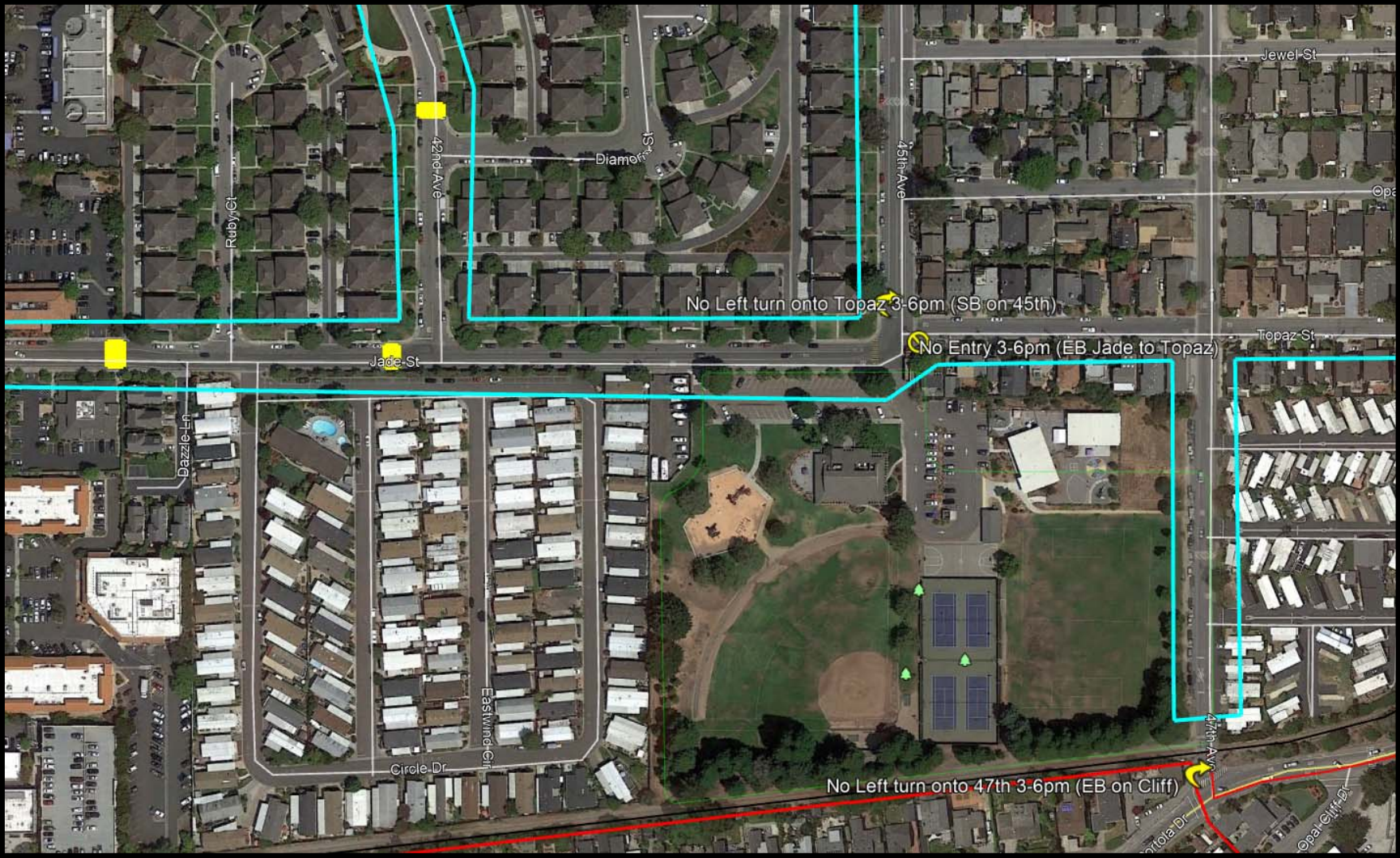
1. Location map of speed tables
2. Location map of turn restrictions
3. Location map of data collection sites
4. Map of Overall Daily Traffic Volumes in eastbound and northbound directions
5. Map of Peak Hour (3-6 pm) Traffic Volumes in eastbound and northbound directions
6. Map of Overall Daily Speed in eastbound and northbound directions
7. Table of Traffic Survey Data in eastbound and northbound directions
8. Summary of post project comments

Figure 1 - Site Map
City of Capitola Jewel Box Speed Table Locations



Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)

Figure 2
3-6pm - Turn Restriction Locations






Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)

Traffic Monitoring Plan

Round 2 - City of Capitola - Jewel Box

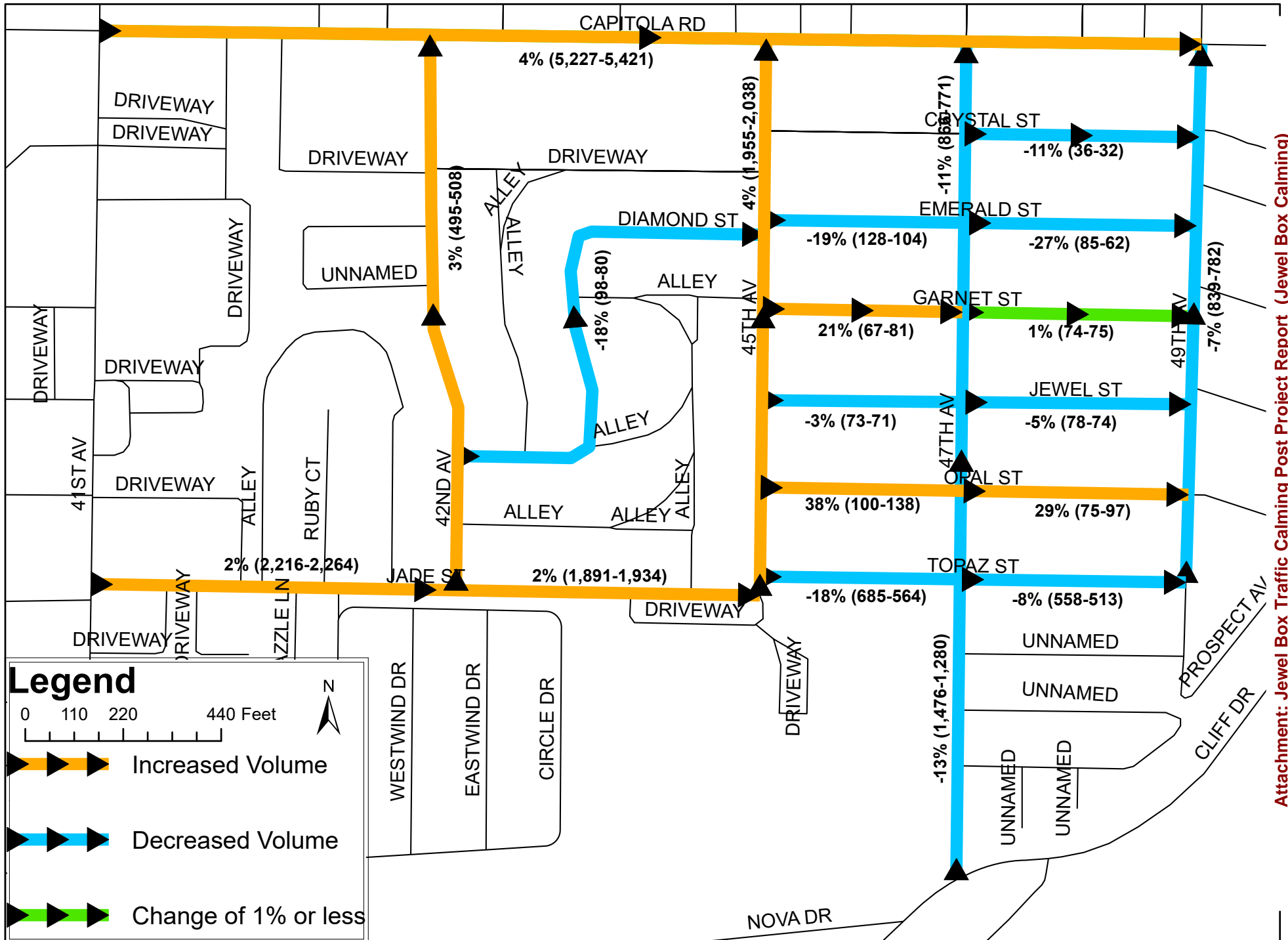
Legend

-  Limits of Traffic Monitoring Plan
-  Speed Table Location
-  Volume/Speed Count Location

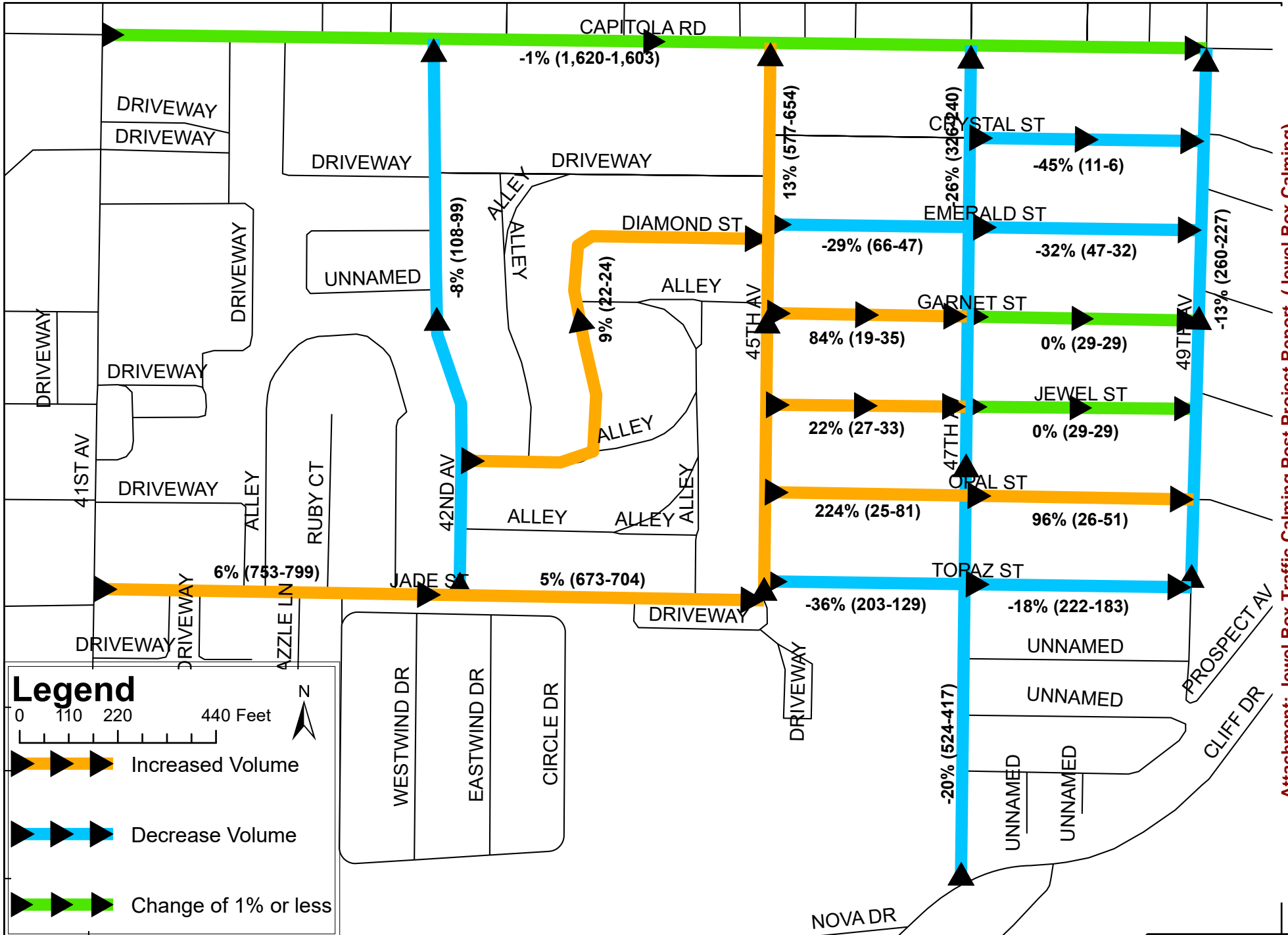


Google Earth

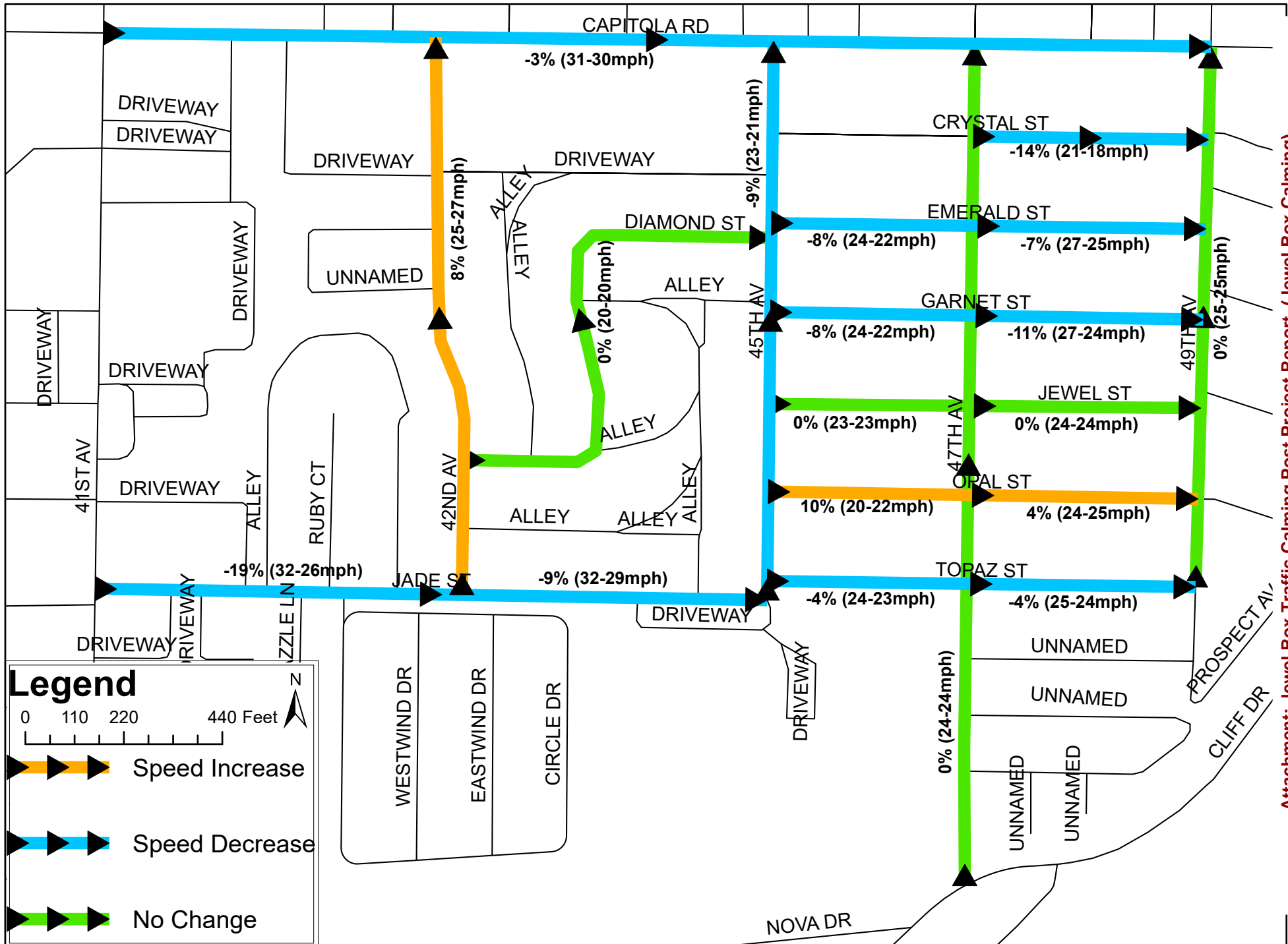
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Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)



Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)



Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)

Revised 7/17/2019

Jewel Box Traffic Survey Data

Collected 3/14/2019 & 5/1/2019

= increase
= decrease
= no change

= increase
= decrease
= no change

Survey Location			Pre-Con	
			Daily Count	85% Speed
Capitola Rd 44th - 45th	eastbound	5227	31	
	westbound	4901	34	
Jade Street Ruby Court	eastbound	2216	32	
	westbound	2092	32	
Jade Street 42nd - 45th	eastbound	1891	32	
	westbound	1477	33	
42nd Ave btw Diamond & Com	northbound	495	25	
	southbound	809	25	
Diamond 42nd - 45th	northbound	98	20	
	southbound	106	20	
45th Capitola - Crystal	northbound	1955	23	
	southbound	1533	25	
47th Capitola - Crystal	northbound	866	24	
	southbound	433	24	
47th Portola Dr	northbound	1476	24	
	southbound	1095	24	
49th Capitola - Crystal	northbound	839	25	
	southbound	934	27	
Crystal w of 47th	eastbound	-	-	
	westbound	99	20	
Emerald w of 47th	eastbound	128	24	
	westbound	74	24	
Garnet w of 47th	eastbound	67	24	
	westbound	75	24	
Jewel w of 47th	eastbound	73	23	
	westbound	60	22	
Opal w of 47th	eastbound	100	20	
	westbound	104	22	
Topaz w of 47th	eastbound	685	24	
	westbound	539	24	
Crystal e of 47th	eastbound	36	21	
	westbound	63	22	
Emerald e of 47th	eastbound	85	27	
	westbound	63	23	
Garnet e of 47th	eastbound	74	27	
	westbound	84	24	
Jewel e of 47th	eastbound	78	24	
	westbound	73	24	
Opal e of 47th	eastbound	75	24	
	westbound	137	24	
Topaz e of 47th	eastbound	558	25	
	westbound	450	24	

Post-Con	
Daily Count	85% Speed
5421	30
4969	34
2264	26
2118	26
1934	29
1482	31
508	27
848	27
80	20
101	20
2038	21
1592	24
771	24
437	23
1280	24
957	24
782	25
836	27
-	-
98	19
104	22
65	22
81	22
62	22
71	23
58	22
138	22
99	22
564	23
498	24
32	18
57	19
62	25
65	23
75	24
66	23
74	24
60	21
97	25
134	23
513	24
412	24

% change in volume	% change in speed
4%	-3%
1%	0%
2%	-19%
1%	-19%
2%	-9%
0%	-6%
3%	8%
5%	8%
-18%	0%
-5%	0%
4%	-9%
4%	-4%
-11%	0%
1%	-4%
-13%	0%
-13%	0%
-7%	0%
-10%	0%
N/A	N/A
-1%	-5%
-19%	-8%
-12%	-8%
21%	-8%
-17%	-8%
-3%	0%
-3%	0%
38%	10%
-5%	0%
-18%	-4%
-8%	0%
-11%	-14%
-10%	-14%
-27%	-7%
3%	0%
1%	-11%
-21%	-4%
-5%	0%
-18%	-13%
29%	4%
-2%	-4%
-8%	-4%
-8%	0%

Peak Hour Counts		
Pre 3-6pm Count	Post 3-6pm Count	% change in volume
1,620	1,603	-1%
1,045	1,016	-3%
753	799	6%
479	500	4%
673	704	5%
348	358	3%
108	99	-8%
185	202	9%
22	24	9%
23	22	-4%
577	654	13%
400	409	2%
326	240	-26%
99	101	2%
524	417	-20%
281	255	-9%
260	227	-13%
243	205	-16%
N/A	N/A	N/A
17	28	65%
66	47	-29%
12	10	-17%
19	35	84%
15	13	-13%
27	33	22%
13	10	-23%
25	81	224%
20	23	15%
203	129	-36%
114	118	4%
11	6	-45%
20	19	-5%
47	32	-32%
14	14	0%
29	29	0%
14	14	0%
29	29	0%
22	16	-27%
26	51	96%
42	36	-14%
222	183	-18%
122	111	-9%

Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)

Comment Log - Jewel Box Traffic Calming

Count	Capitola Resident	Other	Comment Summary
1	Jewel Box		complaint - can not use streets as they were intended, called again on 4/26
2	Garnet?		complaint - cars speeding on Garnet and Lincoln to Capitola Rd
3		Opal Cliff Drive	complaint - creates congestion, signs are not clear, remove signs
4		Ocean Street	complaint - depriving access to neighborhoods and making traffic worse
5			complaint - increased traffic on Opal
6	Jewel		complaint - increased traffic/speed on streets above Topaz. Solution does not look at the neighborhood as a whole
7		?	complaint - makes traffic worse
8		Soquel	complaint - makes traffic worse
9	4980 Garnet		complaint - more signs
10	-	Soquel	complaint - not in favor of turn restrictions
11		?	complaint - only serves the privileged residents of the Jewel Box
12		?	complaint - special treatment for Jewel Box
13		Gladys Ave	complaint - special treatment for Jewel Box, would favor measures to reduce speed and enforce with tickets
14	4630 opal		complaint - traffic counter attached to mailbox
15	? Opal		complaint - traffic on Opal now
16		Aptos	complaint - upset with traffic enforcement, no warning. Unable to reach Jade Street Park.
17		Nova Drive	complaint - very upset about the left turn restriction on 47th. Cars back up all the way on Nova to 41st
18	Jewel Box		inquiry - how did we decide on only favoring Topaz
19	Clares		support - also wants speed tables on Clares
20	Topaz		support - happy with reduced traffic and police presence for enforcement
21	Topaz		support - more police presence
22	4830 Topaz		support - noticeable reduction on traffic on Topaz
23	905 Capitola Avenue		support - supportive of the speed reduction caused and also wants speed table on Cap Ave
24	Topaz		support - tables slow traffic, more police presence
25	?	?	support - wants other CIP, non Jewel, issues addressed
26	Topaz		support, also came to Council Meeting 4-25-19
27	Topaz		support, also came to Council Meeting 4-25-19

Attachment: Jewel Box Traffic Calming Post Project Report (Jewel Box Calming)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Finance Department

SUBJECT: Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2019/2020

RECOMMENDED ACTION: Conduct the public hearing and adopt the proposed Resolution levying the Fiscal Year 2019/2020 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.

BACKGROUND: On June 23, 2005, the City Council adopted Ordinance No. 889 adding Chapter 5.10 to the Capitola Municipal Code establishing the Capitola Village and Wharf Business Improvement Area (CVWBIA). The CVWBIA assessments fund various programs that benefit the businesses within the CVWBIA district boundaries and are renewed annually.

DISCUSSION: On June 13, 2019, the City Council adopted Resolution No. 4150, Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2019-20, which set a public hearing for June 27, 2019, in accordance with state law and Chapter 5.10 of the Capitola Municipal Code. Notice of this public hearing was published in the Santa Cruz Sentinel newspaper and was mailed to affected business owners by the CVWBIA. Due to an error in the original mailed Notice of Public Hearing, the City Council continued the public hearing to July 25, 2019. A second, corrected notice was mailed to the membership.

The CVWBIA is a business-based, self-imposed assessment district in which the assessments are paid by the business owners within the district boundary for improvements and activities that support and revitalize business as well as attract visitors. The amount of assessments for each business is based upon the type of business and may be a flat fee or increasing fee based on the number of full-time equivalent employees. Additionally, each business may make "in-lieu" assessment payments in the form of gift certificates for use by the CVWBIA in connection with its promotional activities. The amount of gift certificates that can be issued as in-lieu payments is limited per business within each business category as approved by the City Manager and is listed on page 4 of Attachment 1.

CVWBIA Assessments for FY 19/20
July 25, 2019

For FY 2019/20 the CVWBIA is proposing new classifications in the food service category to more accurately reflect the types of food service businesses currently operating within the CVWBIA. The proposal is to convert the two categories consisting of Restaurant/Bar/Take Out and Restaurant Limited into four categories consisting of Restaurant Full Bar, Restaurant Beer & Wine, Restaurant No Alcohol, and Wine Tasting & Sales. The result of this proposed change will decrease the annual assessment amounts of four businesses by a total of \$300 while increasing the assessments of 16 businesses by a total of \$2,650 as detailed on Attachment 2.

Additionally, during FY 2018/19 14 new businesses opened, one short-term rental property added a unit, and 20 existing businesses closed. The new businesses will generate \$4,470 in assessment revenue and the new short-term rental unit will increase revenues an additional \$180, which will be offset by a reduction of \$6,040 in assessment revenues for the businesses that have closed. The net result, when combined with the proposed changes to the food service category, will be an increase of \$960 in annual assessments for FY 2019/20 over the prior year.

The billing for City services identified in the CVWBIA plan was based on past agreements. The current billing rates are \$3,000 for public works and \$4,200 for accounting services. The annual report and budget are included as Attachment 1.

During the public comment portion of this hearing, written and oral protests may be made pertaining to the proposed levy of assessments, the amount of the proposed assessments, and the proposed improvements and activities in accordance with California Streets & Highways Code §36524 and §36525.

In November 2018, voters approved Measure J, which increased the transient occupancy tax (TOT) from 10 percent to 12 percent. It restricted 20 percent of the TOT increase for local business groups for marketing and community improvements. In February 2019 City Council directed that the restricted TOT funding would be split evenly between the Capitola-Soquel Chamber of Commerce and the CVWBIA in FY 2019/20. The City Council also requested that a minimum of 25 percent of restricted TOT revenues be allocated toward community improvements, which may include special events. The proposed CVWBIA budget includes \$29,000 of TOT revenues for FY 2019/20.

Staff recommends the Council adopt the proposed Resolution confirming the Fiscal Year 2019/2020 CVWBIA Assessments and adopting the Annual Plan and Fiscal Year 2019/2020 budget, as approved by the Council on June 13, 2019, unless it receives oral and written protests from the owners of businesses that will pay 50 percent or more of the assessments as mandated by state law.

FISCAL IMPACT: There is no fiscal impact to the City. All administrative costs for billing and collections incurred by the City are reimbursed by the CVWBIA.

ATTACHMENTS:

1. Exhibit A 19-20 (PDF)
2. Exhibit B CVWBIA Assessment Comparisons (PDF)

Report Prepared By: Jim Malberg
Finance Director

CVWBIA Assessments for FY 19/20
July 25, 2019

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/19/2019

CVWBIA Assessments for FY 19/20
July 25, 2019

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
CONFIRMING THE FISCAL YEAR 2019/2020 CAPITOLA VILLAGE AND WHARF BUSINESS
IMPROVEMENT AREA ASSESSMENTS AND ADOPTING THE ANNUAL PLAN
AND FISCAL YEAR 2019/2020 CVWBIA BUDGET**

WHEREAS, the Capitola Village and Wharf Business Improvement Area (CVWBIA) has prepared a report to the City of Capitola for Fiscal Year 2019/2020 pertaining to the Business Improvement Area assessments for the CVWBIA under California Streets and Highways Code §36533; and

WHEREAS, that report was filed with the City Clerk on June 7, 2019; 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 No. 3453 referenced in Capitola Municipal Code §5.10.030, and later amended by Resolution No. 3546 and Resolution No. 4023; and

WHEREAS, on June 13, 2019, the City Council adopted Resolution No. 4150 stating its intention to levy business improvement assessments for Fiscal Year 2019/2020, receiving the Annual Report and Fiscal Year 2019/2020 Budget, and approving the CVWBIA Assessment Basis/Business Addresses and Assessment Method; and

WHEREAS, pursuant to Resolution No. 4150 the City Council, in accordance with California Streets and Highways Code Section §36535, held a public hearing on July 25, 2019, as provided for in Streets and Highways Code Sections §36524 and §36525, at which time it considered the annual report, the levy of business improvement assessments for Fiscal Year 2019/2020, and received oral and written protests and endorsements to the regularity or sufficiency of the proposed business improvement assessments.

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

1. The Fiscal Year 2019/2020 Capitola Village and Wharf Business Improvement Area Annual Report, including the Fiscal Year 2019/2020 budget, as filed with the City Clerk on June 7, 2019, and received by the City Council on June 13, 2019, as part of Resolution No. 4150, is hereby confirmed and adopted.

2. The adoption of this Resolution shall constitute the Fiscal Year 2019/2020 levy of assessments provided for in Chapter 5.10 of the Capitola Municipal Code pertaining to the Capitola Village and Wharf Business Improvement Area zone and rate of assessments adopted by the City Council on June 27, 2019.

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 25th day of July, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

EXHIBIT A
Resolution No. 4150

Annual Report & Proposed Fiscal Year 2019-2020 Budget
CVWBIA Assessment Basis
CVWBIA Business Listing and Assessment Method

Mission Statement

The objective of the CVWBIA is to provide a unified organization to promote, stimulate and improve the business conditions in the designated area, primarily during the shoulder season, September – May. The belief is that if the lodging properties and short-term rentals are full, the rest of the businesses in the area will benefit.

This can be achieved by the CVWBIA continuing to fund activities and projects that will:

- Improve access to information regarding the businesses and services provided by the Village and Wharf BIA to likely visitors to the area via newsletters, the internet and print advertising.
- Provide fun, family-oriented events throughout the year emphasizing the attributes of the Village and Wharf, by working in partnership with the Capitola/Soquel Chamber of Commerce.
- Improve and enhance the appearance of the Village and Wharf in partnership with the City of Capitola.
- Enhance the ability of the CVWBIA to serve as a liaison between the business community and local governments.

As the CVWBIA begins its fourteenth year, we will continue and expand successful programs from prior years, which include the following:

1. **Website** – We maintain an up to date, mobile compatible, website (www.capitolavillage.com) for ease of use and connectivity to BIA member’s businesses, lodging and short-term rentals. Each member has a unique page with links to their individual websites. There is a schedule of events and other helpful features. Visitors can sign up on the site to receive newsletters and enter contests to win gift certificates from member businesses.
2. **Social Media** – The Communications Manager creates a monthly newsletter, manages all our social media channels, maintains our website, and tracks performance. Our email newsletters are sent to over 7,000 subscribers each month. Our Facebook page has over 14,000 fans with our top 5 cities being: San Jose, Santa Cruz, Modesto, Sacramento, and Capitola. Our Instagram is growing the fastest with over 8,000 active followers with an average of 500 profile visits to our account every week. Our newest channel, Twitter, currently has almost 700 followers and continues to grow each month. The purpose of the Communication Manager is to collectively promote the Capitola Village businesses and to be a resource for ongoing growth.
3. **Print Advertising** – While placing an emphasis on our social media development, there is still a need for carefully placed advertising in quality visitor publications. We are constantly monitoring these publications for the ones with the most effective online presence. The

CVWBIA will continue to co-op with Visit Santa Cruz to promote Capitola Village and Wharf in their visitor magazine, their map and on their website.

4. **Village Brochures** – We print 25,000 brochures and distribute them throughout Santa Cruz County. We contract with Certified Display Service. This company has exclusive rights to lobby racks in the hotels, resorts and visitor centers in the county. These brochures are also available in various places of business throughout the Village and Wharf. We feel it is important to make visitors to other areas in the county aware of Capitola Village and Wharf through these brochures. This year we are adding 3 distribution locations: the new Gilroy Visitors Center on Hwy 101, San Jose Airport and the Monterey Airport.
5. **Branding and Logo Development** – Our new Communications Manager, Ben Kelly of Authentic Approach, has been updating the look of our print advertising.
6. **Sip and Stroll** – In February we held our first Sip and Stroll. We sold out 240 tickets with 13 tasting stations and food from food service members. The event is self-supporting and produced a profit of over \$1,400, which was donated to the Capitola Public Safety Foundation. This event benefited all the businesses in the village. We will be holding 3 Sip and Stroll events in February, May and October. We will grow the event incrementally and choose a project to support with the profits from the events.
7. **Winter Festivities** – Every year we plan to improve the decorations in the village to further our brand as the Holiday Village of Lights, with a consistent theme and increased location of specialty lighting. A tree lighting ceremony, community caroling and window decorating contest are components of the winter festivities with other events in the planning stages.
8. **Membership Breakfast** – These breakfasts, hosted by Paradise Beach Grille, are an opportunity to inform members about current activities and receive valuable input. Educational presentations, as well as reports by city representatives, are given at these breakfasts.
9. **Public Works** – The CVWBIA contributes annually to the City of Capitola Public Works Department. Our contribution is used to help maintain the Village and Wharf.
10. **Chamber of Commerce** – The CVWBIA contributes annually to support community interest projects and events in the Village.

Capitola Village & Wharf Business Improvement Area Assessment Basis

The method of assessment classifies businesses within the CVWBIA boundaries into nine categories:

1. Retail / Service businesses
2. Restaurant - Full Bar
3. Restaurant - Beer and Wine
4. Restaurant - No Alcohol
5. Wine Tasting & Sales
6. Seasonal Food Service
7. Office and Professional businesses / Specialty
8. Short-term Rental businesses
9. Hotel / Motel / Inn businesses

Assessment fees are assigned to these nine business categories by number of full-time equivalent employees, a flat rate, and a per unit amount. Registered non-profits are exempt from assessment fees.

The following table shows the assessment fees for the proposed CVWBIA.

Business Category	Number of Full-Time Equivalent Employees*		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / Service	\$420	\$840	N/A
Restaurant Full Bar	N/A	\$960	\$1,440
Restaurant Beer and Wine	\$490	\$910	\$1,390
Restaurant No Alcohol	\$420	\$840	N/A
	Flat Fee		
Wine Tasting & Sales	\$420		
Office / Professional / Specialty	\$120		
Short-term Rental**	\$180		
Seasonal Food Service	\$280		
	Per Unit Fee		
Hotel / Motel / Inn	\$360 per unit		

Footnote* “Full-time employee” is an employee who works 2,000 hours per year or more. Multiple part-time employees are combined into a single full-time employee for the basis of this assessment calculation. (i.e. “fulltime equivalents”)

Footnote** “Short-term rental” businesses are defined as those dwellings which, at least once per fiscal year, are rented to a tenant for a tenancy of less than thirty days.

In-Lieu Payments/Trades. The City Manager is authorized to approve “in lieu” assessment payments in the form of Gift Certificates 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. The amount of “in lieu” assessment payments will be fixed per category, with exceptions that may be authorized by the City Manager.

Business Category	Assessment if paid after 8/31/19	10% Late fee	Amount due WITHOUT In-lieu/trade	In-lieu/trade for timely payment	Amount due paid by 8/31/19
Retail/Service (0 - 5 Employees)	\$462	\$42	\$420	\$75	\$345
Retail/Service (6 - 10 Employees)	\$924	\$84	\$840	\$150	\$690
Restaurant Full Bar (0 - 10 Employees)	\$1,056	\$96	\$960	\$150	\$810
Restaurant Full Bar (11+ Employees)	\$1,584	\$144	\$1,440	\$250	\$1,190
Restaurant Beer & Wine (0 - 5 Employees)	\$539	\$49	\$490	\$75	\$415
Restaurant Beer & Wine (6 - 10 Employees)	\$1,001	\$91	\$910	\$150	\$760
Restaurant Beer & Wine (11+ Employees)	\$1,529	\$139	\$1,390	\$250	\$1,140
Restaurant No Alcohol (0 - 5 Employees)	\$462	\$42	\$420	\$75	\$345
Restaurant No Alcohol (6 - 10 Employees)	\$924	\$84	\$840	\$150	\$690
Wine Tasting & Sales	\$462	\$42	\$420	\$75	\$345
Office / Professional /Specialty	\$132	\$12	\$120	\$0	\$120
Hotel / Motel / Inn	\$396 per unit	\$36 per unit	\$360 per unit	50%	\$180 per unit
Short-term Rental	\$198	\$18	\$180	\$0	\$180
Seasonal Food Service	\$308	\$28	\$280	\$0	\$280

Associate Membership. CVWBIA is authorized to accept “associate membership” financial contributions from businesses outside the CVWBIA, which may wish to participate in the CVWBIA’s promotional activities, but are not subject to the CVWBIA assessments.

New Business Assessment. Assessments will be prorated by the quarter in which a business opens. “In Lieu” payments will be accepted.

Business Closing. A business notifying the CVWBIA before the end of the first quarter of the fiscal year (September 30th) that it will close before December 31st will be exempt from paying the assessment for that fiscal year. If the business does not close before December 31st, it must pay the year’s assessment in full.

Late Charge. A late charge of 10% will be assessed on dues not paid by August 31, 2019.

Delinquencies. CVWBIA has a clear policy relative to delinquent assessments. Businesses that have not paid their assessment by October 31, 2019, will be removed from the CVWBIA website and brochure. Assessments that have not been paid by January 31, 2020, will be sent to collections.

Capitola Village & Wharf Business Improvement Area

Estimated Actual for FY 2018-2019 and Proposed Budget for FY 2019-2020

	FY 17/18 Actual	FY 18/19 Assessment Budget	FY 18/19 TOT Budget	FY 18/19 Total Budget	FY 19/20 Assessment Budget	FY 19/20 TOT Budget	FY 19/20 Total Budget
Beginning Fund Balance	\$ 11,848	\$ 22,241		\$ 22,241	\$ 9,864	\$ (1,910)	\$ 7,954
Revenues							
BIA Assessment Revenues - Village*	59,028	60,000		60,000	60,000		60,000
Assessment Associate	-	1,450		1,450	1,450		1,450
BIA Assessment Revenues - Trade**	13,230	13,000		13,000	13,000		13,000
BIA Assessment Late Fees	824	150		150	150		150
TOT Revenue	-	-	15,000	15,000		29,000	29,000
Interest Revenue	517	150		150	400		400
Misc. Revenue (iSkate)	3,189	-		-			-
Total Revenues	76,788	74,750	15,000	89,750	75,000	29,000	104,000
Total Source of Funds	\$ 88,636	\$ 96,991	\$ 15,000	\$ 111,991	\$ 84,864	\$ 27,090	\$ 111,954
Expenditures							
Chamber Services	\$ 3,000	\$ 3,000		\$ 3,000	\$ 3,000		\$ 3,000
CDS Direct Distribution	1,830	1,830		1,830	2,780		2,780
Doubtful Accounts	2,888	3,000		3,000	2,000		2,000
Insurance		2,500	300	2,800	2,000	500	2,500
Office Supplies	981	400	200	600	500	500	1,000
Storage Unit		-	1,560	1,560	-	1,600	1,600
Renewal		800	-	800	800		800
Total Administration	\$ 8,700	\$ 11,530	\$ 2,060	\$ 13,590	\$ 11,080	\$ 2,600	\$ 13,680
City Accounting Services	4,200	4,200		4,200	4,200		4,200
City Public Works	3,000	3,000		3,000	3,000		3,000
Total City Services	\$ 7,200	\$ 7,200		\$ 7,200	\$ 7,200	\$ -	\$ 7,200
Ambassador		\$ 6,500		\$ 6,500	\$ 7,500		\$ 7,500
Communications Manager	9,441	6,500		6,500	18,000		18,000
Directories Printing	3,299	2,624	1,700	4,324	-		-
VSC TV Partnership	3,030	-	2,500	2,500	-		-
VSC Newsletter				-	2,000		2,000
VSC Travel Guide		2,623		2,623	2,800		2,800
VSC Map		450		450	500		500
Trade Certificates Used	13,230	13,000		13,000	13,000		13,000
Holiday - Advertising	8,702	1,500		1,500	1,500		1,500
ABC TV				-	5,000		5,000
Miscellaneous TV/theater				-	4,000		4,000
Miscellaneous Print		1,000		1,000	3,000		3,000
Monterey Travel Magazine		600		600	600		600
Print Google Ads		-	2,000	2,000	-		-
Print Explore	1,000	1,000		1,000	1,000		1,000
Print Summer Magazine		600		600	-	600	600
Print Directories Printing				-	4,600		4,600
Radio/TV/Print Advertising-Misc.	7,874			-	-		-
Social Media Boost	92	2,400		2,400	-	4,600	4,600
Unanticipated Events	937			-	-		-
Website Management	2,890	1,000	1,000	2,000	-	500	500
Yellow Bus Market Identification		20,000	-	20,000	-		-
Village Enhancement		-	5,000	5,000		10,000	10,000
Welcome Baskets		400		400	-		-
Total Marketing	\$ 50,496	\$ 60,197	\$ 12,200	\$ 72,397	\$ 63,500	\$ 15,700	\$ 79,200
Holiday - Events/Décor		\$ 5,000	\$ 500	\$ 5,500	\$ -	\$ 4,500	\$ 4,500
Holiday Trees		1,200	150	1,350	-	1,200	1,200
Sip N' Stroll - Cookie Walk		-	2,000	2,000	2,000		2,000
Total Special Events	\$ -	\$ 6,200	\$ 2,650	\$ 8,850	\$ 2,000	\$ 5,700	\$ 7,700
Light Pole Banners		2,000		2,000	-	3,000	3,000
Total Expenditures	66,395	87,127	16,910	104,037	83,780	27,000	110,780
Ending Fund Balance	\$ 22,241	\$ 9,864	\$ (1,910)	\$ 7,954	\$ 6,044	\$ 13,998	\$ 1,174

Attachment: Exhibit A 19-20 (CVWBIA Assessments for FY 19/20)

Capitola Village & Wharf Business Improvement Area Budget Discussion

The CVWBIA will begin Fiscal Year 2019-2020 with an estimated fund balance of \$18,500.

Revenues: The proposed revenue is derived from the CVWBIA business roster and corresponding assessment rates. Starting in FY 19-20, a portion of the proceeds of the Transient Occupancy Tax increase will go to the CVWBIA. In FY 19-20 the amount is expected to be \$29,000. The allocation of cash and in-lieu revenue is based upon FY 2018-2019 actuals.

Expenditures:

Summary. The proposed expenditures are divided into these categories: Administration \$13,680; City Services \$7,200; Marketing \$79,200; Special Events \$7,700; and Fixed Assets \$3,000.

The following is a roster of open businesses in the assessment area as of June 1, 2019.

Capitola Village & Wharf Business Improvement Area Business Listing and Assessment Method

Business Type	Assessment Method	Estimate Assessment	
AM = Associate Member	Associate Member	AM	\$1,440
F1 = Restaurant Full Bar	Per employee category: 6-10 EEs, >10 EEs	F1	\$11,040
F2 = Restaurant Beer & Wine	Per employee category: 0-5 EEs, 6-10 EEs, >10 EEs	F2	\$4,410
F3 = Restaurant No Alcohol	Per employee category: 0-5 EEs, 6-10 EEs	F3	\$4,550
F4 = Wine Tasting	Flat fee	F4	\$1,260
F5 = Seasonal Food	Flat fee	F5	\$280
H = Hotel/Motel/Inn	Flat fee per unit or room	H	\$18,360
O = Office/Professional	Flat fee	O	\$3,000
R = Retail/Service	Per employee category: 0-5 EEs, 6-10 EEs	R	\$18,480
SR = Short Term Rental	Flat fee per unit	SR	\$12,600
Total			\$75,420

Business Address	Business Name	TYPE	FY19/20 Est. Size	FY19/20 Est. Amt Due
504 Bay Avenue	Gayle's Bakery & Rosticceria	AM	> 10	\$1,440
1400 Wharf Road	Wharf House Restaurant	F1	0 - 10	\$960
209B Esplanade	Bay Bar & Grill	F1	0 - 10	\$960
211 Esplanade	The Sand Bar	F1	0 - 10	\$960
231 Esplanade Suite 102	Sotola Bar & Grill	F1	0 - 10	\$960
215 Esplanade	Paradise Beach Grille	F1	11+	\$1,440
1750 Wharf Road	Shadowbrook Restaurant	F1	11+	\$1,440
203 Esplanade	Zelda's	F1	11+	\$1,440
110 Monterey Avenue	Britannia Arms Pub & Rest.	F1	11+	\$1,440
231 Esplanade #101	Margaritaville	F1	11+	\$1,440

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>
316 Capitola Avenue	Bella Roma Café	F2	0 - 5	\$490
123 Monterey Avenue	El Toro Bravo	F2	0 - 5	\$490
200 Monterey Avenue #3	Geisha Japanese Restaurant & Tea House	F2	0 - 5	\$490
207 Esplanade	Sea Side Siam	F2	0 - 5	\$490
115 San Jose Avenue Ste #6	Caruso's Tuscan Cuisine	F2	0 - 5	\$490
427 Capitola Avenue	Avenue Café	F2	0 - 5	\$490
201 Esplanade Unit A	Taco Moreno 3	F2	0 - 5	\$490
210 Monterey Avenue #1	Thai Basil	F2	0 - 5	\$490
201 Monterey Avenue #C	Castagnola Deli & Café	F2	0 - 5	\$490
231 Esplanade #100	Mr. Toots Coffee & Tea	F3	0 - 5	\$420
200 Monterey Avenue #1	Souza's Ice Cream & Candy	F3	0 - 5	\$490
200 Monterey Avenue #2	Mijos Taqueria	F3	0 - 5	\$490
115 San Jose Avenue	Santa Cruz Poke	F3	0 - 5	\$490
110 Stockton Avenue	Sandcastle Café	F3	0 - 5	\$490
311 Capitola Avenue	Steamin' Hot Coffee & Espresso	F3	0 - 5	\$490
209A Esplanade	Pizza My Heart	F3	6 - 10	\$840
104 Stockton	Beach Break by Marianne's	F3	6 - 10	\$840
103 Stockton Avenue	Armida Winery	F4		\$420
115 San Jose Avenue Suite #G	Capitola Wine Bar & Merchants	F4		\$420
312-B Capitola Avenue	Cork and Fork LLC	F4		\$420
107 San Jose Avenue Suite #8	Left Coast Sausage Worx	F5		\$280
5000 Cliff Drive	Capitola Beach Suites aka Harbor Lights	H	10	\$3,600
210 Esplanade	Capitola Hotel	H	10	\$3,600
250 Monterey Avenue	Inn at Depot Hill	H	12	\$4,320
1500 Wharf Road	Venetian Hotel	H	19	\$6,840
321 Capitola Avenue	Vice Salon	O		\$120
312E Capitola Avenue	57 Design Inc.	O		\$120
312D Capitola Avenue	Beach House Rentals	O		\$120
301 Capitola Avenue	David Lyng & Associates	O		\$120
411 Capitola Avenue	Fuse Architects	O		\$120
415 Capitola Avenue	James B. Colip Insurance	O		\$120
201 Monterey Avenue Suite H	Landmark Properties	O		\$120
425 Capitola Avenue #3	Kathy Macdonald Association	O		\$120
314 Capitola Avenue	Katz & Lapidés	O		\$120
331 Capitola Avenue #B	Michael Lavigne Real Estate	O		\$120
331 Capitola Avenue Suite K	Newman & Marcus, LLP	O		\$120
413 Capitola Avenue	Richard Emigh, Land Use	O		\$120
331 Capitola Avenue #D	Suess Insurance Agency	O		\$120
208 San Jose Avenue	Capitola Surf & Paddle	O		\$120
220 Capitola Avenue	Psychic Mermaid	O		\$120
331 Capitola Avenue	Capitola Village Real Estate	O		\$120
314 Capitola Ave	Law Offices of Sam Storey	O		\$120
425 Capitola Avenue Suite #1	Bodhi Addiction Treatment and Wellness	O		\$120
314 Capitola Avenue	John H. McSpadden	O		\$120
314 Capitola Avenue	Miles J. Dolinger, Attorney at Law	O		\$120
112 Stockton Avenue Suite B	Visions by Sheena	O		\$120
331 Capitola Avenue	Capitola Village Massage	O		\$120
207 Monterey Avenue Suite 100	Yellow Bus	O		\$120
107 Stockton Avenue	Dream Catch Properties	O		\$120

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>
200 Monterey Avenue Suite 1A	Seachange	O		\$120
1400 Wharf Road	JFS Inc. dba Capitola Boat & Bait	R	0 - 5	\$420
131 Monterey Avenue	MRA Sales, dba Capitola Beach Co.	R	0 - 5	\$420
417 Capitola Avenue	Betsy's Summerhouse Antiques	R	0 - 5	\$420
217 Capitola Avenue	Big Kahuna Hawaiian Shirts	R	0 - 5	\$420
209 Capitola Avenue	Craft Gallery	R	0 - 5	\$420
207 Capitola Avenue	Craft Gallery Annex	R	0 - 5	\$420
114 Stockton Avenue	Euphoria Rio Mix	R	0 - 5	\$420
110 Capitola Avenue #2	Free to Ride	R	0 - 5	\$420
212 Capitola Avenue	Gaia Earth Treasures	R	0 - 5	\$420
219 Capitola Avenue	Hot Feet	R	0 - 5	\$420
201 Monterey Avenue #B	Kickback	R	0 - 5	\$420
120 Stockton Avenue	Latta	R	0 - 5	\$420
202 Capitola Avenue	Nubia Swimwear	R	0 - 5	\$420
204 Capitola Avenue	Oceania	R	0 - 5	\$420
107 Capitola Avenue	Phoebe's	R	0 - 5	\$420
116 San Jose Avenue	Rainbow City Limit	R	0 - 5	\$420
216 Capitola Avenue	Slap Happy	R	0 - 5	\$420
214 Capitola Avenue	Super Silver	R	0 - 5	\$420
117 Capitola Avenue	Surf n Shack	R	0 - 5	\$420
120 San Jose Avenue	Sweet Asylum	R	0 - 5	\$420
122 Capitola Avenue	Yvonne	R	0 - 5	\$420
115 San Jose Avenue	Southstar PM, Inc. - Parking at the Mercantile	R	0 - 5	\$420
120 Monterey Avenue	Uchiyama - Swenson - Parking at the Theater	R	0 - 5	\$420
201 Monterey Avenue #A	Village Sea Glass	R	0 - 5	\$420
112 Capitola Avenue Suite, 100	Lumen Gallery	R	0 - 5	\$420
115 Capitola Avenue	Capitola Reef	R	0 - 5	\$420
409 Capitola Avenue	Art Inspired	R	0 - 5	\$420
115 San Jose Avenue	Om Rhythms	R	0 - 5	\$420
224 Esplanade	RNTF LLC dba Bedroom Desserts	R	0 - 5	\$420
112 Stockton Avenue	Sea Level T's	R	0 - 5	\$420
115 San Jose Avenue	Carousel Taffy & Treats	R	0 - 5	\$420
215 Capitola Avenue	Vanity by the Sea	R	0 - 5	\$420
116 Stockton Avenue	Xandra Swimwear	R	0 - 5	\$420
300 Capitola Avenue	Quality Market	R	0 - 5	\$420
109 Capitola Avenue	Capitola Seashells	R	0 - 5	\$420
110 Capitola Avenue Unit 3	Carmel Bay Company	R	0 - 5	\$420
309 Capitola Avenue	Jackson Simmons Gallery	R	0 - 5	\$420
208 Monterey Avenue	Jade Allen	R	0 - 5	\$420
205 Capitola Avenue	Capitola Candy Company	R	0 - 5	\$420
126 San Jose Avenue	Pueblo Viejo Imports	R	0 - 5	\$420
110 Capitola Avenue	Mia Bella Boutique	R	0 - 5	\$420
105 Stockton Avenue	A Personal Care	R	0 - 5	\$420
101 Capitola Avenue	The Zero Shop	R	0 - 5	\$420
210 Capitola Avenue	Cotton + Rye	R	0 - 5	\$420
222 San Jose Avenue	Avonne Stone Jacobs, Judy Jacobs	SR	1	\$180
303 Cherry Way	Cal & Carla Cornwell	SR	1	\$180
305 Riverview Avenue	Capitola Pelican House	SR	1	\$180
1500 Wharf Road #5	Colleen Merle Lund	SR	1	\$180

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>
1500 Wharf Road #14	Erline Mello	SR	1	\$180
318 Capitola Avenue #2	Fred & Sharon Andres	SR	1	\$180
215 Monterey Avenue #A	Greg & Maxine Sivaslian	SR	1	\$180
206 Monterey Avenue	Jay & Pamela Chesavage	SR	1	\$180
5005 Cliff Drive #3	Jean Ladoucour	SR	1	\$180
301 Cherry Way	Jeff & Kathie Gaylord	SR	1	\$180
208 Monterey Avenue C	Pat Castagnola	SR	1	\$180
327 Riverview Avenue A	Paulo Franca	SR	1	\$180
109 Monterey Avenue #4	Sharon Dougan	SR	1	\$180
1500 Wharf Road #7	Viola M. Carr	SR	1	\$180
1500 Wharf Road #1	Bob Coe	SR	1	\$180
1500 Wharf Road #20	Leonard Tyson	SR	1	\$180
4960 Cliff Drive #2	Tim & Stacy Hopkins	SR	1	\$180
1500 Wharf Road #11	Jeri Chestnut	SR	1	\$180
225 San Jose Avenue	Michelle & Stephen Murphy	SR	1	\$180
318 Capitola Avenue #1	Janet Lau	SR	1	\$180
1500 Wharf Road #2	Albert Ribisi & Mary Scolari	SR	1	\$180
109 Cherry Avenue Units A & B	Bill & Julie Kenney	SR	2	\$360
5005 Cliff Drive Unit 1	Tom & Susan Baines	SR	1	\$180
318 Capitola Avenue #4	Deborah Cohen	SR	1	\$180
206 California Avenue	Vito Mazzarino	SR	1	\$180
409 Riverview Avenue	Creekside Cottage	SR	1	\$180
417 Riverview Avenue	Bridget Taylor	SR	1	\$180
309 Cherry Avenue	Pan American Investments	SR	1	\$180
102 Lawn Way	Craig & Mimi French	SR	1	\$180
5005 Cliff Drive #6	Alanna Harvey	SR	1	\$180
1500 Wharf Road #9	Grandma's Nest	SR	1	\$180
109 Monterey Avenue #10	Kelli Aita	SR	1	\$180
211 Stockton Avenue #1	Bookman Rental Property	SR	1	\$180
317 Riverview Avenue	BHR Property Management	SR	1	\$180
112 Capitola Avenue #200	BHR Property Management	SR	1	\$180
208 Stockton Avenue	John McEnery	SR	1	\$180
105 Park Place	Capitola Village Deco Beach House	SR	1	\$180
214 California Avenue	Talbot Family	SR	1	\$180
4995 Cliff Drive #A	Chris Rasmussen	SR	1	\$180
1500 Wharf Road #16	Jacqui Rice Property Management	SR	1	\$180
115 San Jose Avenue	BHR Property Management	SR	1	\$180
318 Riverview Avenue	JDT Capital, LLC	SR	1	\$180
105 Lawn #4	105 Lawn Way #4	SR	1	\$180
4995 Cliff Drive #B	Jennifer Rayborn	SR	1	\$180
317 & 327 Riverview Avenue B	Steve & Linda Woodside	SR	2	\$360
5005 Cliff Dr #4, 314 Riverview Ave	Sue Norris	SR	2	\$360
1500 Wharf Road #3,4	Watson Family Limited Partnership (Mike Newell)	SR	2	\$360
209 Stockton Avenue A & B	Castillo Properties	SR	2	\$360
4980 Cliff Drive Unit A & B	Steve Pericone	SR	2	\$360
207 San Jose Avenue A & B	Surf City Rentals	SR	2	\$360
397 & 399 Riverview Avenue	Castellanos Properties - Windmill Properties	SR	2	\$360
402 Bluegum Avenue A & B	Autumn Troung	SR	2	\$360

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>
119 Lawn Way	BHR Property Management	SR	2	\$360
207 Monterey Avenue #200 & 201	207 Monterey Avenue #200 & 201	SR	2	\$360
201 Monterey Avenue #1 & #2	Beach House Rentals	SR	2	\$360
212 Monterey Avenue #1, 3, 4	Joseph Minigione	SR	3	\$540
				\$75,420

Attachment: Exhibit A 19-20 (CVWBIA Assessments for FY 19/20)

New Businesses				
<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>
201 Esplanade Unit A	Taco Moreno 3	F2	0 - 5	\$490
110 Stockton Avenue	Sandcastle Café	F3	0 - 5	\$490
311 Capitola Avenue	Steamin' Hot Coffee & Espresso	F3	0 - 5	\$490
107 Stockton Avenue	Dream Catch Properties	O		\$120
200 Monterey Avenue Suite 1A	Seachange	O		\$120
110 Capitola Avenue	Mia Bella Boutique	R	0 - 5	\$420
105 Stockton Avenue	A Personal Care	R	0 - 5	\$420
101 Capitola Avenue	The Zero Shop	R	0 - 5	\$420
210 Capitola Avenue	Cotton + Rye	R	0 - 5	\$420
115 San Jose Avenue	BHR Property Management	SR	1	\$180
318 Riverview Avenue	JDT Capital, LLC	SR	1	\$180
105 Lawn #4	105 Lawn Way #4	SR	1	\$180
4995 Cliff Drive #B	Jennifer Rayborn	SR	1	\$180
402 Bluegum Avenue A & B	Autumn Troung	SR	2	\$360
				\$4,470

Businesses with Reduced Assessments						
<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>	<u>FY 18-19 Assessment</u>	<u>Increase/ (Decrease)</u>
231 Esplanade #100	Mr. Toots Coffee & Tea	F3	0 - 5	\$420	480	(60)
209A Esplanade	Pizza My Heart	F3	6 - 10	\$840	960	(120)
103 Stockton Avenue	Armida Winery	F4		\$420	480	(60)
115 San Jose Avenue Suite #G	Capitola Wine Bar & Merchants *	F4		\$420	480	(60)
				\$2,100	2,400	(300)

* Capitola Wine Bar & Merchants negotiated their FY 2018-19 assessment from \$480 (Restaurant Bar) to \$280 (Restaurant Limited)

Businesses with Increased Assessments						
<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY19/20 Est. Size</u>	<u>FY19/20 Est. Amt Due</u>	<u>FY 18-19 Assessment</u>	<u>Increase/ (Decrease)</u>
209B Esplanade	Bay Bar & Grill	F1	0 - 10	\$960	480	\$480
211 Esplanade	The Sand Bar	F1	0 - 10	\$960	480	\$480
231 Esplanade Suite 102	Sotola Bar & Grill	F1	0 - 10	\$960	480	\$480
316 Capitola Avenue	Bella Roma Café	F2	0 - 5	\$490	480	\$10
123 Monterey Avenue	El Toro Bravo	F2	0 - 5	\$490	480	\$10
200 Monterey Avenue #3	Geisha Japanese Restaurant & Tea House	F2	0 - 5	\$490	480	\$10
207 Esplanade	Sea Side Siam	F2	0 - 5	\$490	480	\$10
115 San Jose Avenue Ste #6	Caruso's Tuscan Cuisine	F2	0 - 5	\$490	480	\$10
427 Capitola Avenue	Avenue Café	F2	0 - 5	\$490	480	\$10
210 Monterey Avenue #1	Thai Basil	F2	0 - 5	\$490	280	\$210
201 Monterey Avenue #C	Castagnola Deli & Café	F2	0 - 5	\$490	280	\$210
200 Monterey Avenue #1	Souza's Ice Cream & Candy	F3	0 - 5	\$490	480	\$10
200 Monterey Avenue #2	Mijos Taqueria	F3	0 - 5	\$490	480	\$10
115 San Jose Avenue	Santa Cruz Poke	F3	0 - 5	\$490	280	\$210
104 Stockton	Beach Break by Marianne's	F3	6 - 10	\$840	480	\$360
312-B Capitola Avenue	Cork and Fork LLC	F4		\$420	280	\$140
				\$9,530	\$6,880	\$2,650



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Community Development

SUBJECT: Sidewalk Vending and Compliance with Senate Bill 946

RECOMMENDED ACTION: Provide staff direction on future regulations for sidewalk vending in Capitola.

BACKGROUND: On September 17, 2018, Governor Jerry Brown signed Senate Bill (SB) 946, which establishes statewide regulations regarding vending on sidewalks and pathways in the public right-of-way and parks (Attachment 1). The stated purpose of this bill is to create entrepreneurial and economic development opportunities for individuals by removing barriers to selling food and merchandise on public sidewalks and in parks. The bill went into effect on January 1, 2019.

DISCUSSION: Local jurisdictions that wish to regulate sidewalk vending are required to first adopt a program with rules and regulations consistent with SB 946. Capitola Municipal Code (CMC) Chapter 12.64 prohibits sidewalk vending in the Central Village for reasons beyond public health, safety, or welfare and therefore is not in compliance with SB 946 (Attachment 2).

SB 946 requires that cities allow sidewalk vending on City sidewalks and paths, and restrictions may only be imposed when directly related to objective public health, safety, or welfare concerns. The new law also allows sidewalk vending within public parks with additional criteria to protect the public's use and enjoyment of natural resources and recreational opportunities, and undue concentration of commercial activity that unreasonably interferes with the park's scenic and natural character. The law permits "roaming" sidewalk vendors in residential areas and provides local governments with the ability to limit hours of operation.

Staff reviewed several ordinances used by cities throughout the State and evaluated strategies for compliance with the provisions of SB 946, while retaining local control to the extent feasible. The ordinances range from permissible with very little oversight to highly protective of public safety and welfare concerns. Table 1 following includes examples of permissive and protective regulations.

Sidewalk Vending Ordinance
July 25, 2019

Table 1.

Limited Regulation	Protective of Public Safety and Welfare
<ul style="list-style-type: none"> • Maintain 4 feet of clearance on sidewalk for ADA • Allow stationary sidewalk vendors in parks except in a park with an existing concessionaire. • Allow sidewalk vendors a space within farmers markets, swap meets, or temporary special events. • Limit vending in residential areas from 6 a.m. to 10 p.m. • No maximum limit of sidewalk vendor licenses within City limits. 	<ul style="list-style-type: none"> • Setbacks for safety (fire hydrants, driveways and street intersections, entryways into buildings, police station, etc.) • Maintain 10 feet of clearance on sidewalks due to high pedestrian activity and safety. • Prohibiting sales near schools to prevent sidewalk overcrowding and pedestrian/vehicle hazards. • 100-foot setbacks from recreational/tourist sites, such as a playground or beach. • Prohibit from pathways in close proximity to natural resources or a view point to ensure the public's enjoyment of natural resources. • Require a 200-foot setback from farmers markets, swap meets, or temporary special events. • Limit number of vendors in dense areas due to limited space on sidewalks and safety. • Limit total number of vendors within a City limit to prevent crowding and protect health and safety.

Prior to revising Chapter 12.64, staff is seeking direction from the City Council on how protective the future ordinance should be and if any areas of the City should be more permissive than others. Staff will return with a draft ordinance for a first reading in September.


FISCAL IMPACT: The addition of sidewalk vendors could result in a very minor increase in retail sales tax revenues.

ATTACHMENTS:

1. CA Government Code 51036 Sidewalk Vending
2. Capitola Municipal Code Chapter 12.64 Sidewalk Vending Prohibitions

Report Prepared By: Katie Herlihy
Community Development Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/19/2019


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GOVERNMENT CODE - GOV
TITLE 5. LOCAL AGENCIES [50001 - 57550] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 1. CITIES AND COUNTIES [50001 - 52203] (Division 1 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES AND COUNTIES [50001 - 51298.5] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 6.2. Sidewalk Vendors [51036 - 51039] (Chapter 6.2 added by Stats. 2018, Ch. 459, Sec. 2.)

51036. For purposes of this chapter, the following definitions apply:

- (a) "Sidewalk vendor" means a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or from one's person, upon a public sidewalk or other pedestrian path.
- (b) "Roaming sidewalk vendor" means a sidewalk vendor who moves from place to place and stops only to complete a transaction.
- (c) "Stationary sidewalk vendor" means a sidewalk vendor who vends from a fixed location.
- (d) "Local authority" means a chartered or general law city, county, or city and county.

(Added by Stats. 2018, Ch. 459, Sec. 2. (SB 946) Effective January 1, 2019.)
51037. (a) A local authority shall not regulate sidewalk vendors except in accordance with Sections 51038 and 51039.

(b) Nothing in this chapter shall be construed to affect the applicability of Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code to a sidewalk vendor who sells food.

(c) Nothing in this chapter shall be construed to require a local authority to adopt a new program to regulate sidewalk vendors if the local authority has established an existing program that substantially complies with the requirements in this chapter.

(Added by Stats. 2018, Ch. 459, Sec. 2. (SB 946) Effective January 1, 2019.)
51038. (a) A local authority may adopt a program to regulate sidewalk vendors in compliance with this section.

(b) A local authority's sidewalk vending program shall comply with all of the following standards:

(1) A local authority shall not require a sidewalk vendor to operate within specific parts of the public right-of-way, except when that restriction is directly related to objective health, safety, or welfare concerns.

(2) (A) A local authority shall not prohibit a sidewalk vendor from selling food or merchandise in a park owned or operated by the local authority, except the local authority may prohibit stationary sidewalk vendors from vending in the park only if the operator of the park has signed an agreement for concessions that exclusively permits the sale of food or merchandise by the concessionaire.

(B) Notwithstanding subparagraph (A), a local authority may adopt additional requirements regulating the time, place, and manner of sidewalk vending in a park owned or operated by the local authority if the requirements are any of the following:

- (i) Directly related to objective health, safety, or welfare concerns.
- (ii) Necessary to ensure the public's use and enjoyment of natural resources and recreational opportunities.
- (iii) Necessary to prevent an undue concentration of commercial activity that unreasonably interferes with the scenic and natural character of the park.

- (3) A local authority shall not require a sidewalk vendor to first obtain the consent or approval of any nongovernmental entity or individual before he or she can sell food or merchandise.
- (4) (A) A local authority shall not restrict sidewalk vendors to operate only in a designated neighborhood or area, except when that restriction is directly related to objective health, safety, or welfare concerns.
- (B) Notwithstanding subparagraph (A), a local authority may prohibit stationary sidewalk vendors in areas that are zoned exclusively residential, but shall not prohibit roaming sidewalk vendors.
- (5) A local authority shall not restrict the overall number of sidewalk vendors permitted to operate within the jurisdiction of the local authority, unless the restriction is directly related to objective health, safety, or welfare concerns.
- (c) A local authority may, by ordinance or resolution, adopt additional requirements regulating the time, place, and manner of sidewalk vending if the requirements are directly related to objective health, safety, or welfare concerns, including, but not limited to, any of the following:
- (1) Limitations on hours of operation that are not unduly restrictive. In nonresidential areas, any limitations on the hours of operation for sidewalk vending shall not be more restrictive than any limitations on hours of operation imposed on other businesses or uses on the same street.
 - (2) Requirements to maintain sanitary conditions.
 - (3) Requirements necessary to ensure compliance with the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and other disability access standards.
 - (4) Requiring the sidewalk vendor to obtain from the local authority a permit for sidewalk vending or a valid business license, provided that the local authority issuing the permit or business license accepts a California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number in lieu of a social security number if the local authority otherwise requires a social security number for the issuance of a permit or business license, and that the number collected shall not be available to the public for inspection, is confidential, and shall not be disclosed except as required to administer the permit or licensure program or comply with a state law or state or federal court order.
 - (5) Requiring the sidewalk vendor to possess a valid California Department of Tax and Fee Administration seller's permit.
 - (6) Requiring additional licenses from other state or local agencies to the extent required by law.
 - (7) Requiring compliance with other generally applicable laws.
 - (8) Requiring a sidewalk vendor to submit information on his or her operations, including, but not limited to, any of the following:
 - (A) The name and current mailing address of the sidewalk vendor.
 - (B) A description of the merchandise offered for sale or exchange.
 - (C) A certification by the vendor that to his or her knowledge and belief, the information contained on the form is true.
 - (D) The California seller's permit number (California Department of Tax and Fee Administration sales tax number), if any, of the sidewalk vendor.
 - (E) If the sidewalk vendor is an agent of an individual, company, partnership, or corporation, the name and business address of the principal.
- (d) Notwithstanding subdivision (b), a local authority may do both of the following:
- (1) Prohibit sidewalk vendors in areas located within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter. A "swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.
 - (2) Restrict or prohibit sidewalk vendors within the immediate vicinity of an area designated for a temporary special permit issued by the local authority, provided that any notice, business interruption mitigation, or other rights provided to affected businesses or property owners under the local authority's temporary special permit are also provided to any sidewalk vendors specifically permitted to operate in the area, if applicable. For purposes of this paragraph, a temporary special permit is a permit issued by the local authority for the temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit, special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, or outdoor

concerts. A prohibition of sidewalk vendors pursuant to this paragraph shall only be effective for the limited duration of the temporary special permit.

(e) For purposes of this section, perceived community animus or economic competition does not constitute an objective health, safety, or welfare concern.

(Added by Stats. 2018, Ch. 459, Sec. 2. (SB 946) Effective January 1, 2019.)

51039. (a) (1) A violation of a local authority's sidewalk vending program that complies with Section 51038 is punishable only by the following:

(A) An administrative fine not exceeding one hundred dollars (\$100) for a first violation.

(B) An administrative fine not exceeding two hundred dollars (\$200) for a second violation within one year of the first violation.

(C) An administrative fine not exceeding five hundred dollars (\$500) for each additional violation within one year of the first violation.

(2) A local authority may rescind a permit issued to a sidewalk vendor for the term of that permit upon the fourth violation or subsequent violations.

(3) (A) If a local authority requires a sidewalk vendor to obtain a sidewalk vending permit from the local authority, vending without a sidewalk vending permit may be punishable by the following in lieu of the administrative fines set forth in paragraph (1):

(i) An administrative fine not exceeding two hundred fifty dollars (\$250) for a first violation.

(ii) An administrative fine not exceeding five hundred dollars (\$500) for a second violation within one year of the first violation.

(iii) An administrative fine not exceeding one thousand dollars (\$1,000) for each additional violation within one year of the first violation.

(B) Upon proof of a valid permit issued by the local authority, the administrative fines set forth in this paragraph shall be reduced to the administrative fines set forth in paragraph (1), respectively.

(b) The proceeds of an administrative fine assessed pursuant to subdivision (a) shall be deposited in the treasury of the local authority.

(c) Failure to pay an administrative fine pursuant to subdivision (a) shall not be punishable as an infraction or misdemeanor. Additional fines, fees, assessments, or any other financial conditions beyond those authorized in subdivision (a) shall not be assessed.

(d) (1) A violation of a local authority's sidewalk vending program that complies with Section 51038, or a violation of any rules or regulations adopted prior to January 1, 2019, that regulate or prohibit sidewalk vendors in the jurisdiction of a local authority, shall not be punishable as an infraction or misdemeanor, and the person alleged to have violated any of those provisions shall not be subject to arrest except when permitted under law.

(2) Notwithstanding any other law, paragraph (1) shall apply to all pending criminal prosecutions under any local ordinance or resolution regulating or prohibiting sidewalk vendors. Any of those criminal prosecutions that have not reached final judgment shall be dismissed.

(e) A local authority that has not adopted rules or regulations by ordinance or resolution that comply with Section 51037 shall not cite, fine, or prosecute a sidewalk vendor for a violation of any rule or regulation that is inconsistent with the standards described in subdivision (b) Section 51038.

(f) (1) When assessing an administrative fine pursuant to subdivision (a), the adjudicator shall take into consideration the person's ability to pay the fine. The local authority shall provide the person with notice of his or her right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The person may request an ability-to-pay determination at adjudication or while the judgment remains unpaid, including when a case is delinquent or has been referred to a comprehensive collection program.

(2) If the person meets the criteria described in subdivision (a) or (b) of Section 68632, the local authority shall accept, in full satisfaction, 20 percent of the administrative fine imposed pursuant to subdivision (a).

(3) The local authority may allow the person to complete community service in lieu of paying the total administrative fine, may waive the administrative fine, or may offer an alternative disposition.

(g) (1) A person who is currently serving, or who completed, a sentence, or who is subject to a fine, for a conviction of a misdemeanor or infraction for sidewalk vending, whether by trial or by open or negotiated plea, who would not have been guilty of that offense under the act that added this section had that act been in effect at the

time of the offense, may petition for dismissal of the sentence, fine, or conviction before the trial court that entered the judgment of conviction in his or her case.

(2) Upon receiving a petition under paragraph (1), the court shall presume the petitioner satisfies the criteria in paragraph (1) unless the party opposing the petition proves by clear and convincing evidence that the petitioner does not satisfy the criteria. If the petitioner satisfies the criteria in paragraph (1), the court shall grant the petition to dismiss the sentence or fine, if applicable, and dismiss and seal the conviction, because the sentence, fine, and conviction are legally invalid.

(3) Unless requested by the petitioner, no hearing is necessary to grant or deny a petition filed under paragraph (1).

(4) If the court that originally sentenced or imposed a fine on the petitioner is not available, the presiding judge shall designate another judge to rule on the petition.

(5) Nothing in this subdivision is intended to diminish or abrogate any rights or remedies otherwise available to the petitioner.

(6) Nothing in this subdivision or related provisions is intended to diminish or abrogate the finality of judgments in any case not falling within the purview of this chapter.

(Added by Stats. 2018, Ch. 459, Sec. 2. (SB 946) Effective January 1, 2019.)

Chapter 12.64 SIDEWALK VENDING PROHIBITIONS

Sections:

- [12.64.010](#) Findings.
- [12.64.020](#) Display or sale of merchandise prohibited.
- [12.64.030](#) Permissible activities.

12.64.010 Findings.

The city council finds as follows:

Within the area described below, vendors, and those providing items in exchange for charitable contributions, may deleteriously affect aesthetics of the area, orderly movement of pedestrians, and local merchants who deal in similar goods. (Ord. [790](#) (part), 1996)

12.64.020 Display or sale of merchandise prohibited.

Notwithstanding any other provision of this chapter or this code, it is unlawful for any person or organization to display for sale, sell, offer for sale, rent, offer for rent, or offer in exchange for a donation, goods, wares, merchandise, foodstuffs, refreshments, or other kinds of property or services within or upon the street, sidewalks, parks or medians in the following area:

The CV Zoning District.

(Ord. [790](#) (part), 1996)

12.64.030 Permissible activities.

This chapter shall not be construed as prohibiting commercial events or noncommercial events in the foregoing designated areas which are conducted pursuant to and in accordance with Chapter [9.36](#) (Temporary, Publicly Attended Activities) of this code, or when specifically so allowed by both an applicable use permit and encroachment permit. (Ord. [790](#) (part), 1996)

The Capitola Municipal Code is current through Ordinance 1030, passed April 25, 2019.

Disclaimer: The City Clerk's Office has the official version of the Capitola Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: Capitola Police Department

SUBJECT: Consider an Appeal by Embarc Capitola of the Selection Committee's Decision to Issue Cannabis Retail Licenses to The Apothecarium Capitola and TreeHouse Capitola

RECOMMENDED ACTION: Hold requested public appeal hearing and uphold staff's issuance of preliminary retail cannabis licenses to The Apothecarium Capitola and TreeHouse Capitola.

BACKGROUND: With the passage of Measure I: Cannabis Business Tax in November 2018, the City's retail cannabis license ordinance became effective, allowing up to two retail cannabis operations in the City of Capitola. The application period for retail cannabis license permits opened on January 1, 2019 and closed at 5 p.m. on April 2, 2019. In response, the City received 14 applications.

Guided by Capitola Municipal Code Chapter 5.36, "Retail Cannabis Licenses," and as detailed below, the City conducted a competitive, merit-based review of the applications, including interviews, and on May 28, 2019, ultimately issued the two preliminary retail cannabis licenses to The Apothecarium Capitola and TreeHouse Capitola. On June 13, 2019 the City received an appeal from an unsuccessful applicant, Embarc Capitola, LLC.

DISCUSSION:

I. The Competitive, Merit-Based Review Process:

In keeping with the tenets of the City's retail cannabis license ordinance, the City required applications from potential licensees. As a preliminary step in the review process, administrative staff from the Police Department reviewed all these applications for completeness. All 14 of the applications that were submitted passed the threshold of completeness and were moved to the first phase of the selection process: the technical review process.

1. Phase 1: Technical Review Process

The technical review process took place over a two-day period on May 8-9, 2019. The City established a panel of non-conflicted individuals including a representative from the Police Department, HdL (the City's cannabis tax consultant), and the Santa Cruz County Cannabis Licensing Office. The panel conducted a full review of the contents of all 14 applications. Each reviewer individually scored each application on a scale of 0 to 100. The complete list of factors that were considered in scoring each application are set forth in Attachment 1, a sample of the

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scoring sheet used by the panelists. Generally, these factors included the experience/background of the applicants, the submitted operational and security plans, and other factors related to adopted City policies/ordinances.

The scored results from the Phase 1: Technical Review Process were remarkably consistent, with all panelists identifying the same six top applications, and a strong overall consensus among the reviewers. In fact, none of the reviewers ranked any of the bottom 8 applications above any of the top six applications (see Attachment 2). HdL, the City's cannabis tax consultant, advised that, based on its expert opinion, all six of these applicants met the minimum qualifications to proceed and were all relatively equal.

The top six applicants were notified that they would be proceeding to the next phase of the selection process, while the eight remaining applicants were given written notice that their applications would not move on in the process.

2. Phase 2: Presentation/Interview Process

On May 20, 2019, a panel comprised of the Police Chief, Police Captain, the Finance Director, and the City Manager interviewed the six finalists. The interview was split into a 25-minute applicant presentation followed by a 15-minute question-and-answer period from the panel. Following each applicant's interview, the panel conducted a forced-ranking evaluation and assessment. (See Attachment 3, showing the evolution of the panel's forced ranking results.) The panel evaluated and ranked all six applicants solely based on the information presented during the presentation/interview – there was no preference or enhanced ranking based on the scoring of Phase 1.

Prior to the interview, those applicants who requested information, including Embarc, were provided with a bullet-point list of some of the factors that would be considered during the Phase 2: Presentation/Interview Process (Attachment 4). In addition to these factors, panelists considered additional information in ranking the applicants in the Presentation/Interview Process. A summary of that information is included in Attachment 5.

This Phase 2: Presentation/Interview Process was highly informative and gave the panel the opportunity to ask important questions about each applicant's experience and product supply chain, and evaluate each applicant's proposed organizational structure. As noted above, immediately following the completion of each interview, the panelists completed a "forced-ranking" scoring assessment to sequentially rank the applicants.

3. Results of Competitive Merit-Based Review

As demonstrated in Attachment 3, the results of the forced-ranking assessment yielded consistent results, with all four members of the panel identifying the same final, top-two applications. The appellant, Embarc Capitola, LLC, was ranked as the fourth-place application by three raters and third place by one rater.

Following the interviews, staff conducted additional background work on the top-two finalists, including site visits to finalists' other business operations and consultations with relevant regulators. At the conclusion of the interviews and background process two applicants were selected as preliminary licensees pending the State and local permitting process.

The two selected licensees both have experienced executive directors with proven retail

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cannabis experience and demonstrated ability to develop and open retail cannabis operations. The Apothecarium Capitola and TreeHouse Capitola both identified strategies to remain competitive in the market and had proven supply chains, vertical market integration, and clear ownership structures. Additionally, both of these prospective licensees have demonstrated their commitment to giving back to the local communities in which they operate.

The appellant, Embarc Capitola, LLC, was ultimately not selected due to a number of factors. Two noteworthy detractors were that its chief executive officer had no prior experience in cannabis dispensaries or operations, and the entire team of applicants who appeared on behalf of Embarc Capitola, LLC, were unable to clearly articulate the actual or proposed ownership structure. On two occasions, panelists asked direct questions related to the ownership of the organization, but the presenters were unable, or unwilling, to provide straightforward answers about how ownership of the LLC would be divided between Mark Areias, Jason Sweatt with Santa Cruz Veterans Alliance, and Jared Ficker with Axiom Advisors.

4. Appeal by Mark Areias of Embarc Capitola, LLC.

On June 13, 2019, Mark Areias, the chief executive officer of Embarc Capitola, LLC, filed an appeal on behalf of Embarc (Attachment 6). In its appeal, Embarc listed the following grounds as the basis for its appeal:

1. The City did not proceed in a manner required by law
2. Because the statute does not mandate consistent application of its review standards, it violates due process
3. The Selection Panel's decision was based on information of which appellant was not apprised and had no opportunity to rebut and appellant was denied a meaningful hearing, and
4. The Panel's selection process was tainted by consideration of false, fraudulent, or misleading information.

For the City Attorney's analysis of the legal aspects of the appellant's claims, please refer to Attachment 7.

II. City Staff's Response to Appeal

In response to the merits of Embarc Capitola, LLC's appeal, City staff submit the following factual information and response.

1. "Failure to Proceed as Required by Law"

The appeal claims the City's process was vague, misleading, and inconsistent with the Capitola Municipal Code. This is not the case; the attached record depicts staff's diligent efforts to develop an application review process that was consistent with Municipal Code and competitively assessed the merits of each application. The City's applicable ordinance permits the City to evaluate a number of factors in assessing potential licensees, which the City did. The Code does not restrict the City's consideration of additional factors, as are shown in the relevant criteria for both phases of the evaluation. Importantly, the City's Code uses permissive language, noting the City may consider certain factors in its competitive assessment of the applications; the Code does not require the use of those factors. As noted by the City Attorney's analysis, Embarc's claim that the ordinance is internally inconsistent or confusing seems to be based on its incorrect reading of Chapter 5.36 of the Municipal Code.

2. “Violation of Due Process”

Appellant Embarc Capitola LLC also claims the City acted without consistency or objectivity with regards to the standards used to evaluate applications. As shown in the relevant attachments, City staff worked diligently to promulgate reasonable criteria for evaluation, and thereafter applied this criteria in a reasonable and fair manner.

3. “Information of Which Appellant Was Not Aware”

Appellant Embarc also suggests that the City had an obligation to inform Appellant that a member of its team was simultaneously applying for a license as part of another applicant group. However, neither the City’s ordinances, rules, and regulations, nor State law require the City to inform any applicant of the business affiliations of its partners. The claim that the City did not select the Embarc application due to one of partners “dual allegiance” is inaccurate – in fact, the Embarc application was bolstered by the Santa Cruz Veteran’s Alliance’s participation in the submittal. As noted above, Embarc Capitola, LLC was not selected because it did not perform well in Phase 2 of the evaluation.

4. “False, Fraudulent Information”

Finally, Embarc says it is “informed and believes” that at least one applicant provided location and site plan information that Embarc had an exclusive right to use. The consideration of this information supposedly “irredeemably tainted” the interview process. However, while several other applicants provided conceptual renderings of potential designs for specific sites, the other applicants clearly articulated during the interview process that they did not have a lease for the site, and the renderings were provided for illustrative purposes only to help better articulate the style and character of their proposed retail storefronts.

III. Summary

As detailed in the staff report and attachments, the appeal by Mark Areias, Embarc Capitola is based on misstatements and misinterpretations of the relevant provisions of the law, claims not supported by documents, facts, or compelling legal authority, and incorrect factual assumptions and hypothesis. As a result, staff recommends the City Council deny the appeal, and uphold staff’s issuance of preliminary retail cannabis licenses to The Apothecarium Capitola and TreeHouse Capitola.

FISCAL IMPACT: None

ATTACHMENTS:

1. Application Scoring Sheet
2. Application Final Scores
3. Forced Ranking Results
4. Presentation & Interview factors
5. Cannabis License Rating Factors - presentation
6. Embarc Appeal
7. City Attorney Analysis
8. Continuance request and response

Cannabis License Appeal
July 25, 2019

9. Cannabis appeal public comments

Report Prepared By: Terry McManus
Police Chief

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/19/2019

Total Score:

APPLICANT NAME _____

REVIEWER _____

**CITY OF CAPITOLA
RETAIL CANNABIS BUSINESS**

I. Statement of Purpose

Score	20 max points	Factors to consider
		<ul style="list-style-type: none"> • Provides medical cannabis – community benefit • Cost reduction for select individuals – community benefit • Contributes time/money to community and charity – community benefit • Appropriate utilization of locally grown cannabis - Ordinance 5.36.030 • Green Business certified– Climate action plan • Overall quality of Statement of Purpose
<p>Notes</p>		

Attachment: Application Scoring Sheet (Cannabis License Appeal)

Total Score:

APPLICANT NAME _____

REVIEWER _____

Applicant	Rater1	Rater2	Rater3	Final Score
Embarc	94	94	93	93.6667
Apothecarium	92.5	94	91	92.5
3	90	93	92	91.6667
4	90	94	90	91.3333
Treehouse	88.5	90	91	89.8333
6	86.5	85	89	86.8333
7	77.5	84	85	82.1667
8	76.5	82	76	78.1667
9	73.5	76	79	76.1667
10	78	70	78	75.3333
11	71	69	80	73.3333
12	70	70	74	71.3333
13	58	65	77	66.6667
14	64.5	67	61	64.1667

Attachment: Application Final Scores (Cannabis License Appeal)

Reviewer 1

	After 1st interview	After 2nd interview	3rd	4th	5th	6th
1	Firm A	Apothecarium	Apothecarium	Apothecarium	Apothecarium	Apothecarium
2	[REDACTED]	Firm A	Firm C	Firm C	Firm C	Treehouse
3	[REDACTED]	[REDACTED]	Firm A	Embarc	Embarc	Firm C
4	[REDACTED]	[REDACTED]	[REDACTED]	Firm A	Firm A	Embarc
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E	Firm A
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E

Reviewer 2

	After 1st interview	After 2nd interview	3rd	4th	5th	6th
1	Firm A	Apothecarium	Apothecarium	Apothecarium	Apothecarium	Apothecarium
2	[REDACTED]	Firm A	Firm C	Firm C	Firm C	Treehouse
3	[REDACTED]	[REDACTED]	Firm A	Embarc	Embarc	Firm C
4	[REDACTED]	[REDACTED]	[REDACTED]	Firm A	Firm A	Embarc
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E	Firm A
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E

Reviewer 3

	After 1st interview	After 2nd interview	3rd	4th	5th	6th
1	Firm A	Apothecarium	Apothecarium	Apothecarium	Apothecarium	Treehouse
2	[REDACTED]	Firm A	Firm C	Firm C	Firm C	Apothecarium
3	[REDACTED]	[REDACTED]	Firm A	Embarc	Embarc	Firm C
4	[REDACTED]	[REDACTED]	[REDACTED]	Firm A	Firm A	Embarc
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E	Firm A
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm F

Reviewer 4

	After 1st interview	After 2nd interview	3rd	4th	5th	6th
1	Firm A	Apothecarium	Apothecarium	Apothecarium	Apothecarium	Treehouse
2	[REDACTED]	Firm A	Firm C	Embarc	Embarc	Apothecarium
3	[REDACTED]	[REDACTED]	Firm A	Firm C	Firm C	Embarc
4	[REDACTED]	[REDACTED]	[REDACTED]	Firm A	Firm A	Firm C
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E	Firm A
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Firm E

Attachment: Forced Ranking Results (Cannabis License Appeal)

Cannabis License Presentation & Interview (30 min presentation, 15 min Q&A)

- Factors to consider
- Professionalism and business acumen
- Management principles
- Business structure
- Vertical market integration
- Proven management
- History of community benefit
- Capitalization
- Knowledge of Capitola Community
- Involvement with local government advocacy, local tax concerns, etc
- How to compete with an oversaturated market, impact on revenue stream
- Cannabis role re educational campaign re substance abuse
- Any unique characteristics that make business a good “fit” in Capitola

Cannabis License Presentation & Interview (30 min presentation, 15 min Q&A)

Rating Factors

	Identified by staff prior to presentation/ interviews	Communicated to applicants who requested information prior to interview	City Muni Code
Professionalism and Experience			
Applicant's experience in legal cannabis sales			x
Revenue from existing operations the applicant runs	x		
Ownership structure	x	x	
Strategy to remain competitive in market	x	x	
Financial			
Current financial position	x	x	
Revenue projections	x	x	
Accounting/finance staffing plan	x		
Internal controls	x		
Product Supply			
Proven supply	x	x	
Vertical market integration	x	x	
Involvement in efforts to reduce regulations or taxes on industry	x		
How does Capitola's 7% tax fit into business model?	x	x	
Community engagement			
How business is going to contribute back to Capitola	x	x	
Priority of hiring local people	x		
Substance abuse intervention/prevention	x		
Applicant's residency and local enterprise within the region			x
Unique factors that sets proposal apart from others	x		



CITY OF CAPITOLA APPEAL APPLICATION FORM

JUN 13 2019

TYPE OF APPEAL (check one)	APPEAL FEE
<input checked="" type="checkbox"/> Administrative - Staff Determination	\$500 <i>514</i>
<input type="checkbox"/> Planning Commission Decision	\$500
<input type="checkbox"/> Code Enforcement Action	\$500
<input type="checkbox"/> Building Code Interpretation	\$500
<input type="checkbox"/> Coastal Appeal	\$0

APPELLANT INFORMATION

Name: Embarc Capitola, LLC

Address: 7552 Soquel Drive City Aptos Zip 95003

Phone: 831-688-2799

Email: mark@areiasjewelers.com

APPEAL INFORMATION

Project Address: NA

Property Owner: NA

Application Number: _____

REASONS FOR APPEAL

Please note the reasons and grounds for your appeal. Attach additional pages as necessary.

Embarc Capitola, LLC appeals the decisions of the Cannabis Licensing Team/Selection Panel related to its application for a City of Capitola Retail Cannabis License, pursuant to municipal code section 5.36.030. See attached Appeal Addendum for details.

SIGNATURE *Mark Lewis* DATE 6/12/19

Attachment: Embarc Appeal (Cannabis License Appeal)

Background

On April 2, 2019, Embarc Capitola, LLC (“Appellant”) submitted an application to the City of Capitola (“City”) seeking a retail cannabis license pursuant to Capitola Municipal Code (“CMC”) Section 5.36.030. Its application was crafted to address the factors specified in CMC Section 5.36.030(A)(5), “Competitive, Merit-Based License Review,” and in part focused on Appellant’s proposed location and site plan.

Appellant partnered with Jason Sweatt on its incipient retail cannabis business in Capitola. Mr. Sweatt is a local resident with cannabis dispensary expertise who assisted with application support, management, staffing and hiring, and compliance. Unbeknownst to Appellant, Mr. Sweatt had entered into a similar agreement with a rival applicant, The Apothecarium.

CMC Section 5.36.030(A)(6) states that “All complete applications received prior to the application deadline shall be reviewed by a panel of no fewer than three non-conflicted individuals as selected by the City Manager. . . .” Appellant understands and believes that City Manager Jamie Goldstein chose the Chief of Police Terry McManus, Police Captain Andy Dally, and the City’s Director of Finance Jim Malberg as the “non-conflicted” panel (the “Selection Panel”). It is unclear on which date the City Manager chose the Selection Panel, and subsequent interactions between Appellant and the City Manager lead Appellant to believe that the City Manager is perhaps also a member of the Selection Panel; although this is not what is contemplated by CMC Section 5.36.030(A)(6).

Following Appellant’s application submittal, its CEO – Mark Areias - was informed by City staff that of the fourteen (14) applications received six (6) were selected to participate in an interview with the Selection Panel. Up and until this phone call, Appellant believed the Selection Panel would reach its decision May 2, 2019 as disclosed in a scheduled provided to the Appellant. Neither the CMC nor any published materials by the City ever mentioned or contemplated an interview as a part of the application process. Prior to the interview, Appellant was also contacted by Mr. Sweatt. Mr. Sweatt informed him that a member of the Selection Panel or member of City staff had reached out to Mr. Sweatt and disclosed that Appellant was going into the interview in “first place.” Other than the above information, neither Appellant nor the public at large was ever informed or provided documentation or support regarding the Selection Panel’s decision making process, ranking, or scoring, if any, for its supposed merit-based process.

Appellant was interviewed by the City’s Selection Panel, including the City Manager on May 20, 2019, at 1:00 p.m., for the purpose of determining whether to select Appellant as a potential retail cannabis license holder; the preliminary step in granting an applicant’s license pursuant to the CMC. Mr. Areias, Jared Ficker and Mr. Sweatt attended and participated in the interview on behalf of Appellant. Unbeknownst to Mr. Ficker and Mr. Areias, Mr. Sweatt had also attended and participated in the interview that competing applicant The Apothecarium had earlier that same morning with the identical Selection Panel. At no time during or prior to the interview did Mr. Sweatt, the City Manager or any of the Selection Panel disclose to Appellant that Mr. Sweatt was, in effect, participating in ownership and/or operational roles for two separate applicants. Appellant did not become aware of Mr. Sweatt’s involvement with The Apothecarium until after completion of the selection process.

On May 23, 2019, the “Cannabis Licensing Team” issued a letter to Appellant, indicating that its application had not been selected as a potential retail cannabis license holder. It did not provide any details as to what – if any – criteria were utilized in making the decision or how it weighed such criteria.

During subsequent verbal communications between Appellant’s principals and the City Manager, Appellant learned the following information:

1) Prior to their in-person interview, Appellant had, in fact, been tied for first place with The Apothecarium for consideration for a retail cannabis license. How it was determined that Appellant was tied for first place, how ahead of the other applicants they were in “rankings”, and which criteria were used to make this determination is unknown and was never disclosed by the City;

2) The Selection Panel had – in its internal deliberations – discussed the fact of and potential impropriety of Mr. Sweatt participating in two licenses (i.e. that Appellant and The Apothecarium could not both move forward in the licensing process while Mr. Sweatt remained involved with both companies);

3) The Apothecarium was chosen as one of the two applicants to proceed in the retail cannabis license process;

4) The Selection Panel had not given any consideration to Appellant’s proposed location (or, by implication, its site plan, security plan, visibility of public entryway from the street, or the proposed location’s distance from any area of increased or high crime activity; all factors for consideration pursuant to CMC 5.36.030(A)(5)). While Appellant’s location was discussed during the interview with the Selection Panel and made prominent in its application materials, neither the City staff nor the Selection Panel disclosed to Appellant that the location would not be considered;

5) Another applicant misrepresented it would use the same location as proposed by Appellant for its operations despite the fact Appellant had leased the location.

6) Appellant finished in 4th place. The reasoning provided by the City Manager was vague and partially had to do with the belief that Appellant was not transparent about the precise interests of its owners. Appellant had provided extensive information about its owners in its application and had provided the Selection Panel with further details about its business in the interview. At no time did the City specifically ask about Mr. Sweatt’s involvement or give Appellant an opportunity to respond to its concerns about Mr. Sweatt’s involvement with two competing applicants. Appellant provided information in its application regarding “[a]pplicant’s experience in retail sales and legal cannabis sales” and “applicant’s residency and local enterprise within the region” per CMC Section 5.36.030(A)(5).

Standing to Appeal

CMC Section 5.36.030(A)(5) requires a “Competitive, Merit-Based License Review” conducted by a “panel of no fewer than three non-conflicted individuals as selected by the city manager.” CMC Section 5.36.030(14) states decisions pursuant to CMC Chapter 5.36 are appealable to the City Council in accordance with the requirements of Chapter 2.52. “[A]ll appeals to the city council from a decision of any city employee, board, or commission shall be conducted as set out “ in CMC Chapter 2.52. CMC

2.52.010. “The council may refuse to hear an appeal by a person whom the council determines does not have a significant interest in the matter.” CMC Section 2.52.040.

The Capitola “Cannabis Licensing Team” consists of City employees. Appellant has an interest in the decision it seeks to appeal: the denial of Appellant’s application and approval of applications by others, as those decisions denied it the opportunity to seek a license to operate the business that is central to its existence. Therefore Appellant has standing to have its appeal heard by the Capitola City Council.

Grounds for Appeal

1) The City Did Not Proceed in a Manner Required By Law

An administrative body must proceed in a manner required by law, or its decision is an abuse of discretion. CMC Chapter 5.36 sets out a process and criteria which the City did not follow.

(a) The City’s Process was Vague, Misleading, and Inconsistent with the Requirements of the Municipal Code

The City’s application of CMC Chapter 5.36 was contradictory, misleading, vague and confusing. The CMC identifies six factors that the City may consider in reviewing an application. CMC 5.36.030(A)(5)(a) includes the proposed location for the retail establishment; subsection (f) includes a site plan, as well as operations and security plans. The Code further provides that the Retail Cannabis License Application “*shall specify all*” submittal requirements including documentation, plans, and materials.” (CMC Section 5.36.030(A)(4); emphasis added)

This language creates the reasonable assumption that the application must clearly address location, site plan, and accompanying security for the location. However, because this language is inconsistent with other documents purporting to delineate applications, it instead injects confusion into the process.

Although the checklist of required documents contained in the application form specifically lists an “Operations and Security Plan” (which is by necessity site specific), the application also states that the Security Plan would be reviewed prior to the issuance of a *conditional use* permit (rather than as part of the license selection process). Page 6 of the application instructs applicants to attach a security plan that complies with the “requirements set forth in Section 5.36.030(A)(5)(f), which refers to a site plan.” An applicant cannot attach a site plan without having secured a property.

Further adding to the confusion, Section 5.36.030(A)(6) states that the panel shall consider factors listed in “subsection 5.B.” No such subsection exists.

Because the process purporting to implement the statute was inconsistent with the statute’s stated criteria, and because that process inconsistently identified which criteria would be utilized by the Selection Panel, the City did not proceed in a manner required by law.

(b) The City Ignored Important and Seemingly Required Criteria

Available evidence suggests that the Selection Panel deliberately refrained from considering Appellant’s proposed location or site plan. Appellant focused on those criteria, along with the others,

under the entirely reasonable belief that the Selection Panel would give them due consideration. Appellant is informed and believes it is not the only applicant that included location and site plan information on its application. Thus, not only did the City seemingly require a location and accompanying site plan, it then ignored such information submitted by the Appellant and possibly others.

In addition, the Selection Panel never disclosed the fact that it would not consider location in its decision-making. The lack of any disclosed written documentation, rankings or explanation by which either Appellant or the public can review the basis for the Selection Panel's ultimate decision has resulted in an utterly opaque process through which it is currently impossible to verify whether the Selection Panel did in fact treat all applicants consistently by, e.g., refraining from considering locations disclosed by all applicants. In the event the Selection Panel intentionally ignored the two factors related to location and identified in the CMC, the Selection Panel did not proceed as required by law, and thereby abused its discretion.

(c) The Selection Panel Utilized Criteria Not Identified in the Capitola Municipal Code

The Applicant is informed and believes that the Selection Panel rejected its application due to a failure to disclose the *exact* percentages of entity ownership held by the individual owners and Mr. Sweatt's involvement in two separate applications. The precise ownership interests of partners to Appellant are not one of the six factors that, pursuant to CMC 5.36.030(A)(5), the Selection Panel "may" consider. Accordingly, the Selection Panel did not proceed as required by law and abused its discretion.

(d) The City Published a Schedule and Application Process it Did Not Follow

The Capitola Police Department published a "Cannabis License Timeline" which detailed the specific milestones in the application process that both the City and an applicant had to meet. Nowhere in either this document or the CMC, is an in-person interview identified or authorized; yet one was held. Moreover, while the Code authorizes the Chief of Police to establish additional rules, such additional requirements must be published on the City's website. Applicant is informed and believes that this significant change to the approval process was not published as the statute requires. Therefore, the City did not proceed as required by law.

2) Because the Statute Does Not Mandate Consistent Application of its Review Standards, it Violates Due Process

As previously noted, CMC 5.35.030(A)(5) provides six criteria the Selection Panel "may consider" (emphasis added). This phrasing invites the Selection Panel to pick and choose which criteria to consider, based on its own subjective impressions, without regard to consistency or objectivity. The lack of transparency in the City's deliberative process makes it impossible to determine whether the Selection Panel used consistent standards or applied them fairly and consistently.

Due process requires an administrative review that is based on the consistent application of objective criteria. See, e.g., *Saleeby v. State Bar of Calif.* (1985) 39 C3d 547, 563-566, 216 CR 367, 376-378. Under the California Constitution, procedural due process protections are afforded to any aggrieved party who can identify "a statutorily conferred benefit or interest of which he has been deprived." *Barri v. Worker's Comp. Appeals Bd.*, 28 Cal.App.5th 428, 463 (2018)(Internal Citations Omitted). In this case, CMC grants authority to grant or deny a retail cannabis license to appellant. This is undeniably a

statutorily conferred benefit within the meaning of relevant precedent. See, e.g., *Ryan v. California Interscholastic Federation-San Diego Section*, 94 Cal.App.4th 1048, 1072-1073 (2002).

Due process requires – at a minimum - reasonable notice and an opportunity to be heard. For notice and a hearing to be reasonable, and meaningful, both must also be substantive. If Appellant cannot – as is the case here – reasonably ascertain in advance what will be relevant to the Selection Panel’s decision making, it has been robbed of both notice and an opportunity to be heard. See, e.g., *American Tower Corp. v. City of San Diego* (9th Cir. 2014) 763 F3d 1035.

3) The Selection Panel’s Decision Was Based on Information of Which Appellant Was Not Apprised and Had No Opportunity to Controvert and Appellant Was Denied a Meaningful Hearing.

California law requires that administrative board hearings be fair. See, e.g., Code Civ.Proc. §1094.5.

“The action of such an administrative board exercising adjudicatory functions when based upon information of which the parties were not apprised and which they had no opportunity to controvert amounts to a denial of a hearing.... A hearing requires that the party be apprised of the evidence against him so that he may have an opportunity to refute, test, and explain it, and the requirement of a hearing necessarily contemplates a decision in light of the evidence there introduced.” *Clark v. City of Hermosa Beach*, 48 Cal.App.4th 1152, 1171 (1996), quoting *English v. City of Long Beach* (1950) 35 Cal.2d 155, 158-159, 217 P.2d 22, internal citations omitted.

The Selection Panel and City staff knew that Mr. Sweatt was identified as involved with two applicants. The currently available evidence suggests that the decision to deny Appellant’s application was made in part because of that fact. It did not disclose its knowledge of Mr. Sweatt’s dual allegiance, nor did it give Appellant an opportunity to address concerns.

Because the City’s process was neither open nor transparent, neither Appellant, nor the public, was ever provided any information regarding what selection criteria was actually used, or how the information provided in Appellant and others’ applications was weighed. No written explanation was provided regarding the decision to reject Appellant’s application, let alone an explanation that provided sufficient detail for anyone – be it an applicant or the citizens of Capitola – to establish what factors the City considered or how it weighed those factors.

As such, Appellant was denied a fair hearing.

4) The Panel’s Selection Process was Tainted by the Consideration of False, Fraudulent or Misleading Information.

As discussed above, Appellant is informed and believes that at least one other applicant provided the Selection Panel with location and site plan information for the location that Appellant has an existing, exclusive right to use. This false information was provided to the panel either fraudulently (with the intent that the panel should rely on it in its decision-making process) or with reckless disregard for the truth (because a reasonable investigation would have shown that the site was unavailable for use by

anyone other than Appellant). Any such disclosures would have been “fraudulent, unfair or [constitute] deceptive business acts or practices” as clearly contemplated by CMC 5.36.030(A)(5)(b).

To the extent that the Panel relied on information it now knows to be false, the selection process was irredeemably tainted, and therefore invalid.

Remedies

For the reasons discussed above, Appellant requests the City Council: (1) set aside the Selection Panel’s findings and determinations; and (2) instruct the Selection Panel to conduct a new application selection process based upon specified and consistently applied criteria.

Appellant requests the City Council also consider the importance of ensuring the Cannabis Retail License process be conducted in an open and transparent manner going forward. Applications must be evaluated fairly and consistently. A stay should be placed on the Retail License process until the City Council can ensure that objective criteria are applied and Appellant and other applicants were provided a fair and open process.

The lack of information and transparency in this process is a primary basis of this appeal. Appellant filed a public records request for the purpose of obtaining any records in the possession of the City that might bear on the Selection Panel’s decision and the licensing process. Accordingly, Appellant reserves the rights to supplement its appeal with any documents gained via its records request– as well as arguments relating to those documents – once they have been acquired and reviewed.



Office of the City Attorney
 City of Capitola
 421B Capitola Avenue
 Capitola, CA 95010

MEMORANDUM

July 10, 2019

To: Mayor Bertrand; City Council
From: Reed W. Gallogly, City Attorney
Re: Appeal of City Decision Regarding Award of Retail Cannabis License
 Appellant: Mark Areias of Embarc Capitola, LLC
CC: Jamie Goldstein, City Manager; Terry McManus, Chief of Police

I. BACKGROUND, PROCEDURAL POSTURE, AND STANDARD OF REVIEW

Under the relevant provisions of Capitola Municipal Code (“CMC”),¹ Mark Areias, Chief Executive Officer of Embarc Capitola, LLC, (“Appellant”) appealed the City’s denial of its application for a retail cannabis license under CMC Chapter 5.36, “Retail Cannabis Licenses.” Appellant’s Notice of Appeal asserts four general grounds as the basis for the City Council to reconsider the City’s determination. Pursuant to CMC § 2.52.020, the grounds for an appeal hearing are limited to those set forth in the relevant Notice to Appeal. Appellant’s arguments are summarized as follows:

1. The City allegedly failed to proceed in the manner required by law (i.e. in a manner consistent with its Municipal Code).
2. The City’s application of the ordinance denied Appellant of “due process.”
3. The Appellant was denied a “fair hearing” because Appellant’s business partner was also affiliated with a competing applicant group, Appellant was unaware that said business partner had a competing application, and the City did not tell the Appellant.
4. The City considered what Appellant alleges were false, fraudulent, or misleading information from other applicants, leading to the denial.

Under the CMC, City Council considers such appeals “de novo” – meaning the Council owes no deference to the findings, determinations, or conclusions made by the prior decision-making body, as applicable.

II. LEGAL ANALYSIS

The Appellant’s arguments, and the corresponding legal issues, are addressed in turn.

A. Allegation # 1 - Failure to proceed in the manner required by law.

Appellant’s first ground for appeal alleges that the City’s actions amounted to an “abuse of discretion” because it failed to comply with the relevant Capitola Municipal Code provisions for

¹ Capitola Municipal Code (“CMC”) Chapter 2.52 “Appeals to City Council”; Chapter 2.52 Retail Cannabis Licenses.



Office of the City Attorney
 City of Capitola
 421B Capitola Avenue
 Capitola, CA 95010

MEMORANDUM

retail cannabis licensing. By failing to follow the CMC, Appellant contends the City effectively acted arbitrarily and capriciously.

When faced with such a question, a court must ask whether the public agency's action was arbitrary, capricious, or entirely lacking in evidentiary support. (*Town of Los Altos Hills v. Adobe Creek Props., Inc.*, (1973) 32 Cal.App.3d 488.) Courts further inquire whether the city failed to follow the procedures required by law. (*O.W.L. Foundation v. City of Rohnert Park* (2008) 168 Cal.App.4th 568, 596.) The burden of proof is on the petitioner – here, the Appellant. Generally, a public entity's failure to use correct and exclusive criteria to award a public contract may constitute an abuse of discretion. (*Cypress Security, LLC v. City and County of San Francisco* (2010) 184 Cal.App. 4th 1003.)

As sub-arguments under this broader claim, Appellant contends 1) the City's process was vague, misleading, and inconsistent with the CMC, 2) the City ignored "seemingly important criteria," 3) the selection panel used criteria not enumerated in the CMC, and 4) the City failed to adhere to a published schedule and processes.

1. Consistency with the CMC

The first allegation is that the City's process did not adhere to the CMC. However, in making this claim, the Notice of Appeal misstates the relevant provisions of the law.

The appeal asserts that the CMC identifies *only* six factors for application review. However, the actual text of the CMC provides: "The city *may consider all of the following* in the review of an application..." (See CMC § 5.36.030(A)(5), emphasis added.) As such, the assertion that the Code is restrictive to 6 factors – and consideration of any other factors is impermissible – misrepresents the statutory text and the ordinance's permissive nature.

Appellant correspondingly asserts that other, internal language of the ordinance – requiring applicants to specify all submittal requirements in the application (see CMC § 5.36.030(A)(4)) – is "inconsistent with other documents" and "inject[ed] confusion" in the process. However, a reasoned, harmonious reading of the entire statutory scheme – with the basic understanding that it allows consideration of a variety of factors – make this argument untenable. The section cited by Appellants as confusing – under subheading 4, "Application Preparation and Filling" – merely provides that applicants must complete the application form provided by the City (the threshold completeness determination referenced in the Staff Report). This standard language does not conflict with the other provisions of the ordinance.

The appeal further wrote that CMC § 5.36.030(A)(6) dictates that the,

"panel shall consider the factors listed in 'subsection 5.B.' No such subsection exists."²

² Notice of Appeal, pp. 3.



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MEMORANDUM

However, this is a misquoting of the ordinance, which lacks the allegedly ambiguous or “nonexistent” language. The full and correct text of CMC § 5.36.030(A)(6) provides:

“Selection Process. All complete applications received prior to the application deadline shall be reviewed by a panel of no fewer than three nonconflicted individuals as selected by the city manager. The *panel shall review the applications, considering factors of importance to the community including those listed within subsection (A)(5) of this section. The application determined to best meet the requirements of this section and community’s needs shall be selected as a potential retail cannabis license holder.*” (emphasis added)

This evinces that the Appellant’s arguments – alleging the City took actions inconsistent with its code – are based on a misread of the ordinance.

2. Failure to Use Enumerated Criteria For Assessment

The Appellant next asserted that “the City ignored important and seemingly required criteria” in its review, and concludes that said action constituted an abuse of discretion. Appellant’s closing words in this portion of its appeal reiterate:

“In the event the Selection Panel intentionally ignored the two factors related to location and identified in the CMC, the Selection Panel did not proceed as required by law, and thereby abused its discretion.”³

As noted above, this argument is rooted in a misapprehension that the ordinance was drafted restrictively (i.e. as if the ordinance read, “The City *shall only* consider the following criteria...”) instead of how it was actually drafted – permissively (“The city *may* consider all of the following in the review of an application...”). As the statutory language is permissive, Appellant’s claim that the City was required to consider that criteria is incorrect.

3. Use of Unenumerated Criteria for Assessment

Pairing with the above-argument is Appellant’s correlating claim that the City utilized *impermissible* criteria – factors which were not expressly enumerated in the CMC – when making its decisions. Here, the Appellant argues the code provides the City “may consider” six factors, and therefore utilizing any other factors was an abuse of discretion. This is untrue. As noted previously, the ordinance permissively allows the City to consider a range of criteria,⁴ and Appellant’s argument that “may” is restrictive and limiting is unconvincing and unsupported by legal authority.

//

³ Notice of Appeal, pp. 4.

⁴ See CMC § § 5.36.030(A)(5)-6



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4. Deviation from Published Schedule and Process

Appellants final sub-argument is that the City’s published “Cannabis License Timeline” did not expressly call out that there would be a multi phased review, including an interview process, and, because it did not, the City violated the CMC by conducting one. However, Appellant’s argument is based on a restrictive, limiting, and unworkable interpretation of the related CMC provisions. From this same reading, Appellant extrapolates that the City’s interview was an abuse of discretion because there were no “published” regulations explicitly setting forth the process.

However, the provisions of CMC § 5.36.030(A)(12) act as an enabling statute, permitting City staff to adopt additional rules or regulations, as necessary and appropriate. While Petitioner might have preferred the City promulgate extensive regulations listing every phase and interview question for retail cannabis license applicants, the City is not required to do so.

Under the CMC, the City may consider a broad array of factors, and may award the license to the applicant who best meets the requirements and the community needs. The CMC requires the City conduct a competitive, merit-based review process, considering factors of importance to the community including those listed within subsection 5.36.030(A)(5), and to act consistent and within the bounds of its existing code. The City’s actions, as described in the staff report, do not clearly exceed the bounds of what is permitted under the ordinance.

B. Allegation # 2 - Denial of Due Process

The Appellant’s second main argument is that the City’s process denied Appellant’s of “due process.” As used here, “due process” refers to the requirement that the government provide notice and a fair hearing before depriving any individual of a constitutionally-protected right (i.e. life, liberty, or property). The appeal alleges the process was inherently unfair because the ordinance’s permissive language “invited” the selection panel to make subjective, not objective, decisions. Appellant argues that it could not reasonably ascertain what would be relevant to the decision, that the ordinance failed to impose objective standards, and that the City’s process was therefore arbitrary and/or capricious.

This claim is not supported by documented facts or by compelling legal authority. While due process has both procedural (notice and a hearing) and substantive (neutral decisionmaker) elements, the appeal does not present a cogent claim of due process violations.

As explained in the Staff Report, Appellant was provided with “due process” before its permit application was ultimately denied – there was notice, an opportunity to be heard, and fair and neutral decision-makers who presided over the process. There were two phases of assessment – an initial blind review of the written applications which utilized a point-based ranking system (see, e.g., *Inglewood-Los Angeles County Civic Center Authority v. Superior Court of Los Angeles County* (1972) 7 Cal. 3d 861 [endorsing the use of a point system].) The second phase



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involved an in-person interview where the interview panel utilized neutral criteria – some of which was shared with applicants, some of which was not – to assess and test the applicants. The panel thereafter utilized a forced-ranking system to determine the final outcome. Applicants were all provided with equal information regarding the process and the criteria which would be utilized.

While Appellant is unsatisfied with the result, the appeal does not describe facts or identify any case law supporting a claim that the City’s actions amounted to a violation of due process. As set forth in the Staff Report, the Appellant did not perform well at the second phase (in-person presentation and interview) of the selection process, and as such they were not ultimately awarded the license.

C. Allegation # 3 - Lack of a “Fair Hearing”

An offshoot of the due process argument, the appeal next claims the Appellant was denied a “fair hearing” because the City was aware that one of its business partners was simultaneously applying for a retail cannabis license with another applicant group, but Applicant was not aware of that same fact. Appellant assumes the denial of its application was due to the fact that its business partner had a competing application. Appellant further reproaches the City of failing to disclose this “dual allegiance” and permitting the Applicant to address the topic. Taken together, the appeal claims the City effectively denied due the Appellant a fair hearing and violated due process.

In so arguing, the appeal does not identify any authority – in the municipal code, state law, or otherwise – for the proposition that the City is required to inform the Appellant regarding its own business affairs or those of competing applicant groups. The appeal does not identify any authority for the proposition that failing to disclose the information is violative of local ordinance or due process. Moreover, as explained in the Staff Report, factually, the presence of this business partner did not detract from Appellant’s application – in fact, it strengthened the Appellant’s application. This argument rests on incorrect factual assumptions, and is unsupported by the law.

D. Allegation # 4 - Consideration of “False, Fraudulent, or Misleading Information”

The Appellant’s final argument is that the process was tainted, based on the assumption that other applicants may have made false, fraudulent, or misleading representations to the City. Appellant did not identify any evidence in support of its assertion, and it is the Appellant’s burden to do so. The information in the Staff Report indicates that other applicants did not make the type of supposedly fraudulent or false statements as Appellant has hypothesized.

III. CONCLUSION

As set forth above, the appeal has not identified any clear violations of local ordinance or constitutional due process protections.



Office of the City Attorney
City of Capitola
421B Capitola Avenue
Capitola, CA 95010

MEMORANDUM

Sincerely,

Reed Gallogly
City Attorney

Attachment: City Attorney Analysis (Cannabis License Appeal)



BUYNAK · FAUVER · ARCHBALD · SPRAY

ATTORNEYS

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SANTA BARBARA, CA 93101

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CHRISTOPHER M. DE LA VEGA
ATTORNEY

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CDELAVEGA@BFASLAW.COM

July 17, 2019

Via Electronic Mail Only

Reed W. Gallogly
RWG Legal
241 Capitola Ave.
Capitola, CA 95010

Via Electronic Mail Only

Jamie Goldstein
City of Capitola

RE: Request to Continue Embarc Appeal

Dear Mr. Gallogly and Mr. Goldstein:

As you are aware, this firm represents Embarc Capitola, LLC (“Embarc”) in matters relating to its appeal of the City of Capitola’s (the “City’s”) decision to deny its application for a retail cannabis license. That appeal is currently scheduled before the City Council on July 25. Embarc filed a Public Records Act (“PRA”) request with the City on June 12, 2019 for records material to Embarc’s appeal.

To date, the City has provided – on a rolling basis – some responsive documents. However, despite numerous requests we still have not received all responsive documents, including but not limited to vital documents such as the application materials for Apothecarium. Absent a complete record *along with a clear written statement from the city that it has produced all relevant documents*, Embarc will not be able to obtain a fair hearing.

Given the significant due process concerns at issue, Embarc hereby requests that the City of Capitola agree to a brief continuance of its appeal hearing to the City Council meeting immediately following the July 25 meeting.

Yours truly,

Christopher M. de la Vega
BUYNAK, FAUVER, ARCHBALD & SPRAY, LLP

Attachment: Continuance request and response (Cannabis License Appeal)



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

July 18, 2019

Via Electronic Mail Only

Christopher De La Vega

BFAS Attorneys

820 State St.

Santa Barbara, CA 93101

Re: Request to continue Embarc appeal hearing

Mr. De La Vega,

The City received your correspondence dated July 17, 2019, wherein Embarc Capitola, LLC (Embarc) requests a continuance of its appeal of the City's retail cannabis license issuance decision, wherein Embarc was not awarded a license after the City completed a competitive, merit-based review process. In this letter, you assert that the City has yet to provide a full and complete response to Embarc's Public Records Act (PRA) request, dated June 12, 2019 – having only provided "some responsive documents" – requiring a continuance, otherwise Embarc would be denied a fair hearing.

Your letter misstates the facts. To date, the City has produced more than 1,500 pages of records in response to Embarc's PRA request. That request, as authored, was extraordinarily broad and vague, as the City discussed with you over the phone on June 18, 2019, and as documented in subsequent written correspondence. Written in the format of a discovery demand, the PRA request did not reasonably describe identifiable records. While the City sought to assist Embarc in narrowing the scope of the request to aide in the expediency of records production, your client refused to agree, as noted in your correspondence of June 19, 2019. Accordingly, the City took reasonable measures to compile and review potentially responsive records.

Beginning on June 25, and continuing every several days, the City began producing documents. By July 8 the City had produced more than 1,350 pages in response to Embarc's extremely broad and vague PRA request. On July 9, 2019, you contacted the City to inform City staff that you were encountering "an unusual technical issue" related to your attempt to view the responsive records, which apparently resulted in some delay of your review. While the law firm of Buynak, Fauver, Archbald, Spray may have encountered computer incompatibility issues when attempting to view those records, those files are

standard PDF format records which were produced in the ordinary course of business, and which you were ultimately able to review after updating your systems.

Thereafter, in a rolling fashion – required by the overly broad nature of the PRA request, as noted in the City’s correspondence to you on July 13, 2019 – the City continued to produce responsive records. Additional records have been produced throughout the week of July 15th. Notably, on July 15, 2019 (Monday), your office again contacted the City, commenting that “many if not most” of the email communications were missing their attachments, and asking how and when the City would rectify that issue. However, as noted in the City’s reply, all those records did, in fact, include the relevant attachments. It appeared that Buynak, Fauver, Archbald, Spray may have again encountered internal technical issues with reviewing the produced files, perhaps delaying its review. The City must note that your office did not reply to the City’s correspondence, either to acknowledge this fact, or to offer any specific communication wherein it claimed an attachment was actually missing.

With the following facts clarified, the City can state it anticipates providing all records which are relevant to Embarc’s appeal before the end of this week, which provides ample notice and opportunity for a fair hearing. Please be aware that Capitola Municipal Code (CMC), Chapter 5.36 “Retail Cannabis Licenses,” subsection 5.36.030(A)(15), “Appeal of Decision,” provides that any appeal of a decision under that chapter is to be taken in accordance with CMC Chapter 2.52, “Appeals to City Council.” Under Chapter 2.52, arguments on appeal are limited to those issues raised in the notice of appeal.

As set forth in the Notice of Appeal, Embarc’s arguments on appeal are (alternatively) that the City did not follow its standards, it had no standards, it didn’t objectively apply standards, it failed to inform Embarc of its own business partners activities, and that – on information and belief – another applicant made false statements or representations which “irredeemably tainted” the process. The City has produced all the records relevant to these points on appeal, with the only outstanding item being the application of one of the applicants who was ultimately awarded a license (Apothecarium).

Again, the City expects to produce those before the end of the week, less any information redacted to protect personal privacy or trade secrets. Lastly, it bears pointing out that Embarc’s PRA request does not ask for the applications.

Based on the foregoing, and the fact that the City will have produced all the materials relevant to Embarc’s appeal by the end of this week, City staff must decline Embarc’s request for a continuance.

Sincerely,



Jamie Goldstein, City Manager

City of Capitola

cc: Reed Gallogly, City Attorney



July 17, 2019

*The Honorable Jacques Bertrand, Mayor of Capitola
 The Honorable Kristen Petersen, Vice Mayor of Capitola
 The Honorable Ed Bottorff, Yvette Brooks, and Sam Storey, Members of Capitola City Council
 Jamie Goldstein, Capitola City Manager*

City of Capitola
 420 Capitola Ave.
 Capitola, CA 95010

Dear Mayor Bertrand, Vice Mayor Petersen, Councilmembers Bottorff, Storey, and Brooks, and City Manager Goldstein:

TreeHouse Capitola is honored to have the opportunity to serve the City of Capitola (“City”) as one of two cannabis retailers selected on merit by the City from among 14 applicants. As a brand of dispensaries with a community center at its core, TreeHouse was founded with a desire to redefine the retail cannabis experience and create an environment that focuses on education, local activism, and community. We believe that cannabis business can be a vehicle for positive social change, and aim to create a culture and space in the communities in which we operate that is characterized by integrity and awareness.

We believe and appreciate that the City’s selection process was fair, transparent, and administered in accordance with the Capitola retail cannabis license ordinance at Capitola Municipal Code (“CMC”) Chapter 5.36 (“Ordinance”).

The Capitola City Council passed the Ordinance on July 26, 2018, and it became effective on December 13, 2018 (Ordinance 1021, § 3). The City made the Retail Cannabis License Application form (the “Application”) available online on December 21, 2018,¹ and accepted applications from January 2, 2019 through 5pm on April 2, 2019; we submitted our complete application to the City on March 28, 2019. The City informed us by telephone on May 15, 2019 that interviews would be held on May 20, 2019, provided selection results by mail and email on May 23, 2019, and issued two preliminary cannabis retail licenses on May 28, 2019. The Ordinance

¹ City of Capitola Retail Cannabis License Application, available at http://www.cityofcapitola.org/sites/default/files/fileattachments/community_development/page/10941/retail_cannabis_license_application_-_e-form_-_12.21.2018.pdf (accessed July 15, 2019).

allows selected applicants six months to secure a Conditional Use Permit (“CUP”) for a specific site and appropriate state cannabis licensure (CMC § 5.36.030(A)(7)), which deadline will therefore be November 28, 2019.

Selection Panel. The Ordinance specifies that “[a]ll complete applications received prior to the application deadline shall be reviewed by a panel of no fewer than three nonconflicted individuals as selected by the city manager” (CMC § 5.36.030(A)(6)). Accordingly, City Manager Goldstein selected three individuals to serve on the selection panel: Police Chief Terry McManus, Police Captain Andy Dally, and Director of Finance Jim Malberg. To our knowledge, there have been no allegations of a conflict of interest on the part of any of the members of the selection panel, and certainly no actual conflict of interest that would have benefited TreeHouse in any way.

Interview Process. The Ordinance requires the selection panel to review applications, and “[t]he application determined to best meet the requirements of [Section 5.36.030] and community’s needs shall be selected as a potential retail cannabis license holder” (CMC § 5.36.030(A)(6)). CMC § 5.36.030(A)(4)(a) requires that “[t]he retail cannabis license application shall specify all submittal requirements including documentation, plans, and materials”,² and CMC § 5.36.030(A)(5) sets forth six criteria for the City to consider in its review of the applications.³ While the foregoing sections require the City to specify all materials that must be *submitted* with an application before the application deadline, they certainly do not preclude the City from making follow-up inquiries (in writing or via in-person meetings) after an application has been submitted or otherwise further investigating or vetting an applicant. In addition, while the foregoing sections set forth some criteria for the City to consider in its review process, they do not preclude the City from exercising its discretion (as further discussed in the next section of this letter) to consider other criteria that will allow it to evaluate which applicants best meet the requirements of the Ordinance and the community’s needs. We believe the decision to have the selection panel interview finalists is consistent with the Ordinance and allowed applicants the opportunity to further explain, and the selection panel to better understand, the information presented in the applications.

² The Application requires applicants to submit the following information and documentation: business information; business owner information (including Live Scan, resume, and list of other cannabis businesses owned by the individual); identification of the applicant/responsible party (including Live Scan and resume); designation of additional owners, officers, and board members; an Operations and Security Plan; receipts indicating payment from the agency conducting Live Scans; applicants’ and owners’ resumes; business history and structure; the business’s authorization for the release of information; a liability release; an affidavit on behalf of the business; a worker’s compensation policy; and a statement of purpose (Application at p. 4).

³ The six criteria include: the proposed location is not identified as an increased or high crime area, civil and criminal background verification of owners and operators, the applicant’s experience in retail sales and legal cannabis sales, the applicant’s residency and local regional enterprise, police interactions with the applicant’s other cannabis businesses, and measures to reduce potential crime-related problems (CMC § 5.36.030(A)(5)).

Premises Location. The Ordinance does not require an applicant to identify a location for its operations as part of the first step in the Application process. Rather, CMC § 5.36.030(A)(5) states “[t]he city *may* consider ... [t]he proposed location ... [and t]he site plan...” in its review of a submitted Application (emphasis added). The City’s guidance webpage dedicated to the retail license process⁴ states that “[a] retail location is not required for the first step” and that *after* two applicants are selected as potential retail cannabis license holders, *then* they have six months to obtain CUPs approved by the Planning Commission. It seems that if a location was required, then the City would have required applicants to submit a deed to the property, or lease and landlord consent, as part of its Application; no such requirement is listed in the “Application Checklist- Required Information” at the top of Page 4 of the Application. Instead, the Application explicitly states, “[r]etail cannabis licenses are issued on a limited merit-based system to the proprietor and *are not specific to the location,*” and furthermore that “[s]ite details *are not a requirement* of the Retail Cannabis License selection process” (emphasis added).

Although neither the Ordinance nor the Application required an applicant to have secured a location for its operations, CMC § 5.36.030(A)(5)(f) sets forth elements of a “site plan, operations plan, and security plan” that are important to the City’s evaluation of an applicant’s ability to meet the community needs. Our application for TreeHouse Capitola incorporated these elements, referencing our on-site security, our procedure for controlling entry, practices for preventing sales to minors, our surveillance and control of our surroundings, our loitering deterrence, our external illumination, and visibility of our public entryway from the street. Moreover, our application even presented our process for selecting a location, and shared that we had found two potential locations that met our criteria. Finally, and most importantly, the Application strongly implies that the “Operations and Security Plan” need not contemplate a specific site at the time of Application submittal, and that it will need to be reviewed and revised *after* a specific site has been identified and permitted: “Upon approval of a CUP and appropriate state license, the Chief of the Police will review the Operations and Security Plan relative to the specific ... site and require necessary site-specific revisions prior to issuance of license.”

Again, we appreciate the selection panel’s transparency and adherence to its obligations under the Ordinance with respect to our application. TreeHouse complied fully with every requirement published by the City, and competed on merit with every other applicant following the same set of published instructions. We believe the process and the outcome was entirely fair, and TreeHouse is honored to have been selected to serve Capitola residents.

Regards,

⁴ City of Capitola “Cannabis License - Retail” webpage, available at <https://www.cityofcapitola.org/communitydevelopment/page/cannabis-license-retail> (accessed July 15, 2019).

Bryce Berryessa, CEO
TreeHouse Capitola

A handwritten signature in black ink that reads "BRYCE BERRYESSA". The letters are slanted and connected, with a prominent 'B' at the start.

Attachment: Cannabis appeal public comments (Cannabis License Appeal)

Dear Mr. Goldstein,

I'm writing to you regarding the appeal of the outcomes of the City of Capitola's Retail Cannabis License application and selection process filed 6/13/19 by Embarc Capitola LLC. In its appeal addendum, Embarc makes certain statements that require clarification of facts and pertinent background information.

Please find below specific responses to the sections of the addendum that could, by inference, touch upon The Apothecarium's participation in the application process.

As veterans of numerous state and municipal retail cannabis dispensary application efforts, we found the City of Capitola's stated expectations and requirements to be clear and well-defined.

Sincerely,

Ryan Hudson

Background (Embarc Capitola Appeal Addendum — Page 1)

“Appellant partnered with Jason Sweatt on its incipient retail cannabis business in Capitola. Mr. Sweatt is a local resident with cannabis dispensary expertise who assisted with application support, management, staffing and hiring, and compliance. Unbeknownst to the Appellant, Mr. Sweatt had entered into a similar agreement with a rival applicant, The Apothecarium.”

At the outset of our discussions in early March, Mr. Sweatt informed us that, as managing member of Charlie Mike Inc./SCVA, he had already negotiated a **non-exclusive** minority relationship, via an MOU, with another party that was planning to submit an application to the City of Capitola.

He stated that the negotiated draft MOI expressly stated that nothing in the MOU restricted any party from participating in other, similar agreements. (He has since informed us that the MOU was never fully executed, and did not go into effect.)

As a result of Mr. Sweatt's separate negotiations, we did not provide Mr. Sweatt with access to any materials in the submitted application packet, apart from his re-formatted resume, until we had been selected as one of two potential license award winners. We also neither sought nor received from him any information or documents regarding the other party's application process or work product.

Apart from providing resumes, Mr. Sweatt or Charlie Mike Inc./SCVA had no involvement with the preparation of Capitola Caring Project LLC/The Apothecarium's application documents. All work was conducted by The Apothecarium employees and contracted staff.

Following the April 2nd submission deadline, Mr. Sweatt stated to us that he never received a copy of the other party's application and had scant participation in developing its content.

Except for a few questions regarding application submission timing and formatting that were directed to Ms. Denise Pearson, who served as the Capitola Police Department's application liaison, The Apothecarium had no contact with City staff prior to our May 20th interview with the Selection Panel.

Attachment: Cannabis appeal public comments (Cannabis License Appeal)

Mr. Sweatt did not contribute to the 12-slide presentation deck used during Apothecarium's May 20th interview. The slides consisted of a series of responses to written questions and concerns received on May 16th from Ms. Pearson. During the interview, Ryan Hudson, The Apothecarium CEO, served as the primary respondent to the Selection Panel's questions.

Since the announcement of the potential license award, members of Capitola Caring Project LLC, which includes principals of Charlie Mike Inc./SCVA and The Apothecarium, have signed a binding Operating Agreement, which includes the equity structure outlined during the interview.

Grounds for Appeal (Embarc Capitola Appeal Addendum — Page 5)

"Although the checklist of required documents contained in the application form specifically lists an "Operations and Security Plan" (which is by necessity site specific), the application also states that the Security Plan would be reviewed prior to the issuance of a conditional use permit (rather than as part of the license selection process). Page 6 of the application instructs applicants to attach a security plan that complies with the "requirements set forth in Section 5.36.030(A)(5)(f), which refers to a site plan." An applicant cannot attach a site plan without having secured a property.

In our experience, Operation and Security plans can be decidedly non-site specific for initial application purposes. Coupled with an applicant's relevant business history, the overall quality of the narrative plans invariably reflects their operating ability.

However, applicants for retail cannabis dispensing licenses do often include floor plans and/or renderings of prospective, non-secured property as a means to visually model their strategic approach to operations, security, and community compatibility.

Ryan Hudson
Co-Founder & CEO
The Apothecarium
ryan@apothecarium.com
415.928.3300



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 25, 2019

FROM: City Manager Department
SUBJECT: Consider Public Banking Legislation

RECOMMENDED ACTION: No recommended action. Council discretion to consider directing the Mayor to send a letter Regarding Assembly Bill 857 or Senate Bill 528 to the City's State legislative delegation and to the bills' authors, or take no action at this time.

BACKGROUND: Councilmember Storey requested staff provide background regarding proposed public banking legislation.

Public banks are financial institutions that are owned by one or more public entities, such as a state, city, county, or joint powers authority. They can invest, lend, and provide banking services to the local community, and can partner with local financial institutions. Unlike a privately-owned bank, which is generally formed to make a profit, public banks leverage their deposit base and lending power to benefit the public. This could allow public banks to focus on pressing local needs, like affordable housing, small business loans, and public infrastructure projects.

In California, the State has established the California Infrastructure and Economic Development Bank (IBank), which provides low-cost loans to public agencies for infrastructure projects, but does not currently provide other banking services.

The Bank of North Dakota (BND) is the most frequently cited example of a true public bank. It has successfully weathered multiple recessions without bailouts. According to the BND 2019 annual report, "Since the initial investment of \$2 million in 1919, BND has returned more than \$1 billion to the state through the general fund, infrastructure, disaster relief and other special programs. That doesn't account for the thousands of North Dakota residents who have benefited from its agricultural, business, home and student loans."

According to proponents, public banks offer a way for governmental agencies to avoid the financial costs of dealing with private sector for-profit banks. Public banks also generate income from their investments that can be re-invested in public-benefit projects such as affordable housing, public transportation, and social programs.

Two proposed bills would make it easier to establish public banks in California. Assembly Bill (AB) 857 would allow local governments to form regional and municipal public banks throughout the state. Senate Bill (SB) 528 would establish the California Infrastructure and Economic Development Bank (IBank) as a depository institution, allowing it to function more like a traditional bank.

Public Bank Legislation
July 25, 2019

DISCUSSION:

SB 528: Established in 1994, the IBank currently has authority to issue tax-exempt and taxable bonds, provide loans to state and local governments for public infrastructure and economic expansion projects, and loan guarantees to help small businesses.

The Senate Bill would authorize the state, local agencies, and quasi-public nonprofit entities to establish deposit accounts with the IBank. The bill would also require the IBank to become a member of the Federal Reserve System and the Federal Home Loan Bank System.

AB 857: Unlike the Senate Bill, AB 857 would not create a state-owned, statewide bank. Instead, it would empower local governments to charter their own public banks. AB 857 also requires partnerships between a public bank and existing local financial institutions, which proponents say would enable public banks to provide affordable loans and lines of credit to local businesses and nonprofits, and increase the lending capacity of the local banking system.

The California League of Cities has a “watch” position on AB 857. SB 528 was introduced this year but has been tabled for this legislative session and will be taken up next year.

AB 857 has been endorsed by Santa Cruz and San Francisco counties, along with nine other cities.

FISCAL IMPACT: None at this time

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/19/2019