

City of Capitola

City Council Meeting Agenda

Thursday, June 27, 2024 – 5:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Mayor: Kristen Brown
Vice Mayor: Yvette Brooks
Council Members: Joe Clarke, Margaux Morgan, Alexander Pedersen

Closed Session – 4 PM

Closed Sessions are not open to the public and held only on specific topics allowed by State Law (noticed below). 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.

- i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Negotiator: Mark Wilson, Labor and Employment Practice, Burke, Williams, & Sorensen, LLP;
Samantha Zutler, City Attorney
Employee Organizations: Mid-Management Employees, Police Captains, Management, and City Manager
- ii. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't Code §54957(b))
City Council's Performance Evaluation of the City Attorney

Regular Meeting of the Capitola City Council – 5 PM

All correspondence 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.

1. Roll Call and Pledge of Allegiance

Council Members Joe Clarke, Margaux Morgan, Alexander Pedersen, Yvette Brooks, and Mayor Kristen Brown.

2. Additions and Deletions to the Agenda

3. Presentations

Presentations are limited to eight minutes.

- [A.](#) Mayor's Proclamation Honoring July 2024 as Park and Recreation Month

4. Report on Closed Session

5. Additional Materials

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

- [A.](#) Item 9A - Applications for the Finance Advisory Committee Received After Publication of the Agenda Packet & Correspondence Received

- B.** Item 9B - Correspondence Received

6. Oral Communications by Members of the Public

Oral Communications allows time for members of the Public to address the City Council on any “Consent Item” on tonight’s agenda, or on any topic within the jurisdiction of the City that is not on the “General Government/Public Hearings” section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. 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. A maximum of 30 minutes is set aside for Oral Communications.

7. Staff / City Council Comments

Comments are limited to three minutes.

8. Consent Items

All items listed as “Consent Items” will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government. Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.

- A.** City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on June 13, 2024.

- B.** City Check Registers

Recommended Action: Approve check registers dated May 31, 2024, and June 14, 2024.

- C.** Opal Cliffs School Lease Agreement

Recommended Action: Authorize the City Manager to enter a lease agreement with the Soquel Union Elementary School District for classroom space at Opal Cliffs School beginning on July 1, 2024.

- D.** Afterschool Scholarship & Equity Swim Donation

Recommended Action: Accept a donation of \$20,000 for Afterschool Rec Club participant scholarships and \$16,000 for the Equity Swim Program from the Soquel Union Elementary School District and authorize the City Manager, or his designee, to execute a Memorandum of Understanding between the City of Capitola and the Soquel Union Elementary School District.

- E.** Santa Cruz World Surfing Reserve

Recommended Action: Adopt a resolution to incorporate Capitola into the Santa Cruz World Surfing Reserve.

- F.** Wharf Grand Opening Special Event Permit

Recommended Action: Approve a new single-day Major Special Event Permit on September 25, 2024, for the Capitola Wharf Grand Opening and Ribbon Cutting.

9. General Government / Public Hearings

All items listed in “General Government / Public Hearings” 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.** City Council Appointments to City Advisory Bodies

Recommended Action: Appoint members of the public to the City of Capitola Finance Advisory Committee.

B. 2024 General Municipal Election

Recommended Action: 1) Adopt a resolution ordering the 2024 General Municipal Election, requesting the Santa Cruz County Department of Elections conduct the election, and requesting consolidation of the General Municipal Election in the City of Capitola on Tuesday, November 5, 2024; and

2) Adopt a resolution submitting a ballot measure to Capitola voters to increase the City's transactions and use tax through December 31, 2034 at the General Municipal Election to be held on Tuesday, November 5, 2024, requesting consolidation by the Santa Cruz County Board of Supervisors of the election regarding said measure with the Statewide General Election to be held on the same date and that Santa Cruz County provide election services with full reimbursement by the City of Capitola, directing the City Attorney to prepare an impartial analysis, authorizing the City Council to appoint two City Council Members to an ad hoc subcommittee to submit an argument supporting the Measure, and releasing the rebuttal argument.

C. VDUBlicious Car Show

Recommended Action: Approve or deny a request for a new Major Special Event Permit from the VDUBlicious Car Club requesting to host a car show in the Capitola Village on August 10, 2024, from 7:00 am to 5:00 pm.

D. Cliff Drive Resiliency Project

Recommended Action: Receive a progress report on the Cliff Drive Resiliency Project and provide feedback on design alternatives.

E. Memorandum of Understanding with the Mid-Management Employee Group and Management and City Manager Compensation Plans

Recommended Action: Authorize the City Manager to: 1) Execute a successor agreement to the existing Memorandum of Understanding with negotiated changes for the Mid-Management Employee Group, subject to technical corrections and 2) Execute a successor agreement to the existing Management Compensation Plan; and Authorize the Mayor to execute the Eighth Amendment to the City Manager Employment Agreement.

F. Fiscal Year 2024-2025 Budget and Capital Improvement Program

Recommended Action: 1) Adopt a resolution adopting the Fiscal Year 2024-25 City Budget and Capital Improvement Program; and 2) adopt a resolution adopting the associated Salary Schedule and new job descriptions.

10. Adjournment - The next regularly scheduled City Council meeting is on July 25, 2024 at 6:00 PM.

How to View the Meeting

Meetings are open to the public for in-person attendance at the Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California, 95010.

Other ways to Watch:

Spectrum Cable Television channel 8

City of Capitola, California YouTube Channel

To Join Zoom Application or Call in to Zoom:

Meeting

link: <https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAydz09>

Or dial one of these phone numbers: **1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799**

Meeting ID: **833 2817 3113**

Meeting Passcode: **678550**

How to Provide Comments to the City Council

Members of the public may provide public comments to the City Council in-person during the meeting. If you are unable to attend in-person, please email your comments to citycouncil@ci.capitola.ca.us and they will be included as a part of the record for the meeting. Please be aware that the City Council will not accept comments via Zoom.

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 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 and at Capitola City Hall prior to the meeting. Need more information? Contact the City Clerk’s office at 831-475-7300.

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

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

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 831-475-7300 al menos tres días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a jgautho@ci.capitola.ca.us.

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 by clicking on the Home Page link “Meeting Agendas/Videos.” Archived meetings can be viewed from the website at any time.

FAMILY FUN DAY

**JUNE 29TH
DELAVEAGA PARK
10AM-3PM**

**FREE ADMISSION!
ALL AGES!**

**BOUNCEHOUSES
FOOD TRUCKS**

**COMMUNITY
GAMES**



**Parks
Make
Life
Better!**



CITY OF SANTA CRUZ
PARKS AND RECREATION

JULY 9TH: TUESDAY NIGHT LIVE CONCERT W/ THE JOINT CHEIFS! SANTA CRUZ WHARF@6PM!
JULY 19TH: SANTA CRUZ BACKSTAGE TOUR. TIME TBD.
JULY 22ND-26TH: LONDON NELSON COMMUNITY CENTER OPEN HOUSE. ALL DAY ALL WEEK LONG!



CITY OF CAPITOLA
COMMUNITY SERVICES AND RECREATION

JULY 3RD: FAMILY WHARF SWIM! BEGINS AT 4:30 AT CAPITOLA BEACH.
JULY 12TH: JULY FOOD TRUCK FRIDAY! 4:30-7:30PM AT MONTEREY AVE PARK! FREE ADMISSION!
JULY 18TH: FOOD TRUCKS AND FIELD GAMES AT JADE ST PARK! FREE ADMISSION 4:30-7:30PM!



COUNTY OF SANTA CRUZ
PARKS AND RECREATION

JULY 4TH: FREE SWIM DAY AT SIMPKINS FAMILY SWIM CENTER! 12:30-4PM.
JULY 12TH: FREE MOVIE NIGHT AT HIGHLANDS COUNTY PARK. SHOWING JUNGLE CRUISE. MOVIE BEGINS AT SUNSET.
JULY 29TH: BRIDGE CLUB AT THE APTOS LIBRARY BRANCH. FREE ENTRY. BEGINS AT 10:30AM.



CITY OF WATSONVILLE
PARKS AND COMMUNITY SERVICES

JULY 3RD: PUP PARADE AT FRANICH PARK. BEGINS AT 3PM!
JULY 18TH: WOMEN'S BASKETBALL TOURNAMENT AT CALLAGHAN PARK. PLEASE CALL 831-768-3240 IF YOU ARE INTERESTED IN PARTICIPATING.
JULY 5TH & 17TH: MUSIC IN THE PLAZA! 6-8PM.



Parks Make Life Better!®



- June 29th Family Fun Day
 - July 3rd Family Wharf Swim
 - July 6th Parent's Night Out
 - July 11th JG Alumni Comp
 - July 12th Food Truck Friday
 - July 18th Jade St Field Games
- 

We're moving to Opal Cliff School at Jade St Park!





Boards and Commissions Application

Thank you for your interest in serving on a City of Capitola Advisory Group. Please fill out the following form with your information. Appointments are made at a public City Council meeting.

Application For:

Application For:

- Art and Cultural Commission - Artist
- Art and Cultural Commission - Arts Professional
- Art and Cultural Commission - At Large
- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Anthony

Last Name *

Guajardo

Email *

Current Address *

Street Address

Address Line 2

City

Capitola

State / Province / Region

Ca

Postal / Zip Code

95010

Country

USA

Telephone (Home)

Telephone (Mobile) *

Are you a Capitola resident? *

No

Residential Neighborhood:

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Business owner

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

As a local business owner, I would like to better understand the budgets of the city and how budgets are allocated amongst city departments to best serve the community.

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

All information contained in this page is public data and will be made available for public review upon request. Qualifications and interests of applicants will be provided to the City Council in a public forum and will be reviewed before appointments are made. Questions regarding this application and appointment process should be directed to the Capitola City Clerk.





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- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Matt

Last Name *

Arthur

Email *

Current Address *

Street Address

Address Line 2

City

Capitola

State / Province / Region

CA

Postal / Zip Code

95010

Country

USA

Telephone (Home)

Telephone (Mobile) *

Are you a Capitola resident? *

Yes

Residential Neighborhood:

Jewel Box

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Capitola Village Business Owner

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

BIA Board Member

Chief Advisory Committee

Capitola Village Business owner since 2004

Additional Attachments

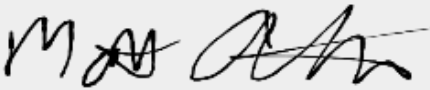
Acknowledgement Required *

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- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Keith

Last Name *

Cahalen

Email *

Current Address *

Street Address

Address Line 2

City

Capitola

State / Province / Region

CA

Postal / Zip Code

95010

Country

USA

Telephone (Home)

Telephone (Mobile) *

Are you a Capitola resident? *

Yes

Residential Neighborhood:

[REDACTED]

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Regional Sales Manager

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

Qualifications

- * Been a citizen of Capitola for 37 years and participated actively in local community events & charities
- * Participation in City of Capitola Local Government Academy
- * President of < \$1 million retail & software company
- * Author of > 12 business plans as a consultant and author for \$25 million electronic manufacturing company
- * Sold electronic security to city and county governments for 30 years

Interest

- * With the City of Capitola facing possible financial shortfalls in the near future, interest in helping find additional sources or revenue
- * Help achieve concurrence with other committee members of financial plans and goals of the city
- * Assistance with passing any new revenue efforts - such as raised sales tax or bond

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

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Keith P. Cahalen



Boards and Commissions Application

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- Art and Cultural Commission - Arts Professional
- Art and Cultural Commission - At Large
- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Leslie

Last Name *

Nielsen

Email *

Current Address *

Street Address

Address Line 2

City

Capitola

State / Province / Region

CA

Postal / Zip Code

95010

Country

United States

Telephone (Home)

Telephone (Mobile) *

Are you a Capitola resident? *

Yes

Residential Neighborhood:

Cliffwood Heights

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Retired Finance and Operations Leaders

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

I have a career span of over 30 years in finance & operations roles, including 3 years at the Chief Business Officer for the LGUSD, where government and fund accounting were used. I understand the Brown Act, doing business in a public landscape and the need for fiscal responsibility balancing the community needs with budgets. I was made aware of the need for qualified candidates and have the time and ability to serve.

<https://www.linkedin.com/in/leslie-nielsen-217b935/>

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

All information contained in this page is public data and will be made available for public review upon request. Qualifications and interests of applicants will be provided to the City Council in a public forum and will be reviewed before appointments are made. Questions regarding this application and appointment process should be directed to the Capitola City Clerk.

Leslie A. Nielsen



Boards and Commissions Application

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- Art and Cultural Commission - Arts Professional
- Art and Cultural Commission - At Large
- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Daniel

Last Name *

Castagnola

Email *

[REDACTED]

Current Address *

Street Address

[REDACTED]

Address Line 2

City

CAPITOLA

Postal / Zip Code

95010

State / Province / Region

CA

Country

United States

Telephone (Home)

[REDACTED]

Telephone (Mobile) *

[REDACTED]

Are you a Capitola resident? *

Yes

Residential Neighborhood:

Village

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Business Owner in Village for 8 years

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

I live and work in the Village and have a vested interest in the vision and future financial well being.

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

All information contained in this page is public data and will be made available for public review upon request. Qualifications and interests of applicants will be provided to the City Council in a public forum and will be reviewed before appointments are made. Questions regarding this application and appointment process should be directed to the Capitola City Clerk.



Subject: Agenda Item 9:A for 6/27/24 City Council Meeting

Date: Tuesday, June 25, 2024 at 8:48:41 PM Pacific Daylight Time

From: Anthony Guajardo

To: City Council

Council members,

Due to the additional applications for the vacant openings of the Finance Advisory Committee; consider an interview or questionnaire for applicants to answer questions or provide further information to yourselves or city staff. Thus allowing more information and data about each applicant to make your decision.

Thank you for your consideration

Anthony Guajardo

Mijo's Taqueria

831.465.0228 | c: 408.824.4928

Anthony@mijostaqueria.com

www.mijostaqueria.com

Gautho, Julia

From: pacpubs@attglobal.net
Sent: Monday, June 24, 2024 6:39 PM
To: Brooks, Yvette; Brown, Kristen; Margaux Morgan; Clarke, Joe; alexander.dean.pedersen@gmail.com
Cc: Gautho, Julia; Albert Lee Strickland; Lynne Ann DeSpelder
Subject: Thursday's City Council Meeting 6-27-24 Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Hello all,

Julia checked on the previous discussion about increasing and extending our City's sales tax. She sent the following information to us this morning: (Thanks, Julia for your helpful research emailed here to answer our question about introduction and discussions you all had about replacing Measure F with one that generated double the tax levy and initiates it before F expires.) She reports:

Hi Lynne,

I received your voicemail this morning with questions about the proposed sales tax ballot measure. After reviewing past meeting minutes and footage, I'd like to offer the following information.

The City Council reviewed the results of a polling survey and provided feedback to staff on the ballot measure language on April 11th. During this meeting, the City Council suggested that staff research other known ballot measures to ensure that Capitola remains competitive to voters, and directed staff to return in June for approval on the ballot question (including the ten-year timeline that was proposed in April). Final approval of the ballot question and the ten year timeline will take place Thursday.

Thanks for your interest,

Having seen and heard the Council's April 11th thoughts about the sales tax proposal, as it is currently written, it does not reflect your initial discussion when survey results initiated thoughts about doubling the sales tax and extending the number of years in place. This measure is on your agenda for the 6/27 meeting.

Please revive your discussion and reach a decision to shorten the time this new tax measure will be in effect.

Thank you, Lynne and Al

Subject: Doubling the Measure F Sales Tax

Date: Tuesday, June 25, 2024 at 8:28:53 PM Pacific Daylight Time

From: John

To: City Council, Gautho, Julia

Our continued inability to accept the present is already here, and that these long failed patches on bad budgeting are no longer easily solved by mortgaging the future bc it's already been mortgaged is a sadness.

The solution is addressing the budget problems. Not begging for more money from locals in a way that essentially harasses the poor. Again Alex, is it really worth aligning with such people for an ED position?

Did repeatedly promise you you'd get one if you won. We live in a simple place.

Capitola City Council Agenda Report

Meeting: June 27, 2024

From: City Manager Department

Subject: City Council Meeting Minutes



Recommended Action: Approve minutes from the regular meeting on June 13, 2024.

Background: Attached for City Council review and approval are the draft minutes from the regular meeting on June 13, 2024.

Attachments:

1. Regular Meeting Minutes 6/13

Report Prepared By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager

City of Capitola

City Council Meeting Minutes

Thursday, June 13, 2024 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Mayor: Kristen Brown

Vice Mayor: Yvette Brooks

Council Members: Joe Clarke, Margaux Morgan, Alexander Pedersen

Closed Session – 5 PM

- i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Negotiator: Mark Wilson, Labor and Employment Practice, Burke, Williams, & Sorensen, LLP (Association of Capitola Employees, Mid-Management Employees, Police Captains, and Management); Samantha Zutler, City Attorney (Confidential Employees and City Manager)
Employee Organizations: Association of Capitola Employees, Mid-Management Employees, Confidential Employees, Police Captains, Management, and City Manager
- ii. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Gov't. Code § 54956.9(d)(2).
One Case

Regular Meeting of the Capitola City Council – 6 PM

1. **Roll Call and Pledge of Allegiance** – *The meeting was called to order at 6:03 PM. In attendance: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, and Mayor Brown.*
2. **Additions and Deletions to the Agenda** – *None*
3. **Presentations**
 - A. *The Mayor presented a Proclamation Honoring Elder Abuse Month.*
 - B. *The Mayor presented a Proclamation Honoring the 150th Anniversary of "Camp Capitola's" Founding.*
4. **Report on Closed Session** – *The City Council met and discussed two items on the Closed Session agenda. No reportable action was taken.*
5. **Additional Materials**
 - A. *Item 8F - Staff Memorandum and Updated Attachments 1 and 3*
 - B. *Item 8H - Updated Staff Report and Attachments*
 - C. *Item 9A - Correspondence Received*
6. **Oral Communications by Members of the Public**
 - *James Ewen Whitman*
 - *Goran Klepic*
 - *Marilyn Garrett*
 - *Christine McBroom*

7. Staff / City Council Comments

- *City Manager Goldstein introduced Matteo Tanado, an intern from the Cabrillo Public Service Fellowship Program.*
- *Recreation Division Manager Bryant LeBlond provided the City Council with updates about summer programming.*
- *Community Development Director Herlihy provided the City Council with an update about the City's Housing Element submission.*
- *Council Member Clarke requested that staff place an agenda item on the June 27th agenda for the Save the Wave Coalition and commended the Police Department and Safety Foundation on the Capitola Car Show event.*
- *Council Member Morgan commended the Police Department on the Car Show event and requested that staff look into resident access to Junior Guard Registration.*
- *Vice Mayor Brooks recognized the passing of Dexter Ray and requested that staff look into an ordinance allowing golf carts to drive within the community.*
- *Mayor Brown shared comments in honor of the passing of former Council Member Jerry E. Clarke.*

8. Consent Items

- A. City Council Meeting Minutes
Recommended Action: Approved minutes from the regular meeting on May 23, and the special meeting on May 30, 2024.
- B. City Check Registers
Recommended Action: Approved check registers dated May 3, May 10, May 17, and May 24, 2024.
- C. City Investment Policy
Recommended Action: Adopted Resolution No. 4376 approving the City's Administrative Policy Number III-1, Investment Policy as recommended by the Finance Advisory Committee.
- D. Year 2024-25 Appropriation Limit
Recommended Action: Adopted Resolution No. 4377 establishing the Fiscal Year 2024-25 appropriation limit.
- E. Criminal Justice Council of Santa Cruz County
Recommended Action: Authorized the City Manager to sign the third amendment to the Joint Exercise of Powers Agreement re-establishing the Criminal Justice County of Santa Cruz County to provide for a one-year extension through June 30, 2025.
- F. Construction Contract for Wharf Improvements
Recommended Action: 1) By motion, authorized the City Manager to execute Amendment 1 to the Professional Services Agreement with Fuse Architects, Inc. in the amount of \$37,000, for a total contract amount of \$73,100, for the final design of the Wharf Enhancement Project; and 2) Adopted Resolution No. 4378 authorizing the City Manager to execute a sole source Professional Services Agreement with Fuse Architects, Inc. in the amount of \$199,325 for fabrication and installation of Capitola Wharf enhancements.
- G. 2024-25 Road Maintenance and Rehabilitation
Recommended Action: Adopted Resolution No. 4379 adopting a list of road maintenance and rehabilitation projects for Fiscal Year 2024-25 funded by Senate Bill 1: the Road Repair and Accountability Act of 2017.
- H. Memoranda of Understanding with Employee Groups

Recommended Action: 1) Authorized the City Manager to execute a successor agreement to the existing Memoranda of Understanding with negotiated changes for the Confidential Employee Group and the Association of Capitola Employees, subject to technical corrections; and 2) adopted Resolution No. 4380 approving the updated salary schedule, effective June 23, 2024.

Motion to approve the Consent Calendar: Council Member Clarke

Second: Council Member Morgan

Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown

9. General Government / Public Hearings

A. Short-Term Wharf Use Agreement and Temporary Structure Plan

Recommended Action: 1) Authorized the City Manager to sign a short-term use agreement between the City of Capitola and JFS Incorporated (dba Boat and Bait) for temporary structures located on the Capitola Wharf in substantially similar form, as approved by the City Attorney, as the attached agreement; and 2) approved the outlined temporary structure plan.

Chloe Woodmansee, Assistant to the City Manager, and Public Works Director Kahn presented the staff report.

Public Comments:

- **James Ewen Whitman**

The City Council thanked staff for their efforts to bring the lease to fruition.

Motion to authorize the City Manager to execute the lease agreement and approve the temporary structure plan: Vice Mayor Brooks

Second: Council Member Morgan

Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown

B. Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2024-25

Recommended Action: Conduct the noticed public hearing and adopted Resolution No. 4381 levying the Fiscal Year 2024-25 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.

Finance Director Malberg presented the staff report.

Public Comments:

- **Carin Hanna and Anthony Guajardo**

Motion to adopt Resolution No. 4380: Council Member Morgan

Second: Council Member Clarke

Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown

C. FY 2023-24 City Fee Schedule

Recommended Action: Adopted Resolution No. 4382 amending the fee schedule for Fiscal Year (FY) 2023-24.

Finance Director Malberg presented the staff report.

Motion to adopt Resolution No. 4380: Council Member Morgan

Second: Vice Mayor Brooks

Voting Yea: Council Members Clarke, Morgan, Pedersen, Vice Mayor Brooks, Mayor Brown

10. Adjournment - The meeting adjourned at 6:52 PM in honor of Council Member Jerry E. Clarke. The next regularly scheduled City Council meeting is on June 27, 2024, at 6:00 PM.

ATTEST:

Kristen Brown, Mayor

Julia Gautho, City Clerk

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: Finance Department

Subject: City Check Registers



Recommended Action: Approve check registers dated May 31, 2024, and June 14, 2024.

Account: City Main				
Date	Starting Check #	Ending Check #	Payment Count	Amount
05/31/2024	106331	106381	53	\$ 2,161,502.51
06/14/2024	106382	106512	140	\$ 709,723.93

The main account check register dated May 24, 2024, ended with check #106330.

Account: Payroll				
Date	Starting Check/EFT #	Ending Check/EFT #	Payment Count	Amount
05/31/2024	5860	5861	123	\$ 277,915.04
06/14/2024	5862	5863	143	\$ 224,938.75

The payroll account check register dated May 17, 2024, ended with EFT #25105.

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

Check/EFT	Issued to	Dept	Description	Amount
106335	Bear Electrical Solutions Inc	PW	Capitola Road Project Services	\$ 71,063.10
106337	Ben Noble	CDD	Housing Element Implementation Services	\$ 15,015.00
106338	Betz Works Inc	PW	Park at Rispin Mansion Project Services	\$ 110,000.00
106344	Cushman Contracting Corp Escrow	PW	April Wharf Project Retainer	\$ 92,614.00
106345	Cushman Contracting Corporation	PW	April Wharf Resiliency and Public Access Project Services	\$ 1,759,665.92
1723	Wells Fargo Bank	Fin	April Credit Card Charges	\$ 14,449.16
106413	CSW-Stuber-Stroeh Engineering Group	PW	Cliff Drive Resiliency Project Services	\$ 22,991.96
106441	Lewis Tree Service Inc	PW	Tree Removals	\$ 10,722.22
106455	MP Rail Trail Associates LP	CDD	City of Capitola Predevelopment Loan – Draw Request	\$ 71,853.32

106481	SC Swimming CAFL	Rec	Swim Lessons	\$ 15,000.00
106488	Soquel Creek Water District	PW	Monthly Irrigation & Water Services	\$ 15,880.26
106497	Tyler Technologies	Fin	Annual ERP Application Services	\$ 34,345.86
106502	Visit Santa Cruz County	Fin	Jan – Mar TMD	\$ 52,404.72
1720	CalPERS Health Insurance	CM	June Health Insurance	\$ 49,904.70
1724	CalPERS Member Services Division	CM	PERS Contributions PPE 5/25/24	\$ 64,615.79
1725	Employment Development Department	CM	State Taxes PPE 5/25/24	\$ 23,243.84
1726	Internal Revenue Service	CM	Federal Taxes & Medicare PPE 5/25/24	\$ 71,933.02

Attachments:

1. 05-31-24 Check Register
2. 06-14-24 Check Register

Report Prepared By: Luis Ruiz, Accountant I

Reviewed By: Julia Gautho, City Clerk and Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

City main account checks dated May 31, 2024, numbered 106331 to 106381 totaling \$2,147,053.35, 2 EFTs totaling \$14,449.16, 2 payroll checks totaling \$145.24 and 121 payroll EFTs totaling \$277,769.80 for a grand total of \$2,439,417.55, have been reviewed and authorized for distribution by the City Manager.

As of May 31, 2024, the unaudited cash balance is \$5,277,389.16.

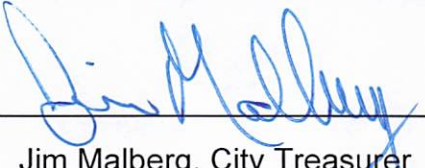
**CASH POSITION - CITY OF CAPITOLA
May 31, 2024**

	<u>5/31/2024</u>
General Fund ⁽¹⁾	\$ 2,380,841.27
Payroll Payables	\$ 254,370.42
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,381,505.54
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ (3,486,192.81)
Stores Fund	\$ 59,571.16
Information Technology Fund	\$ 231,776.17
Equipment Replacement	\$ 314,088.80
Self-Insurance Liability Fund	\$ 24,385.58
Workers' Comp. Ins. Fund	\$ 6,822.54
Compensated Absences Fund	\$ 330,886.06
TOTAL AVAILABLE GENERAL FUNDS	<u><u>\$ 5,277,389.16</u></u>

(1) May 31st balance includes \$4.31 million non-current investments



 Jamie Goldstein, City Manager 6/17/24
Date



 Jim Malberg, City Treasurer 6/14/24
Date

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106331	05/31/2024			ADAMS ASHBY GROUP INC.	\$8,200.00
	Invoice	Date	Description		Amount
	6002	05/13/2024	General Admin of CDBG - Second Harvest Food Bank		\$1,750.00
	5964	05/09/2024	HOME long term monitoring for Bay Ave. senior apartments		\$3,700.00
	6010	05/16/2024	General admin of CDBG - Community Bridges		\$1,500.00
	6011	05/16/2024	General Admin of CDBG - Second Harvest Food Bank		\$1,250.00
			1350 - CDBG Grants		\$4,500.00
			1370 - HOME Reuse		\$3,700.00
106332	05/31/2024			AMAZON CAPITAL SERVICES	\$460.77
	Invoice	Date	Description		Amount
	1HFT-H6DN-HRQX	05/23/2024	Toilet Bowl Brush Holder Set		\$37.02
	1GXT-KNTP-L1MP	05/23/2024	3/4" Round Malleable Washer		\$127.30
	193Q-H66K-6YFH	05/28/2024	Rubberbands		\$10.78
	1NJ4-LKK3-6FJ7	05/28/2024	Coffee beans		\$52.99
	1KGG-TYMV-7PV3	05/28/2024	Aerosol superior lubricant		\$202.94
	11XH-CKHD-9WL7	05/24/2024	Batteries and Soap		\$29.74
			1000 - General Fund		\$449.99
			2210 - ISF - Stores Fund		\$10.78
106333	05/31/2024			ART FACTORY STUDIOS, LLC	\$384.00
	Invoice	Date	Description		Amount
	0000497	05/23/2024	Afterschool art lesson		\$384.00
106334	05/31/2024			B & B SMALL ENGINE REPAIR	\$3,176.19
	Invoice	Date	Description		Amount
	10373	05/07/2024	Electric blowers		\$3,176.19
106335	05/31/2024			BEAR ELECTRICAL SOLUTIONS INC.	\$71,063.10
	Invoice	Date	Description		Amount
	22787	05/22/2024	Crosswalk batteries		\$563.10
	22163	03/29/2024	Capitola Road Project Services		\$25,850.00
	22162	03/29/2024	Capitola Road Project Services		\$26,150.00
	22164	03/29/2024	Capitola Road Project Services		\$18,500.00
			1000 - General Fund		\$563.10
			1200 - Capital Improvement Fund		\$70,500.00
106336	05/31/2024			BECKY ADAMS	\$438.75
	Invoice	Date	Description		Amount
	BA052624	05/26/2024	Instructor payment		\$438.75

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106337	05/31/2024			BEN NOBLE	\$15,015.00
	Invoice	Date	Description		Amount
	1470	03/15/2024	February Housing Element Implementation Services		\$6,806.25
	1475	04/19/2024	March Housing Element Implementation Services		\$2,310.00
	1477	05/21/2024	April Housing Element Implementation Services		\$5,898.75
			1313 - General Plan Update and Maint		
106338	05/31/2024			BETZ WORKS INC	\$110,000.00
	Invoice	Date	Description		Amount
	24159	05/24/2024	Park at Rispin Mansion Project Services		\$110,000.00
			1200 - Capital Improvement Fund		
106339	05/31/2024			CA DEPARTMENT OF CONSERVATION	\$456.76
	Invoice	Date	Description		Amount
	CDC093023	09/30/2023	Jul - Sep strong motion & seismic hazard mapping fees		\$456.76
106340	05/31/2024			CALIFORNIA BUILDING STANDARDS COMMISSION	\$1,185.70
	Invoice	Date	Description		Amount
	CBSC093123	09/30/2023	Jul - Sep building standards admin fee		\$118.80
	CBSC033124	03/31/2024	Jan - Mar Building Standards Admin Fees		\$499.90
	CBSC123123	12/31/2023	Oct - Dec Building Standards Admin Fee		\$261.00
	CBSC063023	07/01/2023	Apr - Jun Building Standards Admin Fee		\$306.00
106341	05/31/2024			CODE PUBLISHING COMPANY	\$587.50
	Invoice	Date	Description		Amount
	GCI0014187	05/29/2024	Municipal code web update		\$587.50
106342	05/31/2024			COMMUNITY TELEVISION OF SANTA CRUZ COUNTY	\$1,186.50
	Invoice	Date	Description		Amount
	3434	05/23/2024	April Planning Commision and City Council meeting footage		\$1,186.50
106343	05/31/2024			CSG Consultants Inc.	\$7,917.24
	Invoice	Date	Description		Amount
	56224	05/09/2024	April Building Inspector Services		\$1,310.00
	B240667	05/01/2024	April Building Plan Review Services		\$6,607.24
106344	05/31/2024			CUSHMAN CONTRACTING CORP ESCROW #80013175634	\$92,614.00
	Invoice	Date	Description		Amount
	CCC#09retention	04/30/2024	April Wharf Project retainer		\$92,614.00
			1200 - Capital Improvement Fund		

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106345	05/31/2024			CUSHMAN CONTRACTING CORPORATION	\$1,759,665.92
	Invoice	Date	Description		Amount
	CCC#09	04/30/2024	April Wharf Resiliency and Public Access Project Services 1200 - Capital Improvement Fund		\$1,759,665.92
106346	05/31/2024			DELL MARKETING LP	\$4,348.65
	Invoice	Date	Description		Amount
	10750174632	05/22/2024	Desktop Computers (5) 2211 - ISF - Information Technology		\$4,348.65
106347	05/31/2024			DOGHERRAS INC	\$275.00
	Invoice	Date	Description		Amount
	24-01532	04/30/2024	Tow for 23C-00452		\$275.00
106348	05/31/2024			DUDEK	\$4,299.00
	Invoice	Date	Description		Amount
	202403313	05/14/2024	#23-0525 1098 38th Ave Consulting		\$4,299.00
106349	05/31/2024			Eric Martin	\$192.51
	Invoice	Date	Description		Amount
	EM052424	05/24/2024	ICC Tri County Business Mtg, Turbo Tabs for Certification		\$192.51
106350	05/31/2024			EWING IRRIGATION	\$349.19
	Invoice	Date	Description		Amount
	22176965	05/02/2024	Wood handles		\$124.27
	22175131	05/02/2024	Leaf rake, head rake, bucket		\$177.62
	22175324	05/02/2024	Super turf		\$47.30
106351	05/31/2024			EXCEEDIO	\$8,940.41
	Invoice	Date	Description		Amount
	15547	06/01/2024	June IT services 2211 - ISF - Information Technology		\$8,940.41
106352	05/31/2024			FLYERS ENERGY LLC	\$3,772.68
	Invoice	Date	Description		Amount
	24-098533	05/21/2024	200 gallons diesel		\$1,000.55
	24-100500	05/23/2024	150 gallons diesel		\$750.45
	24-101755	05/24/2024	322 gallons gasoline		\$1,651.06
	24-101753	05/24/2024	73 gallons diesel		\$370.62

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106353	05/31/2024			GALLS LLC	\$962.49
	Invoice	Date	Description		Amount
	027933304	05/14/2024	Uniform Shirts and Pants		\$815.21
	027896830	05/09/2024	Wool S/S Shirt		\$147.28
106354	05/31/2024			GINA ENRIQUEZ	\$8,486.80
	Invoice	Date	Description		Amount
	GE052624	05/26/2024	Instructor payment		\$8,486.80
106355	05/31/2024			GROUP 4 ARCHITECTURE RESEARCH & PLANNING INC.	\$9,600.00
	Invoice	Date	Description		Amount
	12243	04/30/2024	City Hall Facilities Need Assessment		\$9,600.00
106356	05/31/2024			HO KUK MU SUL CORPORATION	\$84.50
	Invoice	Date	Description		Amount
	HKMSC052624	05/26/2024	Instructor payment		\$84.50
106357	05/31/2024			HOME DEPOT CREDIT SERVICES	\$1,993.80
	Invoice	Date	Description		Amount
	2631111	05/14/2024	Paint		\$64.10
	9231235	05/07/2024	Tankless heater return credit		(\$260.51)
	2623019	05/14/2024	Broom, cloth, scrub sponge		\$73.32
	9522984	05/17/2024	Spring clamp, sockets, pliers, extension cords, key set,		\$391.94
	1034689	05/15/2024	20 volt battery		\$325.91
	0623318	05/16/2024	Door lock installation kit, blue marker		\$47.80
	0511647	05/16/2024	Roller, mini roll, bucket, bucket grid		\$34.72
	6624086	05/20/2024	Poly sheet, vinyl tube		\$141.98
	9013497	05/17/2024	Homewrap, staples, tape, bungee cord		\$147.92
	3622720	05/13/2024	Cedar, lumber, paint, Caulk gun, rafter, acetone		\$882.88
	4614735	05/22/2024	goggles, gloves, cutters, heat shrink, storage bin		\$143.74

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106358	05/31/2024			INTERSTATE BATTERY SYSTEM OF SAN JOSE INC	\$301.07
	Invoice	Date	Description		Amount
	50293747	05/21/2024	Batteries		\$158.91
	50293746	05/21/2024	Batteries		\$142.16
106359	05/31/2024			J.J. KELLER & ASSOCIATES, INC.	\$1,615.50
	Invoice	Date	Description		Amount
	9109010370	04/26/2024	Safety management subscription		\$1,615.50
			2211 - ISF - Information Technology		
106360	05/31/2024			KBA Document Solutions LLC	\$956.38
	Invoice	Date	Description		Amount
	55Y1457309	05/23/2024	City Hall copier usage charges		\$956.38
			2211 - ISF - Information Technology		
106361	05/31/2024			KING'S PAINT AND PAPER INC.	\$7.61
	Invoice	Date	Description		Amount
	ML2GF	04/29/2024	Paint		\$7.61
106362	05/31/2024			KOSMONT COMPANIES	\$7,098.00
	Invoice	Date	Description		Amount
	2309.5-005	01/31/2024	January Consulting Services Capitola Mall		\$7,098.00
106363	05/31/2024			KRISTEN BROWN	\$154.35
	Invoice	Date	Description		Amount
	KB052324	05/23/2024	National League of Cities Homelessness Solutions Convening		\$154.35
106364	05/31/2024			LABORMAX STAFFING	\$2,786.40
	Invoice	Date	Description		Amount
	26-381874	05/24/2024	Public works seasonal labor 5/18 - 5/24		\$2,786.40
106365	05/31/2024			LAURA ALIOTO	\$338.00
	Invoice	Date	Description		Amount
	LA052624	05/26/2024	Instructor payment		\$338.00

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106366	05/31/2024			MISSION LINEN SUPPLY	\$150.11
	Invoice	Date	Description		Amount
	521646119	05/22/2024	Fleet towels, uniform cleaning		\$34.98
	521646120	05/22/2024	Corp. Yard linen service		\$115.13
106367	05/31/2024			O'REILLY AUTO PARTS	\$74.22
	Invoice	Date	Description		Amount
	2763-436790	05/22/2024	A/T Filter kit		\$47.77
	2763-436720	05/22/2024	Air filter		\$12.96
	2763-435645	05/17/2024	Supplement		\$13.49
106368	05/31/2024			OUTDOOR SUPPLY HARDWARE	\$124.30
	Invoice	Date	Description		Amount
	J38171	05/18/2024	Staples		\$7.62
	J36657	05/15/2024	PVC pipes, purple primer, cement		\$41.38
	J37275	05/16/2024	Spray paint, stop rust		\$60.96
	J36066	05/14/2024	Street banner		\$14.34
106369	05/31/2024			PETERSON CATERPILLAR	\$972.35
	Invoice	Date	Description		Amount
	PC080207190	05/18/2024	Element, filter lube, seal, seal kit, filter, ring		\$972.35
106370	05/31/2024			RRM DESIGN GROUP	\$1,755.50
	Invoice	Date	Description		Amount
	2757-01-0424	05/17/2024	April Capitola Housing Element Update Services 1313 - General Plan Update and Maint		\$1,755.50
106371	05/31/2024			SAN LORENZO LUMBER	\$883.28
	Invoice	Date	Description		Amount
	55-0883431	05/02/2024	Lumber		\$130.41
	55-0887255	05/20/2024	Brick hammer, arbor, wood shims, bolt cutter, bucket		\$337.29
	55-0887245	05/20/2024	Lumber		\$115.67
	55-0887315	05/20/2024	Lumber		\$154.81
	55-0886448	05/15/2024	Hex nuts, washers, threads, bucket		\$145.10
			1000 - General Fund		\$752.87
			1200 - Capital Improvement Fund		\$130.41

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106372	05/31/2024			SANTA CRUZ AUTO PARTS INC.	\$717.03
	Invoice	Date	Description		Amount
	14508-496490	05/20/2024	Poxy primer, sealer, activator		\$461.36
	14508-496633	05/22/2024	Coolant, wiper blades, oil filter		\$255.67
106373	05/31/2024			SARAH RYAN	\$5,103.00
	Invoice	Date	Description		Amount
	SR052824	05/28/2024	Education reimbursement		\$5,103.00
106374	05/31/2024			SCOTT NEWTON	\$544.94
	Invoice	Date	Description		Amount
	SN052924	05/29/2024	Babbel Spanish Learning Subscription, Textbook reimbursement		\$544.94
106375	05/31/2024			SERVPRO OF PALO ALTO	\$898.62
	Invoice	Date	Description		Amount
	4402	05/23/2024	Bio Remediation for 181 on 4/22/2024		\$898.62
106376	05/31/2024			SOQUEL CREEK WATER DISTRICT	\$598.60
	Invoice	Date	Description		Amount
	10-16317-0052024	05/20/2024	10-16317-00 420 Capitola Ave. water		\$327.09
	10-16315-0052024	05/20/2024	10-16315-00 504 Beulah Dr. water		\$83.96
	10-16316-0052024	05/20/2024	10-16316-00 426 Capitola Ave. water		\$187.55
106377	05/31/2024			T MOBILE	\$648.39
	Invoice	Date	Description		Amount
	TM052124	05/21/2024	May cell phone usage - acct # 989440968		\$604.80
	TM052124-2	05/21/2024	May cell phone usage - acct # 947590665		\$43.59
106378	05/31/2024			THE SKYLIGHT PLACE INC.	\$160.00
	Invoice	Date	Description		Amount
	50319A	04/04/2024	Window repair		\$160.00
106379	05/31/2024			VISTA 500 CONSULTING, LLC	\$2,850.00
	Invoice	Date	Description		Amount
	RE040124	04/01/2024	Investigation Invoice - Public Works		\$1,350.00
	RE040824	04/08/2024	Investigation Invoice - Public Works		\$1,500.00
106380	05/31/2024			ZUMAR INDUSTRIES INC.	\$1,159.24
	Invoice	Date	Description		Amount
	47478	05/13/2024	Traffic sign and Beams, signals		\$1,159.24
			1310 - Gas Tax		

City Checks Issued May 31, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106381	05/31/2024			MIKE L'HEUREUX	\$1,500.00
	Invoice	Date	Description		Amount
	MLH052824	05/28/2024	Bandstand Deposit Refund		\$1,500.00

Type Check Totals: \$2,147,053.35

EFT

1722	05/30/2024			INTERNAL REVENUE SERVICE	\$2.28
	Invoice	Date	Description		Amount
	91815218	05/28/2024	Federal taxes & Medicare employee final paycheck		\$2.28
			1001 - Payroll Payables		

1723	05/28/2024			WELLS FARGO BANK	\$14,446.88
	Invoice	Date	Description		Amount
	WF050324	05/03/2024	April Credit Card Charges		\$14,446.88
			1000 - General Fund		\$10,821.04
			1200 - Capital Improvement Fund		\$820.46
			1300 - SLESF - Supl Law Enfc		\$3,328.59
			2211 - ISF - Information Technology		(\$523.21)

Type EFT Totals: \$14,449.16

Main City Totals	Count	Total
Checks	51	\$2,147,053.35
EFTs	2	\$14,449.16
All	53	\$2,161,502.51

Payroll Totals	Count	Total
Checks	2	\$145.24
EFTs	121	\$277,769.80
All	123	\$277,915.04

Grand Totals:	Count	Total
Checks	53	\$2,147,198.59
EFTs	123	\$292,218.96
All	176	\$2,439,417.55

City main account checks dated June 14, 2024, numbered 106382 to 106512 totaling \$461,534.05, 9 EFTs totaling \$248,189.88, 2 payroll checks totaling \$3,224.14 and 141 payroll EFTs totaling \$221,714.61 for a grand total of \$934,662.68, have been reviewed and authorized for distribution by the City Manager.

As of June 14, 2024, the unaudited cash balance is \$4,675,024.80.

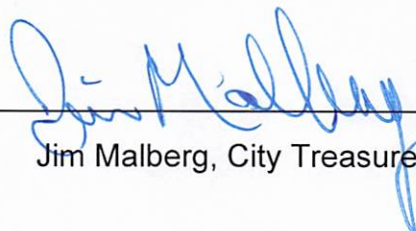
CASH POSITION - CITY OF CAPITOLA
June 14, 2024

	<u>6/14/2024</u>
General Fund ⁽¹⁾	\$ 1,933,248.10
Payroll Payables	\$ 178,062.39
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,381,505.54
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ (3,523,007.41)
Stores Fund	\$ 58,827.76
Information Technology Fund	\$ 190,871.01
Equipment Replacement	\$ 314,088.80
Self-Insurance Liability Fund	\$ 24,385.58
Workers' Comp. Ins. Fund	\$ 6,822.54
Compensated Absences Fund	\$ 330,886.06
TOTAL AVAILABLE GENERAL FUNDS	<u><u>\$ 4,675,024.80</u></u>

(1) June 14th balance includes \$4.27 million non-current investments



 Jamie Goldstein, City Manager 6/17/24
Date



 Jim Malberg, City Treasurer 6/14/24
Date

City Checks Issued June 14, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106382	06/10/2024			SPUN	\$1,250.00
	Invoice	Date	Description		Amount
	PB061224	06/12/2024	Twilight Concert 6/12/24		\$1,250.00
106383	06/10/2024			TNT & THE EXPLOSIONS	\$800.00
	Invoice	Date	Description		Amount
	VM061424	06/14/2024	Food Truck Friday Performance 6/14/24		\$800.00
106384	06/14/2024			A TOOL SHED	\$276.24
	Invoice	Date	Description		Amount
	1694647-5	05/29/2024	Demolition hammer, chisel		\$276.24
106385	06/14/2024			ADT SECURITY SERVICES INC.	\$267.54
	Invoice	Date	Description		Amount
	ADT052924	05/29/2024	Corp. yard & museum ADT monitoring		\$267.54
106386	06/14/2024			ADVOCACY INC.	\$5,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$5,000.00
106387	06/14/2024			AFLAC	\$2,797.71
	Invoice	Date	Description		Amount
	092344	05/31/2024	May supplemental insurance		\$2,797.71
			1001 - Payroll Payables		
106388	06/14/2024			AIMEE FITZGERALD	\$380.25
	Invoice	Date	Description		Amount
	AF060224	06/02/2024	Instructor payment		\$380.25
106389	06/14/2024			AJ'S FUEL MARKET OF CAPITOLA INC	\$288.00
	Invoice	Date	Description		Amount
	AJ053124	05/31/2024	Carwash Closing Date 05/31/2024		\$288.00
106390	06/14/2024			AKERS & ASSOCIATES INC.	\$2,375.00
	Invoice	Date	Description		Amount
	4212	06/07/2024	Rispin Easement		\$2,375.00
			1200 - Capital Improvement Fund		
106391	06/14/2024			ALLIED UNIVERSAL	\$1,639.31
	Invoice	Date	Description		Amount
	15694804	06/06/2024	June 2024 Jade Street Park Patrol		\$521.70
	15694815	06/06/2024	June 2024 McGregor Skate Park Patrol		\$539.08
	15694816	06/06/2024	June 2024 Esplanade Park Patrol		\$578.53

City Checks Issued June 14, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106392	06/14/2024			AMAZON CAPITAL SERVICES	\$1,175.59
	Invoice	Date	Description		Amount
	1JKM-K9R1-LRRQ	06/02/2024	Batteries		\$36.10
	1X7K-FTHJ-6VVQ	06/04/2024	Cummins OEM part		\$207.10
	17MW-JKNH-9911	06/05/2024	Work gloves		\$79.87
	1GMH-RM4R-H99K	06/02/2024	Party Cups		\$87.16
	1JKM-K9R1-HQ97	06/02/2024	Fanny pack, container party pack, ice packs, clipboard		\$259.27
	17W6-H7P3-JMTG	06/02/2024	Flag pole, cold cups		\$69.71
	1XWT-LYLQ-7343	06/06/2024	Printer cable		\$9.79
	1HLN-V7FN-PVRX	05/30/2024	P-Touch Brother Labeling Tape		\$32.68
	17HG-HNCP-MDTW	06/02/2024	Otterbox Commuter Case		\$42.28
	1VNT-W63M-GQH9	06/11/2024	Printer ink		\$217.89
	1GNT-3QQN-937W	06/05/2024	Heat transfer vinyl		\$102.28
	1TLQ-LNGL-GNNP	06/07/2024	Extension cord		\$22.76
	1VNM-R9G7-7MT4	06/05/2024	Wall clock		\$8.70
		1000 - General Fund			\$911.81
		2210 - ISF - Stores Fund			\$253.99
		2211 - ISF - Information Technology			\$9.79
106393	06/14/2024			ARTS COUNCIL OF SANTA CRUZ COUNTY	\$1,250.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$1,250.00
106394	06/14/2024			AT&T	\$8.73
	Invoice	Date	Description		Amount
	ATT060124	06/01/2024	June long distance charges		\$8.73
		1000 - General Fund			\$4.30
		2211 - ISF - Information Technology			\$4.43
106395	06/14/2024			AXCIENT	\$140.00
	Invoice	Date	Description		Amount
	FY24INEFI171065	05/31/2024	May AppAssure storage		\$140.00
		2211 - ISF - Information Technology			
106396	06/14/2024			B & B SMALL ENGINE REPAIR	\$322.56
	Invoice	Date	Description		Amount
	15354	06/05/2024	Trimmer lines		\$65.33
	16411	06/12/2024	Helmet		\$257.23
106397	06/14/2024			BAY PHOTO LAB	\$181.40
	Invoice	Date	Description		Amount
	20599168	05/17/2024	Photo prints		\$11.89
	20581835	05/10/2024	Photo prints		\$169.51

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106398	06/14/2024			BIG BROTHERS BIG SISTERS OF SC COUNTY	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant 1305 - Restricted TOT		\$3,750.00
106399	06/14/2024			BOONE LOW RATLIFF ARCHITECTS INC	\$8,567.11
	Invoice	Date	Description		Amount
	4054	05/30/2024	May Jade St Community Center renovation design services Phase		\$3,616.86
	4053	05/30/2024	May Jade St Community Center renovation design services Addit		\$4,950.25
			1200 - Capital Improvement Fund		
106400	06/14/2024			BOYS AND GIRLS CLUBS OF SANTA CRUZ COUNTY	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant 1305 - Restricted TOT		\$3,750.00
106401	06/14/2024			CA DEPARTMENT OF JUSTICE	\$98.00
	Invoice	Date	Description		Amount
	738562	06/05/2024	Police Officer Candidate Fingerprinting		\$98.00
106402	06/14/2024			CABRILLO COLLEGE STROKE CENTER	\$5,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$5,000.00
106403	06/14/2024			CALIFORNIA COAST UNIFORM COMPANY	\$1,912.70
	Invoice	Date	Description		Amount
	11015	06/01/2024	Multiple Patches in New Color and Design		\$838.20
	11025	06/03/2024	Multiple Patches in New Color and Design		\$839.05
	11002	06/01/2024	501 Tailoring Charges		\$54.00
	11003	06/01/2024	518 Tailoring and Embroidery Charges		\$92.00
	11004	06/01/2024	Polo and Embroidery Charges		\$89.45
106404	06/14/2024			CAPITOLA-SOQUEL CHAMBER OF COMMERCE	\$4,805.67
	Invoice	Date	Description		Amount
	CSCC043024	05/30/2024	Q3 TOT 1305 - Restricted TOT		\$4,805.67
106405	06/14/2024			CASA OF SANTA CRUZ COUNTY	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant 1305 - Restricted TOT		\$3,750.00

City Checks Issued June 14, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106406	06/14/2024			CINTAS CORPORATION	\$528.49
	Invoice	Date	Description		Amount
	5213682126	05/29/2024	City Hall first aid supplies		\$208.52
	5211990435	05/16/2024	Community Center first aid supplies		\$80.39
	5212599486	05/21/2024	Corp yard first aid supplies		\$239.58
106407	06/14/2024			CLASSIFIED SOUND	\$975.00
	Invoice	Date	Description		Amount
	240612A	06/12/2024	Twilight Concert 6/12/24		\$975.00
106408	06/14/2024			CLEAN BUILDING MAINTENANCE CO.	\$6,706.92
	Invoice	Date	Description		Amount
	34598	05/31/2024	May janitorial services		\$6,706.92
106409	06/14/2024			COMMUNITY ACTION BOARD	\$5,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$5,000.00
106410	06/14/2024			COMPLETE MAILING SERVICE INC.	\$3,071.52
	Invoice	Date	Description		Amount
	8447	05/28/2024	Summer brochure mailing		\$3,071.52
106411	06/14/2024			CORODATA RECORDS MANAGEMENT, INC.	\$23.75
	Invoice	Date	Description		Amount
	RS3618466	05/31/2024	May Records Management		\$23.75
106412	06/14/2024			CRYSTAL SPRINGS WATER CO.	\$495.50
	Invoice	Date	Description		Amount
	CSCC053124	05/31/2024	May drinking water		\$495.50
106413	06/14/2024			CSW-STUBER-STROEH ENGINEERING GROUP INC	\$22,991.96
	Invoice	Date	Description		Amount
	2405065	05/31/2024	Cliff Drive Resiliency Project Services thru 5/5/24		\$11,079.88
	2405080	05/31/2024	Stockton Ave Bridge Debris Mitigation Services through 5/5/24		\$11,912.08
			1200 - Capital Improvement Fund		
106414	06/14/2024			DOCTORS ON DUTY	\$245.00
	Invoice	Date	Description		Amount
	DOD060524	06/05/2024	New employee testing & exams		\$245.00

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106415	06/14/2024			ELEVATOR SERVICE COMPANY INC.	\$210.00
	Invoice	Date	Description		Amount
	46862	06/01/2024	Quarterly lube and inspection		\$210.00
106416	06/14/2024			EWING IRRIGATION	\$200.50
	Invoice	Date	Description		Amount
	22343384	05/20/2024	Shovels		\$200.50
106417	06/14/2024			FAIR WAGE USA	\$2,500.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$2,500.00
106418	06/14/2024			FAMILY SERVICE AGENCY OF THE CENTRAL COAST	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106419	06/14/2024			FIRST ALARM	\$231.25
	Invoice	Date	Description		Amount
	821971	05/21/2024	Evidence Building Service Call, Labor and Fuel Charge		\$231.25
106420	06/14/2024			FLYERS ENERGY LLC	\$5,825.24
	Invoice	Date	Description		Amount
	24-105334	05/30/2024	134 gallons diesel		\$659.87
	24-105333	05/30/2024	379 gallons gasoline		\$1,940.93
	24-110599	06/06/2024	92 gallons diesel		\$456.18
	24-110598	06/06/2024	553 gallons gasoline		\$2,768.26
106421	06/14/2024			FRED C. BEYERS	\$315.00
	Invoice	Date	Description		Amount
	FB060624	06/06/2024	Softball official services		\$315.00
106422	06/14/2024			GALLS LLC	\$465.65
	Invoice	Date	Description		Amount
	028025143	05/23/2024	Mens Performance S/S Polo and Stryke Pant		\$465.65
106423	06/14/2024			GARDAWORLD	\$422.33
	Invoice	Date	Description		Amount
	10782444	06/01/2024	June 2024 Armored Transportation Service		\$422.33

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106424	06/14/2024			HASCO STATIONS, LLC	\$34.00
	Invoice	Date	Description		Amount
	INV-127105	05/31/2024	Carwash Closing Date 5/31/2024		\$34.00
106425	06/14/2024			HEIDI MICHELLE WOODMANSEE	\$650.00
	Invoice	Date	Description		Amount
	HW060224	06/02/2024	Instructor payment		\$650.00
106426	06/14/2024			Hi-Line Inc.	\$385.94
	Invoice	Date	Description		Amount
	11126862	05/21/2024	Cap Screws, washers, hex nuts, screws, bolts		\$385.94
106427	06/14/2024			HINDERLITER DELLAMAS AND ASSOCIATES	\$1,408.03
	Invoice	Date	Description		Amount
	SIN038709	04/30/2024	April TOT and STR admin fees		\$1,408.03
106428	06/14/2024			HOME DEPOT CREDIT SERVICES	\$550.24
	Invoice	Date	Description		Amount
	6525229	05/30/2024	Sakrete play sand, metal power strip, lumber, frame		\$160.34
	7625847	05/29/2024	Cable tie		\$48.37
	2645441	06/03/2024	Gloves, bucket, tarp		\$126.63
	9632881	06/06/2024	Steel, bucket, grinder, saw blades, brass		\$214.90
106429	06/14/2024			HOSPICE of SANTA CRUZ COUNTY	\$1,500.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$1,500.00
106430	06/14/2024			INTERNATIONAL BRONZE PLAQUE COMPANY	\$780.00
	Invoice	Date	Description		Amount
	24-69580	05/30/2024	Memorial Plaques (4)		\$780.00
106431	06/14/2024			INTERSTATE TRAFFIC CONTROL PRODUCTS	\$1,719.69
	Invoice	Date	Description		Amount
	263576	06/05/2024	Traffic signs		\$1,719.69
106432	06/14/2024			JANET RUSSELL KELLER	\$370.50
	Invoice	Date	Description		Amount
	JRK060224	06/02/2024	Instructor payment		\$370.50

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106433	06/14/2024			JERI SKIPPER	\$117.00
	Invoice	Date	Description		Amount
	JAS060224	06/02/2024	Instructor payment		\$117.00
106434	06/14/2024			JESSE CORONA	\$1,250.00
	Invoice	Date	Description		Amount
	JC062624	06/26/2024	Twilight Concert 6/26/24		\$1,250.00
106435	06/14/2024			KARIN ANDERSON	\$1,200.00
	Invoice	Date	Description		Amount
	KA052024	05/01/2024	BIA Ambassador		\$600.00
	KA062024	06/01/2024	BIA Ambassador		\$600.00
			1321 - BIA - Capitola Village-Wharf BIA		
106436	06/14/2024			KBA Document Solutions LLC	\$7.22
	Invoice	Date	Description		Amount
	55Y1459136	06/03/2024	City Hall copier usage charges		\$7.22
			2211 - ISF - Information Technology		
106437	06/14/2024			KING'S PAINT AND PAPER INC.	\$449.48
	Invoice	Date	Description		Amount
	Z7DS4	06/03/2024	Paint		\$207.36
	B7F6N	06/11/2024	Paint		\$242.12
106438	06/14/2024			KUSTOM CULTURE DESIGN	\$3,224.22
	Invoice	Date	Description		Amount
	5687	04/23/2024	Capitola Camp T-Shirts		\$3,224.22
106439	06/14/2024			LABORMAX STAFFING	\$5,368.92
	Invoice	Date	Description		Amount
	26-383317	05/31/2024	Public works seasonal labor 5/25 - 5/31		\$2,582.52
	26-384631	06/07/2024	Public works seasonal labor 6/3 - 6/7		\$2,786.40
106440	06/14/2024			LAURA ALIOTO	\$420.00
	Invoice	Date	Description		Amount
	LA060224	06/02/2024	Instructor payment		\$420.00

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106441	06/14/2024			LEWIS TREE SERVICE INC.	\$10,722.22
	Invoice	Date	Description		Amount
	918304655	02/28/2024	Tree Removal		\$3,720.00
	918300514	02/24/2024	Tree Removal		\$5,612.22
	918285803	02/12/2024	Tree Removal		\$1,390.00
106442	06/14/2024			LIEBERT CASSIDY WHITMORE	\$2,700.00
	Invoice	Date	Description		Amount
	267562	04/30/2024	Creating A Culture of Respect Training		\$2,700.00
106443	06/14/2024			LISA RUPP	\$702.00
	Invoice	Date	Description		Amount
	LMR061124	06/11/2024	Instructor payment		\$702.00
106444	06/14/2024			LIUNA PENSION FUND	\$1,747.20
	Invoice	Date	Description		Amount
	FS6420	05/31/2024	May LIUNA pension dues		\$1,747.20
			1001 - Payroll Payables		
106445	06/14/2024			LLOYD'S TIRE AND AUTO	\$572.09
	Invoice	Date	Description		Amount
	241714	05/31/2024	Tires, tire services		\$572.09
106446	06/14/2024			LP POLICE	\$11.96
	Invoice	Date	Description		Amount
	524LP31150	05/31/2024	LP Police Live Search		\$11.96
106447	06/14/2024			MASTER CLEANERS	\$1,976.43
	Invoice	Date	Description		Amount
	MC051124	05/11/2024	April 2024 Uniform Cleaning		\$1,098.99
	MC060924	06/09/2009	May 2024 Uniform Cleaning		\$877.44
106448	06/14/2024			MESITI-MILLER ENGINEERING INC	\$228.00
	Invoice	Date	Description		Amount
	0524013	05/29/2024	Peery Park Bridge Repairs through 5/25/24		\$228.00
			1310 - Gas Tax		
106449	06/14/2024			MICHAEL KILROY	\$2,488.43
	Invoice	Date	Description		Amount
	MK052424	05/24/2024	International Association of Chiefs of Police Tech Conference		\$2,488.43
			1300 - SLESF - Supl Law Encf		

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106450	06/14/2024			MID COUNTY AUTO SUPPLY	\$148.94
	Invoice	Date	Description		Amount
	M-2584255	05/24/2024	Blower motor, resistor		\$75.97
	M-2590958	05/31/2024	Dye, ultimate compound		\$32.00
	M-2593705	06/03/2024	Wheel stud, nut, oil cooler		\$40.97
106451	06/14/2024			MID COUNTY SENIOR CENTER	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106452	06/14/2024			MISSION LINEN SUPPLY	\$683.96
	Invoice	Date	Description		Amount
	521687179	05/29/2024	Corp. Yard linen service		\$145.31
	521687178	05/29/2024	Fleet towels, uniform cleaning		\$36.35
	521675086	05/27/2024	Community Center mop and mat service		\$83.45
	521586238	05/13/2024	Community Center mop and mat service		\$83.45
	521737902	06/05/2024	Fleet towels, uniform cleaning		\$34.98
	521737903	06/05/2024	Corp. Yard linen service		\$115.13
	521771036	06/12/2024	Fleet towels, uniform cleaning		\$39.98
	521771037	06/12/2024	Corp. Yard linen service		\$145.31
106453	06/14/2024			MONARCH SERVICES	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106454	06/14/2024			MONTEREY BAY NATIONAL MARINE SANCTUARY	\$6,250.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$2,500.00
	CG063024-2	06/01/2024	Community grant		\$3,750.00
			1000 - General Fund		\$2,500.00
			1305 - Restricted TOT		\$3,750.00
106455	06/14/2024			MP RAIL TRAIL ASSOCIATES, L.P.	\$71,853.32
	Invoice	Date	Description		Amount
	MP060724	06/07/2024	City of Capitola Predevelopment Loan - Draw Request		\$71,853.32
			5552 - Cap Hsg Succ- Program Income		
106456	06/14/2024			NAMI SANTA CRUZ COUNTY	\$6,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$6,000.00

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106457	06/14/2024			NETFILE INC	\$4,000.00
	Invoice	Date	Description		Amount
	9453	06/10/2024	Annual subscription for agency services 2211 - ISF - Information Technology		\$4,000.00
106458	06/14/2024			NORTH BAY FORD	\$54.61
	Invoice	Date	Description		Amount
	292732	05/23/2024	Brake lining		\$54.61
106459	06/14/2024			NUZ Inc.	\$2,804.00
	Invoice	Date	Description		Amount
	113994	06/11/2024	Good Times publication advertising		\$2,804.00
106460	06/14/2024			O'NEILL SEA ODYSSEY	\$5,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant 1305 - Restricted TOT		\$5,000.00
106461	06/14/2024			O'REILLY AUTO PARTS	\$41.75
	Invoice	Date	Description		Amount
	2763-438130	05/28/2024	Micro belt		\$41.75
106462	06/14/2024			OMADA GROUP, LLC	\$285.83
	Invoice	Date	Description		Amount
	CCAPD-0001	05/29/2024	Restube and Restube Rearm Kit 1300 - SLESF - Supl Law Enfc		\$285.83
106463	06/14/2024			OPPOSITE OF EAST	\$3,000.00
	Invoice	Date	Description		Amount
	000196-002	05/10/2024	BIA Communications Manager Services 1321 - BIA - Capitola Village-Wharf BIA		\$3,000.00
106464	06/14/2024			ORIGINAL WATERMEN	\$5,743.20
	Invoice	Date	Description		Amount
	88908	05/16/2024	Lifeguard jackets, tshirts		\$5,743.20
106465	06/14/2024			OUTDOOR SUPPLY HARDWARE	\$45.32
	Invoice	Date	Description		Amount
	J42244	05/25/2024	Cable tie		\$45.32
106466	06/14/2024			PACIFIC ROOTS MUSIC	\$1,250.00
	Invoice	Date	Description		Amount
	PRM061924	06/19/2024	Twilight Concert 6/19/24		\$1,250.00

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106467	06/14/2024			PALACE BUSINESS SOLUTIONS	\$340.74
	Invoice	Date	Description		Amount
	2349805-0	06/04/2024	Pens, hole puncher		\$105.96
	2332779-7	04/23/2024	Grounded coffee return credit		(\$28.95)
	2328948-7	04/23/2024	Report cover return credit		(\$38.00)
	2332779-0	04/11/2024	Ground coffee		\$28.95
	2347344-0	05/24/2024	Printing Paper, Bookends and Binder		\$154.65
	2347344-1	06/03/2024	Binders		\$14.48
	2350663-0	06/07/2024	Markers, pens, notebooks		\$103.65
106468	06/14/2024			PAPE KENWORTH	\$7,333.25
	Invoice	Date	Description		Amount
	1102378	05/24/2024	Service call, maintenance, and repair		\$7,333.25
106469	06/14/2024			PARENTS CENTER OF SANTA CRUZ	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106470	06/14/2024			PET PALS DISCOUNT PET SUPPLIES	\$93.59
	Invoice	Date	Description		Amount
	2990456	05/02/2024	K-9 Soft Chews and Dewormer		\$93.59
106471	06/14/2024			PETERSON CATERPILLAR	\$773.84
	Invoice	Date	Description		Amount
	PC080207322	05/24/2024	Control GP		\$773.84
106472	06/14/2024			RICHARD B CASTILLO II	\$270.00
	Invoice	Date	Description		Amount
	RC060624	06/06/2024	Softball official services		\$270.00
106473	06/14/2024			ROBIN H EVEREST	\$204.75
	Invoice	Date	Description		Amount
	RE061124	06/11/2024	Instructor payment		\$204.75
106474	06/14/2024			SAN LORENZO LUMBER	\$568.45
	Invoice	Date	Description		Amount
	55-0889341	05/30/2024	Hex bolts, nuts, washers, bucket, pad		\$199.94
	55-0887729	05/21/2024	Putty knife, sharpener, rustoleum		\$123.74
	55-0891517	06/10/2024	Chisel black marker, hex bolts, washers, hex nuts		\$48.44
	55-0891365	06/11/2024	Paint		\$196.33

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106475	06/14/2024			SANTA CRUZ AUTO PARTS INC.	\$713.58
	Invoice	Date	Description		Amount
	14508-497132	05/29/2024	Acrylic activator, acrylic enamel single-stage topcoat		\$647.24
	14508-494040	04/16/2024	Brake clean, washer fluid		\$66.34
106476	06/14/2024			SANTA CRUZ CHILDRENS MUSEUM OF DISCOVERY	\$6,250.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$6,250.00
			1305 - Restricted TOT		
106477	06/14/2024			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$9,341.50
	Invoice	Date	Description		Amount
	SCCO053124	05/31/2024	May citation processing		\$9,341.50
106478	06/14/2024			SANTA CRUZ COUNTY DEPT OF PUBLIC WORKS	\$819.54
	Invoice	Date	Description		Amount
	ZONEV-20240224	06/12/2024	Zone V pass through payment		\$819.54
106479	06/14/2024			SANTA CRUZ LIVE SCAN INC.	\$330.00
	Invoice	Date	Description		Amount
	25069	06/01/2024	New hire live scans		\$300.00
	25097	06/01/2024	Police Officer Candidate Live Scan		\$30.00
106480	06/14/2024			SANTA CRUZ SENTINEL	\$481.60
	Invoice	Date	Description		Amount
	0001412243	06/03/2024	May legal notices		\$481.60
106481	06/14/2024			SC Swimming CAFL	\$15,000.00
	Invoice	Date	Description		Amount
	1012	06/03/2024	Swim Lessons		\$15,000.00
106482	06/14/2024			SENIOR NETWORK SERVICES INC.	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106483	06/14/2024			SENIORS COUNCIL OF SC COUNTY	\$5,000.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$5,000.00

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106484	06/14/2024			SHANTA SHENOY	\$747.50
	Invoice	Date	Description		Amount
	SS060224	06/02/2024	Instructor payment		\$747.50
106485	06/14/2024			SHEILA BURT	\$117.00
	Invoice	Date	Description		Amount
	SB061124	06/11/2024	Instructor payment		\$117.00
106486	06/14/2024			SKATEKAMP LLC	\$624.00
	Invoice	Date	Description		Amount
	SK061124	06/11/2024	Skateboarding camp		\$624.00
106487	06/14/2024			SKY DESIGN	\$2,757.51
	Invoice	Date	Description		Amount
	0219042	05/14/2024	Capitola Wharf Signage		\$2,757.51
			1200 - Capital Improvement Fund		
106488	06/14/2024			SOQUEL CREEK WATER DISTRICT	\$15,880.26
	Invoice	Date	Description		Amount
	42-14952-0060324	06/03/2024	42-14952 Cortez Park irrigation		\$721.78
	42-15297-0060324	06/03/2024	42-15297-00 426 Capitola Ave irrigation		\$277.52
	42-15969-0060324	06/03/2024	42-15969-00 Lawn Way irrigation		\$398.40
	42-16122-0060324	06/03/2024	42-16122-00 Esplanade fountain irrigation		\$118.74
	42-10504-0060324	06/03/2024	42-10504-00 Cliff Drive irrigation		\$116.43
	42-11090-0060324	06/03/2024	42-11090-01 Capitola Road irrigation		\$277.52
	42-11467-0060324	06/03/2024	42-11467-00 Jade Street park irrigation		\$7,957.75
	42-11517-0060324	06/03/2024	42-11517-00 41st Avenue irrigation		\$277.52
	42-14404-0060324	06/03/2024	42-14404-00 Monterey Ave. Nobel Gulch Park irrigation		\$441.67
	42-16130-0060324	06/03/2024	42-16130-00 Wharf Road irrigation		\$116.43
	42-16136-0060324	06/03/2024	42-16136-00 1400 Wharf Road irrigation		\$116.69
	42-16407-0060324	06/03/2024	42-16407-00 Bay Ave. irrigation		\$116.43
	13-10919-0060324	06/03/2024	13-10919-00 2000 Wharf Road water service		\$87.85
	34-18508-0060324	06/03/2024	34-18508-00 1510 McGregor Drive water service		\$53.03
	42-14431-0060324	06/03/2024	42-14431-00 Monterey Ave irrigation		\$4,569.64
	42-17688-0060324	06/03/2024	42-17688-00 Lawn Way irrigation 2		\$116.43
	42-18238-0060324	06/03/2024	42-18238-00 Capitola Road irrigation		\$116.43
			1000 - General Fund		\$15,763.57
			1311 - Wharf		\$116.69

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
106489	06/14/2024			SPECTRUM BUSINESS	\$3,786.30
	Invoice	Date	Description		Amount
	170005701052124	05/21/2024	June internet service		\$3,786.30
			1000 - General Fund		\$1,664.51
			2211 - ISF - Information Technology		\$2,121.79
106490	06/14/2024			SPORTS DESIGN, INC.	\$996.36
	Invoice	Date	Description		Amount
	27771	05/15/2024	City of Capitola Jackets		\$996.36
106491	06/14/2024			STAPLES ADVANTAGE	\$43.11
	Invoice	Date	Description		Amount
	6002475703	05/18/2024	Linen certificate holder		\$43.11
106492	06/14/2024			SUPERIOR PRESS	\$48.48
	Invoice	Date	Description		Amount
	4849945	06/07/2024	Deposit slips		\$48.48
106493	06/14/2024			TERRY EQUIPMENT INC.	\$491.22
	Invoice	Date	Description		Amount
	105727	02/12/2024	Gutter Broom, 12 segments		\$491.22
			1310 - Gas Tax		\$491.22
106494	06/14/2024			THE CLEANING MACHINE INC.	\$2,950.00
	Invoice	Date	Description		Amount
	6681	05/30/2024	Village sidewalk cleaning		\$2,950.00
106495	06/14/2024			THE DIVERSITY CENTER	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
			1305 - Restricted TOT		
106496	06/14/2024			TPX COMMUNICATIONS	\$1,364.74
	Invoice	Date	Description		Amount
	179455549-0	05/23/2024	May phone service		\$1,364.74
			1000 - General Fund		\$749.67
			2211 - ISF - Information Technology		\$615.07

City Checks Issued June 14, 2024

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106497	06/14/2024			TYLER TECHNOLOGIES	\$34,345.86
	Invoice	Date	Description		Amount
	045-471000	07/01/2024	Annual ERP application services		\$34,345.86
			2211 - ISF - Information Technology		
106498	06/14/2024			UNITED WAY OF SANTA CRUZ COUNTY	\$30.00
	Invoice	Date	Description		Amount
	UW053124	05/31/2024	May United Way contributions		\$30.00
			1001 - Payroll Payables		
106499	06/14/2024			UNITED WAY OF SANTA CRUZ COUNTY	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00
106500	06/14/2024			US BANK EQUIPMENT FINANCE	\$873.89
	Invoice	Date	Description		Amount
	530282268	05/29/2024	City Hall Copier Lease		\$315.01
	529984429	05/25/2024	City Hall Copier Lease		\$174.40
	530779545	06/05/2024	PD copier lease		\$204.93
	530712082	06/04/2024	Recreation copier lease		\$179.55
			1000 - General Fund		\$384.48
			2210 - ISF - Stores Fund		\$489.41
106501	06/14/2024			US BANK PARS Acct 6746022400	\$1,080.16
	Invoice	Date	Description		Amount
	PARS053124	05/31/2024	PARS contributions PPE 5/25/24		\$1,080.16
			1001 - Payroll Payables		
106502	06/14/2024			VISIT SANTA CRUZ COUNTY	\$52,404.72
	Invoice	Date	Description		Amount
	VSCC033124	05/30/2024	Jan - Mar TMD		\$52,404.72
106503	06/14/2024			VISTA CENTER FOR THE BLIND	\$2,500.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$2,500.00
106504	06/14/2024			VOLUNTEER CENTERS OF SC COUNTY	\$3,750.00
	Invoice	Date	Description		Amount
	CG063024	06/01/2024	Community grant		\$3,750.00

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106505	06/14/2024			WATSONVILLE BLUEPRINT	\$123.02
	Invoice	Date	Description		Amount
	116179	05/09/2024	Plan blueprints		\$123.02
			1200 - Capital Improvement Fund		
106506	06/14/2024			WATSONVILLE FORD	\$870.21
	Invoice	Date	Description		Amount
	44344	05/23/2024	Rotor assembly		\$248.74
	43591	04/18/2024	Auto parts		\$621.47
106507	06/14/2024			WE ALL RIDE SANTA CRUZ	\$23.76
	Invoice	Date	Description		Amount
	4181687	05/01/2024	Insect remover, motul wash		\$23.76
106508	06/14/2024			WESTERN EXTERMINATOR COMPANY	\$87.60
	Invoice	Date	Description		Amount
	61730336	06/07/2024	June City Hall rodent control		\$87.60
106509	06/14/2024			WHITLOW CONCRETE INC.	\$9,350.00
	Invoice	Date	Description		Amount
	B2870	05/30/2024	Sawcut and R/R sections of city sidewalk		\$9,350.00
106510	06/14/2024			WILLDAN FINANCIAL SERVICES	\$2,370.00
	Invoice	Date	Description		Amount
	010-58621	06/10/2024	Comprehensive User Fee Study and Overhead Cost Allocation P		\$2,370.00
106511	06/14/2024			WITMER TYSON IMPORTS INC.	\$1,500.00
	Invoice	Date	Description		Amount
	T15442	06/04/2024	May 2024 K-9 Maintenance Training		\$750.00
	T15441	06/04/2024	June 2024 K-9 Maintenance Training		\$750.00
106512	06/14/2024			ZACKARY CURRIER	\$909.09
	Invoice	Date	Description		Amount
	ZC052924	05/29/2024	Wellness Funded Expense - Bow		\$909.09

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
Type Check Totals:					\$461,534.05
<u>EFT</u>					
1720	06/01/2024			CalPERS Health Insurance	\$75,944.66
	Invoice	Date	Description		Amount
	1002649609	05/14/2024	June health insurance		\$75,944.66
			1000 - General Fund		\$4,374.94
			1001 - Payroll Payables		\$71,569.72
1724	06/03/2024			CalPERS Member Services Division	\$64,615.79
	Invoice	Date	Description		Amount
	1002653015-8	05/31/2024	PERS contributions PPE 5/25/24		\$64,615.79
			1000 - General Fund		\$0.33
			1001 - Payroll Payables		\$64,615.46
1725	06/03/2024			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$23,243.84
	Invoice	Date	Description		Amount
	1-540-887-312	05/31/2024	State taxes PPE 5/25/24		\$23,243.84
			1001 - Payroll Payables		
1726	06/03/2024			INTERNAL REVENUE SERVICE	\$71,933.02
	Invoice	Date	Description		Amount
	51203869	05/31/2024	Federal taxes & Medicare PPE 5/25/24		\$71,933.02
			1001 - Payroll Payables		
1727	06/03/2024			STATE DISBURSEMENT UNIT	\$1,955.06
	Invoice	Date	Description		Amount
	48444597	05/31/2024	Employee garnishments PPE 5/25/24		\$1,955.06
			1001 - Payroll Payables		
1728	06/03/2024			VOYA FINANCIAL	\$8,713.60
	Invoice	Date	Description		Amount
	VOYA053124	05/31/2024	Employee 457 contributions PPE 5/25/24		\$8,713.60
			1001 - Payroll Payables		
1729	06/12/2024			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$338.82
	Invoice	Date	Description		Amount
	1-630-778-128	06/10/2024	State tax employee final check		\$338.82
			1001 - Payroll Payables		

City Checks Issued June 14, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
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1730	06/12/2024			INTERNAL REVENUE SERVICE	\$959.09
	Invoice	Date	Description		Amount
	43927398	06/10/2024	Federal taxes & Medicare employee final paycheck		\$959.09
			1001 - Payroll Payables		

1731	06/12/2024			STATE DISBURSEMENT UNIT	\$486.00
	Invoice	Date	Description		Amount
	48563010	06/10/2024	Employee garnishments final pay 6-10-24		\$486.00
			1001 - Payroll Payables		

Type EFT Totals: \$248,189.88

Main City Totals	Count	Total
Checks	131	\$461,534.05
EFTs	9	\$248,189.88
All	140	\$709,723.93

Payroll Totals	Count	Total
Checks	2	\$3,224.14
EFTs	141	\$221,714.61
All	143	\$224,938.75

Grand Totals:	Count	Total
Checks	133	\$464,758.19
EFTs	150	\$469,904.49
All	283	\$934,662.68

Capitola City Council

Agenda Report

Meeting: June 27, 2024
From: City Manager Department
Subject: Opal Cliffs School Lease Agreement



Recommended Action: Authorize the City Manager to enter a lease agreement with the Soquel Union Elementary School District for classroom space at Opal Cliffs School beginning on July 1, 2024.

Background: The City has held a Long-Term Use Agreement with the Soquel Union Elementary School District (SUESD) for the Jade Street Park Property, which includes the Community Center since the 1980's. In November 2022, the Use Agreement was extended; as part of that extension, the City agreed to complete certain renovations to the Community Center. In May 2024, the Community Center Renovation Project received funding from several sources, which will cover the entire project scope. Construction on the renovation project is expected to begin in October 2024.

Discussion: The Community Center provides space for numerous community programs as well as office space for five permanent City staff members. The planned Renovation Project is an extensive undertaking that will necessitate the Recreation Division temporarily relocating from the Community Center until construction is finished. In a spirit of partnership, SUESD has generously offered the use of two available classrooms at Opal Cliffs School, situated in Jade Street Park. This temporary location is ideal for maintaining community services with minimal disruption during the renovation.

The lease agreement includes the use of two classrooms, two bathrooms, and the fenced front yard of the school facility for a term of eighteen months, starting on July 1, 2024. The City, as the tenant, will be responsible for utilities, internet, and improvements to the bathrooms. The District agreed to waive any rent payments.

Initially staff discussed making the waiver of rent an "in kind" donation to the fundraising campaign for the Treasure Cove Playground. However, due to potential constraints around School District donations, the proposed lease simply sets the rent at \$1 per month.

Fiscal Impact: The estimated cost to upgrade the bathrooms is less than \$4,000 in materials and staff time. Expenses related to the lease will be part of the Community Center Renovation project fund

Attachments:

1. Lease Agreement for Opal Cliff Classrooms

Report Prepared By: Nikki Bryant LeBlond, Recreation Division Manager

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager

LEASE AGREEMENT

BY AND BETWEEN

SOQUEL UNION ELEMENTARY SCHOOL DISTRICT,

a **Local Educational Agency (LEA)**

AS LANDLORD

and

THE CITY OF CAPITOLA,

a municipal corporation

AS TENANT

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A PREMISES

LEASE AGREEMENT

BASIC LEASE INFORMATION

<i>Lease Date:</i>	Dated as of June __, 2024 for reference purposes only	
<i>Landlord:</i>	Soquel Union Elementary School District	
<i>Landlord's Address:</i>	Soquel Union Elementary School District 620 Monterey Avenue Capitola, CA 95010 Attn: Superintendent	
<i>Tenant:</i>	City of Capitola	
<i>Tenant's Address:</i>	Capitola City Hall 420 Capitola Avenue Capitola, CA 95010 Attn: City Manager	
<i>Premises:</i>	Two (2) classrooms within the Building described below, including two (2) bathrooms, a fenced front yard and a fenced back yard, a janitorial/fire riser closet and an electrical panel, as outlined in red on <u>Exhibit A</u> attached hereto and incorporated herein by reference.	
<i>Building:</i>	Opal Cliffs School, 4510 Jade Street, Capitola, CA 95010	
<i>Length of Term:</i>	Eighteen (18) months	
<i>Commencement Date:</i>	July 1, 2024	
<i>Expiration Date:</i>	December 31, 2025	
<i>Base Rent:</i>	<i>Months</i>	
	1 - 18	\$1/month (“ Base Rent ”)
<i>Taxes and Utilities:</i>	Tenant shall pay all costs for Utilities (defined in <u>Article 6</u>) to the Premises. Tenant shall pay all Personal Property Taxes (defined in <u>Article 7</u>) and possessory interest taxes, if any, levied on or against the Premises or its personal property.	
<i>Permitted Use:</i>	Public recreation uses and uses ancillary to public recreation uses, including classes, offices, workshops, gatherings, community meetings, and other uses permitted by law.	
<i>Brokers:</i>	None	

LEASE AGREEMENT

This Lease Agreement is made and entered into by and between the City of Capitola, a municipal corporation (“**Tenant**”), and Soquel Union Elementary School District, a California _____ (“**Landlord**”). The Basic Lease Information, the Exhibits and this Lease Agreement are and shall be construed as a single instrument and are referred to herein as the “**Lease**”.

1. DEMISE. In consideration for the Base Rent and Utilities payment payable by Tenant, and for the agreements, terms and conditions to be performed by Tenant in this Lease, Landlord does hereby lease to Tenant and Tenant does hereby hire and take from Landlord, the Premises described below, upon the agreements, terms and conditions of this Lease for the Term hereinafter stated.

2. PREMISES.

2.1 Premises. The Premises demised by this Lease are as specified in the Basic Lease Information. The Premises have the address and contain the classrooms and other spaces specified in the Basic Lease Information.

2.2 Possession. Tenant accepts the Premises in “AS IS” “WITH ALL FAULTS” condition and configuration without any representations or warranties by Landlord, and subject to all matters of record and all applicable laws, ordinances, rules and regulations, provided that Tenant shall be permitted by Landlord to make the Bathroom Alterations, as described in Section 8.1.

3. TERM. The term of this Lease (“**Term**”) shall be for the period specified in the Basic Lease Information commencing on the Commencement Date. This Lease shall terminate at midnight on December 31, 2025 (“**Expiration Date**”), unless sooner terminated or extended as hereinafter provided. Notwithstanding the foregoing, this Lease may be terminated by Landlord upon delivery to Tenant of written notice stating that the Lease shall terminate prior to the Expiration Date but in no event less than ninety (90) days from the date of the notice.

4. BASE RENT. During the Term, Tenant shall pay the Base Rent described in the Basic Lease Information.

~~4.1 — **Abatement.** Notwithstanding the foregoing, all Base Rent for the entire Term of this Lease shall be abated by Landlord for a total abated sum during the Term of Forty Five Thousand and 00/100 (\$45,000.00) (“**Total Abated Rent**”).~~

~~4.2 — **In Kind Donation by Landlord.** In consideration of Landlord’s agreement to fully abate the Base Rent due from Tenant to Landlord under this Lease during the entire Term hereof, the Total Abated Rent shall be treated by Tenant as an in-kind donation by Landlord to Tenant’s fundraising campaign for the Treasure Cove Playground.~~

5. USE; COMPLIANCE WITH LAWS.

5.1 Use. The Premises shall be used for the Permitted Use (as specified in the Basic Lease Information). Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, Buildings or with respect to the suitability or fitness of either for the conduct Tenant's business or for any other purpose.

5.2 Compliance with Laws. Tenant shall comply with all laws, ordinances, rules, regulations and codes, of all municipal, county, state and federal authorities, including the Americans With Disabilities Act, as amended, (42 U.S.C. Section 1201 et seq. [the "ADA"]) (collectively, "Laws") pertaining to Tenant's use and occupancy of the Premises and the conduct of its business. Tenant shall not commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance, or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building. Tenant shall not permit any objectionable odor to escape or be emitted from the Premises and shall ensure that the Premises remain free from infestation from rodents or insects.

6. **UTILITIES**. Tenant shall pay Landlord a fixed monthly amount of \$ 500 for all charges for water, sewer, storm water, gas, electricity, heat, cooling, telephone, refuse collection, janitorial, pest control, security and monitoring services furnished to the Premises, together with all related installation or connection charges or deposits (collectively, "Utilities"). If during any month of the Term, Landlord reasonably determines that the cost of Tenant's monthly consumption of Utilities materially exceeds the fixed charge described above, then Landlord shall invoice Tenant for an additional charge, the amount to of which shall be reasonably determined by Landlord, which charge shall be due from Tenant to Landlord within thirty (30) days of Tenant's receipt of the applicable invoice.

7. PERSONAL PROPERTY AND POSSESSORY INTEREST TAXES.

7.1 Personal Property Taxes. Tenant shall pay all taxes levied or imposed against the Premises or Tenant's personal property or trade fixtures placed by Tenant in or about the Premises during the Term ("**Personal Property Taxes**").

7.2 Possessory Interest Taxes. The interest created by this Lease may at some time be subject to property taxation under the laws of the State of California. If property taxes are imposed, the party in whom the possessory interest is vested may be subject to the payment of the taxes levied on such interest. This notice is included in this Lease pursuant to the requirements of Section 107.6 (a) of the Revenue and Taxation Code of the State of California.

7.3 Payment. Tenant shall pay the Personal Property Taxes and possessory interest taxes, if any, accordance with the instructions of the taxing entity.

8. ALTERATIONS.

8.1 Landlord Consent. Except as otherwise described below, Tenant shall not make any alterations, improvements, or additions ("**Alteration**") in or about the Premises or any part thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord hereby agrees that,

without further advance approval of Landlord, Tenant shall be permitted, at its sole cost, to install internet to the Premises and to undertake alterations to the two (2) bathrooms in order to cause the bathrooms to be suitable for use by adults (“**Bathroom Alterations**”). The Bathroom Alterations shall include installing new adult size toilets, raising the bathroom sinks, potentially modifying the grab bars within the bathroom and such other items as may be required by applicable Laws.

8.2 Alterations. Any Alterations, including the Bathroom Alterations, to the Premises shall be at Tenant’s sole cost and expense, and made in compliance with all applicable Laws.

8.3 Liens. Tenant shall pay when due all claims for labor or materials furnished Tenant for use in the Premises. Tenant shall not permit any mechanic liens, stop **payment** notices, or any other liens against the Premises, Building, Alterations, Bathroom Alterations or any of Tenant’s interests under this Lease for any labor or materials furnished to Tenant in connection with work performed on or about the Premises by or at the direction of Tenant.

9. MAINTENANCE AND REPAIR OF PREMISES.

9.1 Maintenance and Repair by Tenant.

(a) Tenant Maintenance. Tenant shall, at its sole cost and expense, maintain the interior of the Premises in good repair and in a neat and clean condition, including making all necessary repairs and replacements.

(b) Tenant Repair. Tenant shall further, at its own costs and expense, repair or restore any damage or injury to all or any part of the Building caused by Tenant or Tenant’s agents, employees, invitees, licensees, visitors or contractors.

9.2 Maintenance and Repair by Landlord. Landlord shall maintain in good repair the structural elements of the Building, including structural elements of exterior walls and foundations, provided such repairs are not necessitated by the actions of Tenant, Tenant’s invitees or anyone in the employ or control of Tenant. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the California Civil Code or any similar or successor Laws now or hereby in effect. Tenant shall promptly give Landlord written notice of the need for repair of the items for which Landlord is responsible. If Tenant or Tenant’s invitees or anyone in the employed or control of Tenant caused any damages necessitating such repair, then Tenant shall pay to Landlord the reasonable cost thereof upon demand. Except as otherwise expressly set forth in this Lease, Tenant waives any right to terminate this Lease by reason of any failure of Landlord to make repairs to the Premises or Building.

10. ENVIRONMENTAL PROTECTION PROVISIONS.

10.1 Hazardous Materials. “**Hazardous Materials**” shall mean any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive, flammable, explosive, radioactive or corrosive, including, without limitation, petroleum, solvents, lead, acids, pesticides, paints, printing ink, PCBs, asbestos, materials commonly known to cause cancer or reproductive harm and those materials, substances and/or wastes, including

wastes which are or later become regulated by any local governmental authority, the state in which the Premises are located or the United States Government, including, but not limited to, substances defined as “hazardous substances,” “hazardous materials,” “toxic substances” or “hazardous wastes” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; the Resource Conservation and Recovery Act; all environmental laws of the state where the Premises are located, and any other environmental law, regulation or ordinance now existing or hereinafter enacted. “**Hazardous Materials Laws**” shall mean all present and future federal, state and local laws, ordinances and regulations, prudent industry practices, requirements of governmental entities and manufacturer’s instructions relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any Hazardous Materials, including without limitation the laws, regulations and ordinances referred to in the preceding sentence.

10.2 Reportable Uses Required Consent. Except with respect to typical cleaning products or other usual household solvents, Tenant hereby agrees that Tenant and Tenant’s officers, employees, representatives, agents, contractors, subcontractors, successors, assigns, subtenants, concessionaires, invitees and any other occupants of the Premises (collectively, “**Tenant Parties**”) shall not cause or permit any Hazardous Materials to be used, generated, manufactured, refined, produced, processed, stored or disposed of, on, under or about the Premises or Building or transported to or from the Premises or Building without the express prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed.

11. **ASSIGNMENT AND SUBLETTING.** Tenant shall not voluntarily or by operation of law, (a) mortgage, pledge, hypothecate or encumber this Lease or any interest therein, or (b) assign or transfer this Lease or any interest herein, sublease the Premises or any part thereof or any right or privilege appurtenant thereto, or allow any other person (the employees and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord, ~~which consent shall not be unreasonably withheld, conditioned or delayed.~~

12. INDEMNIFICATION AND WAIVER OF CLAIMS.

12.1 Tenant Indemnification. Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties (defined in Section 12.2) harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges, judgment and expenses (including reasonable attorneys’ fees, costs and disbursements) (collectively referred to as “**Losses**”), arising from (a) the use of, or any activity done or permitted in or about the Premises (b) any activity done or permitted by Tenant or Tenant’s agents, contractors, invitees or licensees in or about the Building, and (c) any act, neglect, fault, willful misconduct of Tenant or Tenant’s agents, except to the extent such claims arise out of or relate to the active negligence or willful misconduct of Landlord. If any action or proceeding is brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant shall defend the same at Tenant’s expense by counsel reasonably satisfactory to Landlord.

12.2 Waiver of Claims. Except in the event of its own active negligence or willful misconduct, Landlord shall not be liable to Tenant and Tenant hereby waives all claims against Landlord and its agents, representatives, officers, consultants, employees, Board of Trustees,

members of the Board of Trustees (“**Landlord Related Party**”) for any injury or damage to any person or property occurring or incurred in connection with or in any way relating to the Premises or Building from any cause.

12.3 Survival/No Impairment. The obligations of Tenant under this Article 12 shall survive any termination of this Lease.

13. INSURANCE.

13.1 Tenant’s Insurance.

(a) Liability Insurance. Tenant shall maintain in full force throughout the Term, commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than Two Million Dollars (\$2,000,000.00) each occurrence for bodily injury and property damage combined, or such larger amount as Landlord may prudently require from time to time, covering bodily injury and property damage liability and product liability if a product is sold from the Premises. Each policy of liability insurance required by this Section shall: (i) provide that it is primary to and not contributing with, any policy of insurance carried by Landlord covering the same loss; (ii) name Landlord and such other parties in interest as Landlord may from time to time reasonably designate to Tenant in writing, as additional insureds in an Additional Insured Endorsement.

(b) Worker’s Compensation Insurance. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, worker’s compensation insurance with not less than the minimum limits required by law.

13.2 Requirements For All Policies. All insurance companies issuing such policies shall be admitted carriers licensed to do business in the state where the Property is located. Tenant shall, at least thirty (30) days prior to expiration of each policy, furnish Landlord with certificates of renewal thereof and shall provide Landlord with at least thirty (30) days prior written notice of any cancellation or modification.

13.3 Certificates of Insurance. If requested by Landlord, Tenant shall furnish to Landlord a certificate of insurance reflecting that the insurance required by this Article 13 is in force, accompanied by an endorsement(s) showing the required additional insureds that are reasonably satisfactory to Landlord.

13.4 Landlord’s Insurance. During the Term, Landlord shall keep in effect property insurance covering the Building and Premises in amounts not less than the full insurance replacement value thereof with customary limits and deductibles, together with such other types of insurance coverage typically maintained by commercial Landlords in the Santa Cruz County area.

14. DAMAGE OR DESTRUCTION. If at any time during the Term there is damage to the Premises which will require longer than three (3) months to repair, Landlord may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Tenant within thirty (30) days after the date of occurrence of such damage.

15. CONDEMNATION. If the whole or if any material part of the Premises or Building is taken or condemned for any public or quasi-public use under either state or federal law, by eminent domain or purchase in lieu thereof (“**Taking**”), and (a) such Taking renders the Premises or Building unsuitable, in Landlord’s reasonable opinion, for the purposes for which they were constructed; or (b) the Premises or Building cannot be repaired, restored or replaced at reasonable expense to an economically profitable unit, then Landlord may, at its option, terminate this Lease as of the date possession vests in the condemning party. If twenty-five percent (25%) or more of the Premises is taken and if the Premises remaining after such Taking and any repairs by Landlord would be untenable (in Tenant’s reasonable opinion) for the conduct of Tenant’s business operations, Tenant shall have the right to terminate this Lease as of the date possession vests in the condemning party. The terminating party shall provide written notice of termination to the other party within thirty (30) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws. Landlord shall be entitled to any and all compensation, damages, income, rent, awards or any interest thereon which may be paid or made in connection with any such Taking, and Tenant shall have no claim against Landlord for the value of any expired term of this Lease or otherwise; provided, however, that Tenant shall be entitled to receive any award separately allocated by the condemning authority to Tenant for Tenant’s relocation expenses, the value of Tenant’s fixture, equipment and personal property (specifically excluding components of the Premises which under this Lease or by law are or at the expiration of the Term will become the property of Landlord, including, without limitation, fixtures and Alterations), or Tenant’s loss of business goodwill, provide that such award does not reduce any award otherwise allocable or payable to Landlord.

16. DEFAULT.

16.1 Events of Default. The occurrence of any of the following shall constitute a “**Default**” by Tenant:

- (a) Tenant fails to make a payment of any sum or Utilities costs when due under this Lease, if payment in full is not received by Landlord within fifteen (15) days after written notice that it is past due.
- (b) Tenant abandons the Premises as defined in Section 1951.3 of the California Civil Code.
- (c) Tenant violates the restrictions on Transfer set forth in Article 11.
- (d) Tenant ceases doing business as a going concern; makes an assignment for the benefit of creditors; is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of a petition) seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors’ rights; all or substantially all of Tenant’s assets are subject to judicial seizure or attachment and are not released within thirty (30) days, or Tenant

consents to or acquiesces in the appointment of a trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets.

(e) Tenant fails to perform or comply with any provision of this Lease other than those described in (a) through (d) above, and does not fully cure such failure within thirty (30) days after notice to Tenant or, if such failure cannot be cured within such thirty (30) day period, Tenant fails within such thirty (30)-day period to commence, and thereafter diligently proceed with, all actions necessary to cure such failure as soon as reasonably possible.

16.2 Remedies. Upon the occurrence of any Default under this Lease, Landlord shall have the right to terminate this Lease and Tenant's right to possession of the Premises. Tenant hereby specifically waives notice and demand for payment of any obligation under the Lease, and waives any and all other notices or demand requirements imposed by applicable Law. Upon such termination, Landlord may recover from Tenant an award of damages equal to the sum of the following:

(a) The actual, out-of-pocket, third party damages reasonably incurred by Landlord proximately caused by Tenant's failure to perform any of its obligations under this Lease, to the extent such damages are not recouped by Landlord from any proceeds of insurance or other recoveries;

(b) Any other amount necessary to compensate Landlord for all the detriment either proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, to the extent such damages are not recouped by Landlord from any proceeds of insurance or other recoveries; and

(c) All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

16.3 No Waiver. The subsequent acceptance of any payment hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such sum. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

16.4 Waiver of Redemption, Reinstatement, or Restoration. Tenant hereby waives any and all rights conferred by Section 3275 of the Civil Code of California and by Sections 1174(c) and 1179 of the Code of Civil Procedure of California and any and all other laws and rules of law from time to time in effect during the Lease Term or thereafter providing that Tenant shall have any right to redeem, reinstate or restore this Lease following its termination as a result of Tenant's breach.

16.5 Remedies Cumulative. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable Law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of Default shall not be deemed or construed to constitute a waiver of such Default.

16.6 Landlord's Right to Perform Tenant's Obligations. If Tenant is in Default of any of its non-monetary obligations under this Lease, in addition to the other rights and remedies of Landlord provided herein, then Landlord may at Landlord's option, but without any obligation to do so and without further notice to Tenant, perform any such term, provision, covenant or condition or make any such payment and Landlord by reason of doing so shall not be liable or responsible for any loss or damage thereby sustained by Tenant. If Landlord performs any of Tenant's obligations hereunder in accordance with this Section 16.6, the full amount of the costs and expense incurred or the payments so made or the amount of the loss so sustained shall be immediately be owed by Tenant to Landlord, and Tenant shall promptly pay to Landlord upon demand, the full amount thereof.

16.7 Severability. This Article 16 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable Law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

17. LIMITATION OF LIABILITY. Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor landlord) shall be governed by applicable state and federal laws. Neither Landlord nor any Landlord Related Party shall be personally liable for any judgment or deficiency, and in no event shall Landlord or any Landlord Related Party be liable to Tenant for any lost profit, damage to or loss of business or a form of special, indirect or consequential damage.

18. SURRENDER OF PREMISES. At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted.

19. HOLDING OVER. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis with reduction for partial months during the holdover) equal to \$5,000 per month for the period immediately preceding the holdover. No holding over by Tenant shall operate to extend the Term. Any holding over by Tenant with the written consent of Landlord shall thereafter constitute a lease from month to month.

20. NOTICE. All notices shall be in writing and delivered by hand or sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service, or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in the Basic Lease Information ("Notice Address"). Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

21. MISCELLANEOUS.

21.1 Governing Law. This Lease shall be interpreted and enforced in accordance with the Laws of the State of California and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state.

21.2 Severability. If any section, term or provision of this Lease is held invalid by a court of competent jurisdiction, all other sections, terms or severable provisions of this Lease shall not be affected thereby, but shall remain in full force and effect.

21.3 Attorneys' Fees. In the event of an action, suit, arbitration or proceeding brought by Landlord or Tenant to enforce any of the other's covenants and agreements in this Lease, the prevailing party shall be entitled to recover from the non-prevailing party any costs, expenses (including out of pocket costs and expenses) and reasonable attorneys' fees incurred in connection with such action, suit or proceeding.

21.4 Force Majeure. Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, pandemics, civil disturbances, extreme weather and other causes beyond the reasonable control of the performing party ("**Force Majeure**").

21.5 Signs. Tenant may install signage on the Building or on, in or about the Premises to identify use of the Premises for the Permitted Use. Tenant shall maintain any such signs installed on the Premises.

21.6 Brokers. Landlord and Tenant each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker. Each party agrees to indemnify, defend and hold harmless the other from any claim or claims, and costs and expenses, including attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any other broker or brokers to a commission in connection with this Lease as a result of the actions of the indemnifying party.

21.7 Access by Landlord. In addition to access provided by this Lease, Landlord shall be allowed access to the Premises at all reasonable times throughout the term of this Lease, for any reasonable purpose upon prior written notice to Tenant.

21.8 Article and Section Titles. The Article and Section titles use herein are not to be consider a substantive part of this Lease, but merely descriptive aids to identify the paragraph to which they referred. Use of the masculine gender includes the feminine and neuter, and vice versa.

21.9 Authority. If Tenant is a corporation, partnership, trust, association or other entity, Tenant and each person executing this Lease on behalf of Tenant does hereby covenant and warrant that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in California, (c) Tenant has full corporate, partnership, trust, association or other power and authority to enter into this Lease and to perform all Tenant's

obligations hereunder, and (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so.

21.10 Quiet Possession. Landlord covenants and agrees with Tenant that, upon Tenant's observing and performing all of the terms, covenants, conditions, provisions and agreements of this Lease on Tenant's part to be observed or performed, Tenant shall have the quiet possession of the Premises throughout the Term.

21.11 Asbestos Notification for Commercial Property Constructed Before 1979. Tenant acknowledges that Landlord has advised Tenant that, because of its age, the Building may contain asbestos-containing materials ("ACMs").

21.12 Lead Warning Statement. Tenant acknowledges that Landlord has advised Tenant that buildings built before 1978 may contain lead-based paints ("LBP"). Landlord has no specific knowledge of the presence of lead-based paint in the Premises.

21.13 OFAC Certification. Tenant represents, warrants and covenants that Tenant and its principals are not acting, and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated and Blocked Person**" or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control.

21.14 Certified Access Specialist Disclosure/Inspection by Certified Access Specialist. Landlord discloses that Landlord has not caused the Premises to undergo inspection by a Certified Access Specialist as referenced in California Civil Code Section 1938 subsection (e) which provides: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

21.15 Time of the Essence. Time is of the essence of this Lease and each and all of its provisions.

21.16 Entire Agreement. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

21.17 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

City of Capitola,
a municipal corporation

By: _____
Jamie Goldstein
City Manager

Date: _____

LANDLORD:

Soquel Union Elementary Schol District,
a California _____

By: _____
Scott Turnbull
Superintendent

Date: _____

APPROVED AS TO FORM

By: _____
Samantha Zulter
City Attorney

Date: _____

EXHIBIT A
PREMISES



Capitola City Council

Agenda Report



Meeting: June 27, 2024

From: City Manager Department; Recreation Division

Subject: Afterschool Scholarship & Equity Swim Donation

Recommended Action: Accept a donation of \$20,000 for Afterschool Rec Club participant scholarships and \$16,000 for the Equity Swim Program from the Soquel Union Elementary School District and authorize the City Manager, or his designee, to execute a Memorandum of Understanding between the City of Capitola and the Soquel Union Elementary School District.

Background: In Fall 2020, the City's Recreation Division expanded its pilot Afterschool Program to include elementary students in response to the COVID-19 Pandemic and Distance Learning. As a result, the City developed the Out-of-School Time (OST) Program. The Soquel Union Elementary School District (SUESD) supported the Program by contributing \$16,000 in funding. As schools returned to in-person learning, the City and SUESD recognized a lack of after-school programming. As a result, the OST Program was modified to provide an after-school program in each of SEUSD's elementary schools. SUESD provided a funding contribution in FY 2022-23 to ensure continued support for families that suffered hardships due to the Pandemic.

Discussion: The Afterschool Rec Club provides enrichment and homework support to elementary and middle school students at the New Brighton Middle School campus. As an affordable public program, the SUESD Board of Trustees is proud to support this collaboration with the City to jointly support Capitola residents and provide equitable access to families.

The City's Equity Swim Program was designed to provide equity and community for students that live in a community dominated by beach culture. The Equity Swim Program provides high quality swimming lessons to SUESD students who would otherwise not have access to such resources. The Program teaches students techniques and keeps them engaged with aquatics activities, allowing students to participate in beach community events.

SUESD will contribute \$20,000 to support a scholarship fund for students meeting income criteria as evaluated by the Capitola Public Safety and Community Service Foundation and an additional \$16,000 (approximately half of the City's expense) to the Equity Swim Program for the 2024-25 school year.

Fiscal Impact: This donation of \$20,000 will provide a restricted fund for Afterschool Rec Club scholarship applicants and \$16,000 will offset budgeted contract expenses for the Equity Swim program. Both of these donations have been incorporated into the FY 2024-25 Budget.

Attachments:

1. MOU SUESD and the City of Capitola

Report Prepared By: Nikki Bryant LeBlond, Recreation Division Manager

Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

Memorandum of Understanding

Between Soquel Union Elementary School District (SUESD) and the City of Capitola (Capitola) Regarding Support for the Afterschool Rec Club and Equity Swim Programs

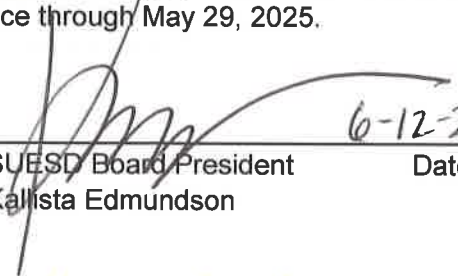
June 12, 2024

The City of Capitola’s Afterschool Rec Club (originally called the Out of School Time program) was specifically designed to support SUESD Families during the COVID-19 health pandemic and distance/virtual learning. The city has continued the program (even as we moved back to full in-person learning) to serve as crucial childcare partners to our community’s families. As such, SUESD wishes to continue to contribute financially to the program. Specifically, SUESD wishes to contribute to program scholarships so that families meeting identified income criteria may have equitable access to the program.

The SUESD Board of Trustees is proud to support this collaboration with Capitola to jointly support our community. As such, SUESD will contribute \$20,000 to support the overall cost of running the After School Rec Club. This agreement will be in place through May 29, 2025.

The City of Capitola’s “Equity Swim” program was designed with equity and community in mind. Our students live in a community dominated by beach culture. Knowing how to swim is imperative to being a confident member of the community as a youth. The Equity Swim program provides free, high-quality, swimming lessons to identified SUESD students in 1st - 3rd grades. The students are identified as ones who would not otherwise have access to expensive swimming lessons.

The SUESD Board of Trustees is proud to support this collaboration with Capitola to jointly support our community. As such, SUESD will contribute \$16,000 (approximately half the cost of the program) to support the overall cost of running the Equity Swim program. This agreement will be in place through May 29, 2025.


SUESD Board President 6-12-24
Kallista Edmundson Date


SUESD Superintendent 6/13/24
Scott Turnbull Date



City of Capitola Date
Recreation Division Manager
Nikki LeBlond Bryant

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: Public Works Department

Subject: Santa Cruz World Surfing Reserve



Recommended Action: Adopt a resolution to incorporate Capitola into the Santa Cruz World Surfing Reserve.

Background: The Save the Waves Coalition (STW) is an international nonprofit and community-led coalition that identifies, designates, and preserves surfing ecosystems around the world. Their World Surfing Reserve (WSR) designation program, akin to UNESCO World Heritage Sites for cultural and natural landmarks, identifies and safeguards exceptional surf breaks worldwide. These reserves aim to preserve surfing areas of significant environmental, cultural, and recreational value, ensuring their sustainable enjoyment for future generations by working collaboratively with local coalition partners and the WSR Local Stewardship Council (LSC).

The Santa Cruz World Surfing Reserve (Attachment 1), the fourth official WSR globally, was designated on April 28, 2012, and is located on the northern side of Monterey Bay. The Santa Cruz WSR currently includes 7 miles of coastline from Natural Bridges to the Opal Cliffs, just east of Pleasure Point. At least 23 consistent surf breaks are sited along this coastline and the breaks are used by surfers throughout the year.

The Capitola City Council has previously considered applying for World Surfing Reserve status (Attachment 2), however, to date, Capitola is not included in the Santa Cruz WSR. During the June 13, 2024, City Council meeting, Council Member Clarke requested this item be agendaized for consideration.

Discussion: Staff has met with STW to explore the possibility of Capitola joining the Santa Cruz WSR, and the topic was included in the agenda at the June 19, 2024, regular meeting of the Commission on the Environment. The Commission voted (3-0-2) to recommend the City Council move forward with incorporating Capitola into the Santa Cruz WSR. Inclusion in the existing WSR requires a resolution from the City Council (Attachment 3).

Fiscal Impact: None. If incorporated into the Santa Cruz WSR, the City will designate a representative to participate in quarterly Santa Cruz LSC meetings. This representative could be a City Council Member, staff, or a member of the public.

Attachments:

1. Santa Cruz World Surfing Reserve
2. City Council Agenda Report (Meeting of June 12, 2014)
3. Draft Resolution

Report Prepared By: Erika Senyk, Environmental Projects Manager

Reviewed By: Julia Gautho, City Clerk; Jessica Kahn, Public Works Director

Approved By: Jamie Goldstein, City Manager



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: DEPARTMENT OF CITY MANAGER

SUBJECT: CONSIDER APPLYING FOR THE WORLD SURFING RESERVES STATUS FOR CAPITOLA, AND SUBMITTING A LETTER OF INQUIRY

RECOMMENDED ACTION: Council discretion to consider directing staff to send a letter of inquiry to the Save the Waves Coalition pertaining to the City applying to be included in the World Surfing Reserve for Santa Cruz County.

BACKGROUND: The World Surfing Reserves (WSR) was founded in 2009 by an international group of surfers, scientists and environmentalists and is operated by the Save the Waves Coalition that identifies, designates and preserves outstanding waves, surf zones and their surrounding environments around the world.

On April 28, 2012, approximately seven miles of the Santa Cruz City and County coastline became the official fourth World Surfing Reserve in the world. The WSR currently extends from Natural Bridges State Park to Opal Cliffs. In April of this year Mayor Storey was invited to attend the Annual Santa Cruz World Surfing Reserve Summit in Santa Cruz, after which time he directed staff to agendize the consideration of extending the WSR to include Capitola.

Surfing is a significant part of the Capitola's local culture and the designation of a WSR will highlight Capitola's surf breaks and increase the visibility of our community as an ecological tourist attraction.

DISCUSSION: If the City Council is interest in Capitola being designated a WSR, the first step would be to submit a letter of inquiry to Save the Waves Coalition.

FISCAL IMPACT: None

ATTACHMENTS: None

Report Prepared By: Susan Sneddon
City Clerk

**Reviewed and Forwarded
By City Manager: _____**

SANTA CRUZ

WORLD SURFING RESERVE





World Surfing Reserves

This book is dedicated to the Santa Cruz Surfing Museum and its many volunteers, who since 1986 have devoted themselves to honoring local surf history by collecting and displaying an engaging and educational array of videos, print media, surfboards, wetsuits and other artifacts. Housed in the Mark Abbott Memorial Lighthouse, overlooking the legendary waves of Steamer Lane, the museum preserves Santa Cruz's rich surfing heritage for future generations.



SANTA CRUZ SURFING MUSEUM. PHOTO: COURTESY OF RYAN CRAIG.

A LIQUID PLAYGROUND

BY RICHARD SCHMIDT

Growing up in Santa Cruz as a surfer was an incredibly fortunate experience. I rode my first waves at the Rivermouth on an inflatable mat, along with my parents and three brothers. This was back before Boogie Boards, and some days there'd be as many as 40 mat riders out there mucking around, having a ball. It was a magical time to be a kid, and the sense of magic only intensified as I grew older and came to discover that Santa Cruz was awash in great surf spots—one liquid playground after another.

Eventually my brothers and I talked our parents into buying a longboard from a guy named Otto, who operated a surf shop near the base of the wharf. We spent endless hours taking turns on that old log at Cowell's. I'll never forget the feeling of gliding across the bay on that heavy missile, absolutely filled with adrenaline while gazing up at the coastal range and its redwood forests running to the sea. Once I caught that fever, there was no looking back, and from there it was onto a shortboard and into the bounty of surf up and down the coast. In the years since, I've been lucky enough to travel and surf around the world. But regardless of where I go, I always look forward to coming home.

It's incredible to think of all the great surf spots stretched between Natural Bridges and New Brighton. No matter who you are, Santa Cruz has a wave that

will fit your ability. They may not break every day, but almost all of them can produce world-class waves when conditions come together.

The most consistent breaks are along the two major points: Steamer Lane and Pleasure Point. Many times I've searched for surf north and south of town only to find that the best waves around were right under my nose at the Lane. My friends and I affectionately call it Hoover Point (as in the vacuum), because of the way it sucks up any swell—north, west, south, or any combination thereof. The innermost spot at the Lane, Cowell's, is one of the world's best beginner breaks, where waist-high waves will taper a quarter mile over a forgiving sand bottom. Up the

I'll never forget the feeling of gliding across the bay on that heavy missile, absolutely filled with adrenaline while gazing up at the coastal range and its redwood forests running to the sea.

point a bit, Indicators offers long, carveable walls for up-and-coming rippers to draw whatever lines they please on its wide-open canvas. And up at the top of the point, you'll find old-school chargers air-dropping

into draining, 15-foot, second-reef lefts.

Across town, Pleasure Point also serves up a smorgasbord of options with an array of kelp-groomed coves from Sewer Peak to Capitola. The waves here don't have as much power as the Lane, but they make up for it with the huge range of choices: the sling-shot rights at Sewer Peak, the snappy little bowl with a wall at First Peak, the long, Trestles-like walls from Second Peak, and the longboard-friendly rollers of 38th Avenue (which can transform into a rifling barrel on a big south swell). Beyond that you have Ranch-like setups from the Hook down to Capitola, especially on a pumping swell.

Between Steamer Lane and Pleasure Point is Midtown, also known as the city's banana belt. It doesn't have the long point waves, but it does offer up the occasional gem, most notably the San Lorenzo Rivermouth. It may not break every year, but when it works—with a spinning peak that churns out draining rights and lefts—local surfers rejoice.

If all this variety isn't enough to stoke local surfers, throw in a national marine sanctuary filled with wildlife.

An offshore upwelling produces nutrient-rich water, so the coastal ecosystem thrives here. I've had dolphins glide just below me in water so clear I could see them turn sideways to get a closer look, no doubt feeling pity for the terrestrial interloper who flaps about in

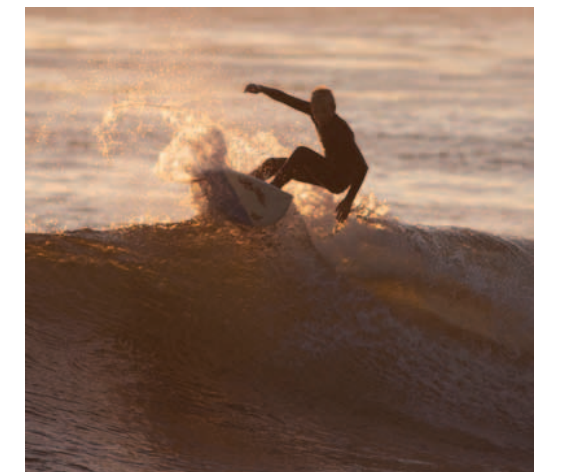


the sea through which they glide so effortlessly.

One reason surfing has become indelibly etched into the Santa Cruz identity is because the breaks just look so tasty as you gaze down on them from the cliffs. Both the Lane and Pleasure Point are natural amphitheaters—all the action takes place directly below bluff-top walkways. Anyone out for a seaside stroll inevitably has his or her attention drawn to the fortunate souls cruising across those inviting green walls. Even locals who've never surfed eventually give in to its appeal, and as a result the whole community has surf fever. When the swell is up and the sun is out, stoke fills the air like sea mist. Everywhere you look, you see smiling surfers—from frothing groms to creaky seniors and everything between.

From a geographic perspective, it's almost as if nature designed the coast of Santa Cruz specifically for surfers to enjoy. While the prevailing wind blows from the northwest, most of the town's beaches face south. This means that when spots north and south are blown ragged by the breeze, the waves in Santa Cruz, with its chop-controlling kelp, are often glassy or groomed by offshore winds.

As a surfer, father and devoted local, I'm heartened to see that so many people appreciate how special this coastline is, and grateful that some of my peers have put in the hard work to have it declared a World Surfing Reserve. Now, when I watch my own sons playing on these waves, it comforts me to no end to realize that their kids will someday be able to do the same.



WHAT IS A WORLD SURFING RESERVE?

World Surfing Reserves (WSR) proactively identifies, designates and preserves outstanding waves, surf zones and their surrounding environments around the world. Launched in 2009 by Save The Waves Coalition (STW), along with key partners National Surfing Reserves (NSR) Australia and the International Surfing Association (ISA), the program is directed and led by STW. The WSR program serves as a global model for preserving wave breaks and their surrounding areas by protecting the positive environmental, cultural, economic, and community benefits of surfing areas, through outreach, planning and community capacity building.

World Surfing Reserves is an effort to identify and preserve the world's most outstanding surf zones and their surrounding habitats.

Save The Waves along with the World Surfing Reserves Vision Council, an international advisory group made up of 15 different individuals, select each World Surfing Reserve on an annual basis. WSRs are evaluated and selected based on how they meet the four principal criteria;

- 1) Quality and consistency of the waves;
- 2) Unique environmental characteristics with clear avenues to protect them;
- 3) A rich surf culture and history;
- and 4) Strong community support and capacity.

At each World Surfing Reserve, Save The Waves works collaboratively with the local partners to create the key components: a Local Stewardship Council (LSC), a Local Stewardship Plan, a WSR dedication ceremony, a booklet for the Reserve, ongoing support for projects identified in the stewardship plan of the Reserve, and identifying long-term avenues for protection. Save The Waves guides the community through a stewardship planning process that identifies critical threats to the Reserve, root causes, strategies, and concrete actions to protect the Reserve.

Save The Waves and the local community work hand in hand in implementing the action items to protect the Reserve for the long-term.



STEAMER LANE SURFER. PHOTO: COURTESY OF RICK PUCKETT.



KEN "SKINDOG" COLLINS, NATURAL BRIDGES. PHOTO: COURTESY OF RUSSELL ORD.



WHY SANTA CRUZ?

Santa Cruz has earned the sheltered status of a World Surfing Reserve because of its diverse mix of surf breaks, its pervasive and deep-rooted surf culture, and its thriving but fragile coldwater habitat.

Most surfers who've spent any time in Santa Cruz agree that the quality, consistency and aesthetic appeal of its waves make it the best all-around surf town in the continental United States. The reserve's seven miles of serrated coast features more than a dozen quality spots—from one of the West Coast's best beginner breaks to a heaving deepwater peak where big-wave legends train. The wide array of points, reefs and beachbreaks suck in Pacific swells from all directions, and the prevailing winds blow favorably year-round.

Santa Cruz's surf roots date back to 1885, when three Hawaiian princes rode hand-hewn redwood planks in waves breaking near the San Lorenzo Rivermouth—the first documented surf session on

the American mainland. A small but devoted core of local surfers kept the sport alive through the first half of the 20th Century, but it wasn't until surf fever swept from coast to coast in the 1960s that surfing became forever woven into the very fabric of the community. In the decades since, innovative Santa Cruz surfers and manufacturers—from wetsuit designers to surfboard shapers—have influenced wave riders worldwide.

Today, Santa Cruz is home to thousands of surfers, many of whom are devoted to protecting the coast from the ongoing threats of coastal developers and inland polluters. The success of these coastal stewards is evident to anyone who ventures near the coast here on a day when the sun is out, the wind is right, and a solid swell is running. From Natural Bridges to Capitola, the surf zone buzzes with hundreds of shortboarders and longboarders, groms and geezers, heroes and kooks—all vying for sets in the cool, green, kelp-rich sea.



KYLE THIERMANN, SEWER PEAK, PLEASURE POINT. PHOTO: COURTESY OF RYAN CRAIG.



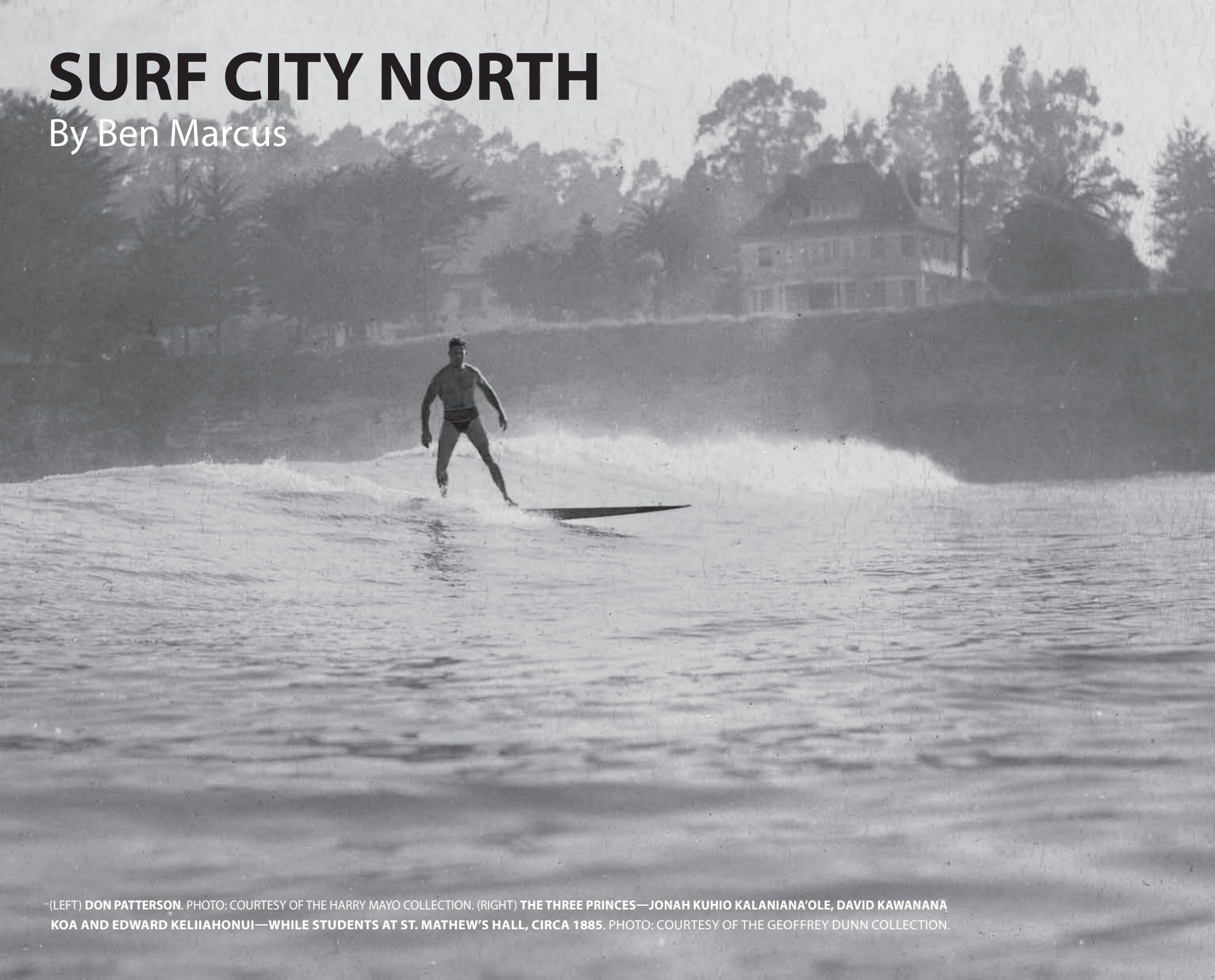
PETER MEL, STEAMER LANE. PHOTO: COURTESY OF PATRICK TREFZ.



SANTA CRUZ SURFER STATUE. PHOTO: COURTESY OF CHRIS BURKARD.

SURF CITY NORTH

By Ben Marcus



(LEFT) DON PATTERSON. PHOTO: COURTESY OF THE HARRY MAYO COLLECTION. (RIGHT) THE THREE PRINCES—JONAH KUHIO KALANIANA'OLE, DAVID KAWANANA KOA AND EDWARD KELIAHONUI—WHILE STUDENTS AT ST. MATHEW'S HALL, CIRCA 1885. PHOTO: COURTESY OF THE GEOFFREY DUNN COLLECTION.

A long time ago, in a decade far, far away, during a time called the Nineties, the City of Santa Cruz got wrapped up in a silly-serious debate with the City of Huntington Beach over which town deserved the official title of Surf City. Huntington Beach had its arguments. Santa Cruz had its arguments. In the end, the SoCal town prevailed, but not due to a lack of strength on Santa Cruz's claim.

Anyone who knows anything understands that Huntington Beach has history on its side—from Jan and Dean to Chuck Dent to the Op Pro to Brett Simpson. But anyone who knows anything also knows that Santa Cruz has the surf on its side—and no small amount of history: from 19th Century Hawaiian princes to 21st Century vermin.

The surfing coast of Santa Cruz faces south, and the boundaries of the World Surfing Reserve (from Natural Bridges to Opal Cliffs) encompass about six miles of that coast as the seagull flies, and maybe a mile farther as the Prius drives. They are six or seven miraculous miles of fractal coastline, thoroughly exposed to every burp and billow coming from the south, southwest, west, northwest, and even north.

The northwest winds which rake the rest of Central California much of the year hit south-facing Santa Cruz at a benign angle. That means most Santa Cruz spots are often offshore or glassy when the coast north and south is chopped to pieces. Just add swell—from any direction—and Santa Cruz will make good sense of it.

Santa Cruz is California's own Seven Mile Miracle, with fat waves, sissy waves, scary reefs, beckoning right points, wedges, bowls, sand bottoms, a pier break, a rivermouth, a harbor break, dredge-spoil breaks, more beachbreaks, coves, bommies, mini-slabs, high-performance slingshots, longboard-perfect



peelers, kelp, otters and more right points. It sits with its feet in the cool of the Pacific Ocean and its face in the sun that arcs from Salinas to the green flash.

And almost exactly in the middle of the Santa Cruz World Surfing Reserve, at the mouth of the San Lorenzo River, is where a big piece of California surf history went down. On July 19, 1885, in the waves that broke at the east end of what is now called Main Beach, three Hawaiian princes were the first people in mainland America to be seen “surfboard swimming” on planks of wood.

The three princes—Jonah, David, and Edward—were the adopted sons of the Hawaiian monarchs, King David Kalakaua and his wife, Queen Consort Esther Julia Kapi'olani. They'd come to California to study at Saint Matthews Hall, a military school in San Mateo. Apparently homesick, they shaped redwood planks from a local lumber mill into rideable boards, and their groundbreaking session at the San Lorenzo Rivermouth made print in local newspapers.

Fast forward from the 19th Century to the first two decades of the 20th. Were people surfing in Santa Cruz? Probably. Back then, people who surfed were the

Item 8 E.

lucky few who had been all the way to Hawaii: whalers, merchant seamen, solo sailors, naval personnel and the One Percenters who could afford passage to Polynesia. Sam Reid—who was a fixture on the Santa Cruz cliffs in the 1970s, calling out the sets—went to Waikiki in 1909 and was one of the top watermen there in the 1920s and 1930s. Reid was “one of only six people surfing on the West Coast when he started at age 17 in 1926,” according to local historian Tom Hickenbottom, and the old-timer once described the area from Cowell's to Steamer Lane as “the perfect surfing spot.”

The Santa Cruz Surfing Club began in 1936 when David Steward invited the growing group of local surfers to store their boards in the basement of his parents' house at Gharkey Street and Lighthouse Avenue. That location changed to a house on Bay Street, where members stashed their boards in a barn and sometimes slept in a loft. The club evolved from loose to official when the Santa Cruz Jaycees built a board shack at Cowell's Beach. Six years later, they transformed an abandoned hamburger stand into its official clubhouse. It stood until 1952.

World War II tore a lot of young men and women away from their idyllic lives on the beach in Santa Cruz, but it also introduced many of them to the South Pacific and its many allures. Those who survived the war in the Pacific came home with a lust for life and new ideas on how to live—and that included aloha shirts, playing ukulele, beach parties and surfing.

Down in Southern California, the '50s were, as Miki Dora called them, “The Golden Years”—the best time to be a surfer. Jobs were plentiful and the living was easy. All the classic breaks that are elbow-to-elbow on solid swells today—Rincon, Malibu, Trestles, Swami's—were just as good then, but without the crowds.

In Santa Cruz, the '50s were a colder shade of golden. The big, heavy hardwoods that went so well at Cowell's were phased out by the balsa chips coming up from Southern California, and then by foam. Boards were down to 9 feet and 30 pounds—enough to support a man but light enough to allow women and kids to pick up the sport. The shorter, more maneuverable boards opened up new spots and new possibilities, from Mitchell's Cove to the Wild Hook: long, peeling, high-performance waves that were perfect for the surfing and surfboards of the time.

Santa Cruz surfing is all about variety, and during the 1950s, local surfers like the Van Dyke brothers, Mike Winterburn, George Olson, Rich Novak and a happy few others were joined by southerners like Ricky Grigg and Peter Cole—who were in school at Stanford—and Pat Curren, Buzzy Trent and other future big-wave legends from down south who loved the muscular walls of Santa Cruz. Big days at Steamer Lane were considered a master's degree before going to Hawaii for a PhD in the "heavies."

In 1959, Jack O'Neill laid one of the cornerstones of the surf industrial complex when he moved his family and his small but growing wetsuit business

from San Francisco to Santa Cruz, where the weather was better and the surf friendlier. O'Neill's original product was neoprene-lined bathing trunks he made to keep from freezing his balls off while bodysurfing Ocean Beach. Now in Santa Cruz, O'Neill moved into long johns, short johns and jackets. "I was just trying to support my family," he would later say. O'Neill had good timing, because 1959 was the year Columbia Pictures' *Gidget* looked back on the Golden Years around Malibu and effectively ended them, lighting the fuse of surf culture that would explode in the 1960s.

While most of the surf culture boom of the '60s was focused on Southern California—the Beach Boys, Jan and Dean, Malibu and even Huntington Beach—the surfing population also grew in Santa Cruz, and with it came shops, manufacturers, clubs and contests. Santa Cruz and competitive surfing had a shaky relationship out of the '60s and into the '70s. In 1969, vandals pushed the scaffolding for an amateur contest over a cliff and then refused to clear the water when competitors for the first heat paddled out, calling them "goose-stepping pigs." During the '70s John Scott was a constant presence at Steamer Lane surf contests, with his car and placards decorated with

anti-contest messages.

But not everyone in Santa Cruz was adverse to competition or media coverage. In 1969, Roger Adams became the first Santa Cruz surfer to make the cover of *Surfer* magazine and a leading competitor on the Western Surfing Association AAAA circuit. In 1971 he finished second to Dru Harrison at the Santa Cruz 4A Invitational—now known as the "Cold Water Classic."

It is said that those who really experienced the '70s in Santa Cruz shouldn't be able to remember them. That may or may not be true, but of all the surfers, surfboards, ideas and trends coming out of Santa Cruz from 1970 to 1979, the one with the most lasting impact was the surf leash. Beginning in the late '60s, a loose affiliation of Santa Cruz surfers that included Steve Russ, Pat O'Neill, Roger Adams and Michel Junod began experimenting with a variety of techniques to keep their boards from getting slaughtered by the rocks. "I broke three boards in a day surfing the Santa Cruz harbor," Pat O'Neill would later say. "Back then the ding repair factories were busier than the surfboard factories."

The first surf leashes were made of surgical tubing attached to suction cups on the nose of the board



SANTA CRUZ SURFING CLUB, ESTABLISHED 1936. PHOTO: COURTESY OF THE HARRY MAYO COLLECTION.



HARRY MAYO. PHOTO: COURTESY OF THE HARRY MAYO COLLECTION.



(ABOVE LEFT AND RIGHT, AND BELOW LEFT) TEAM O'NEILL THROUGH THE '60S, '70S AND '80S. PHOTOS: COURTESY OF O'NEILL. (BELOW RIGHT) JESEE COLOMBO. PHOTO: COURTESY OF RYAN CRAIG.



then the wrist. Then leashes went through fins and around the ankle, and finally they were attached to the deck of the board under a bridge made of fiberglass rope. Once the right combination was figured out, surf leashes gained gradual acceptance and a major sea change happened in Santa Cruz and throughout the surfing world: Surf spots were no longer segregated by ability. Anyone could surf anywhere, and before long, an ugly localism reared its head as some old-timers began to resent the growing hordes of surfers and the newfound courage that came with being tethered to their boards. But the leash benefited experienced surfers as well, allowing them to charge harder on bigger days and get more creative on smaller days.

Through the '70s, for the first time, Santa Cruz surfers began to make names for themselves outside of town. The most innovative among them was Kevin Reed. Thin, fast and creative, Reed rode paper-thin boards and was doing things that were many years and even a few decades ahead of his time – including early versions of the modern aerial. Surfers like Richard and Dave Schmidt, Vince Collier, Greg Bonner, the Van Dyke brothers and Karl Gallagher blazed paths in small and large surf that were followed by the next crew of surfers: Peter Mel, Darryl Virostko, Ken Collins, Anthony Ruffo, Shawn Barron, Jason Collins, Chris Gallagher and Adam Replogle.

These guys all received a solid kindergarten-to-college education in small- and big-wave surfing, from Cowell's to the Lane and up and down the coast. They also had funny nicknames: Condor, Flea, Skindog, Ruff, Barney, Ratboy, Gally and Rodent.

Collectively, the Santa Cruz crew was known as "the Vermin," but if they were rascals on land, in school, in the parking lot and at parties, in the water

they emerged as arguably the best all-around crew of surfers in California—using the natural skatepark of the town's many points to work on their aerial surfing and eventually conquering the heavies at Steamer Lane and, later, at Maverick's, the now-legendary big-wave spot an hour north in Half Moon Bay.

Maverick's pioneer Jeff Clark invited Dave Schmidt and Tom Powers to have a go at Clark's home break. Schmidt and Powers paddled out cautiously and got their minds blown by the giant, evil perfection. Into the 1990s, the Vermin led the charge at Mavericks, pushing the limits deeper and bigger. They were joined by a smiling young waterman who couldn't have been more uncool: Jay Moriarity was a longboarder, an Eastsider, and he didn't even have a funny nickname. On a giant day at Maverick's in 1994, Jay paddled straight into the bowl, took off on the first wave that came his way, and launched himself into history, enduring a horrendous wipeout that landed him on the cover of *Surfer*.

Sarah Gerhardt also made history by being the first female surfer to ride Maverick's and is now part of a hard-charging crew of local women—including Jamilah Star, Jenny Useldinger and Savannah Shaughnessy—who are now riding a path blazed by the likes of Brenda Scott Rogers, Jane McKenzie and Karen Gallagher.

Going all the way back to those Hawaiian princes handcrafting boards from local redwood, Santa Cruz also has a long tradition of innovation and quality in surfboard design and construction. The Mower's Row of Santa Cruz surfboard shapers includes: The Mitchell brothers, Bill Grace, Johnny Rice, George Olson, Gary and Jerry Benson, Jack O'Neill, Rich Novak, Doug Haut, Joey Thomas, Mark Angell, Rick Noe, Mike Croteau, Bob Pearson, Steve Colletta, John Mel,

William "Stretch" Riedel, Ward Coffey, Geoff Rashe, Mark Goin, Doug Schroedel, Ashley Lloyd, David Vernor, Nick Palandrini, Marc Andreini, Buck Noe and many others.

If you had to pick the town's most influential surfboard maker, however, it would probably have to be longtime shaper Randy French, who in 1992 began applying to surfboards the same construction techniques (such as injection molding and vacuum-bag glassing) used to make sailboards. Today, his Surftex label has revolutionized the surfboard market and established a new surf-industry powerhouse based in Santa Cruz.

Almost exactly 100 years after those three Hawaiian princes first rode hand-carved redwood planks in front of well-dressed beachgoers, the Santa Cruz Surf Museum opened—the first of its kind on the U.S. Mainland. That opening is symbolic, because today Santa Cruz stands as a world leader in several crucial facets of surf culture: big-wave bravery, small-wave trickery, surfboard innovation, and cold-water protection.

Unlike Huntington Beach, which has officially trademarked the term "Surf City," Santa Cruz has never tried that hard to sell itself as a surf mecca. But if you're a visiting surfer and aren't yet sold on the place, here's what you should do: On a solid west swell day with offshore winds and clear skies all the way to the Salinas Valley, ride your bicycle from one side of town to the other—from Natural Bridges to Privates—by way of the Rivermouth and Harbor. You will leave with no doubt as to the true, natural greatness of Santa Cruz.

It's a greatness that Santa Cruz surfers have been upholding for more than a century now, and one that they—and the world—have now dedicated themselves to forever preserving by declaring its shores a World Surfing Reserve.

SAVE THESE WAVES

The Santa Cruz World Surfing Reserve encompasses more than 20 surf spots, from soft user-friendly rollers to heaving black-diamond peaks. Here's a look at five of the most legendary.

NATURAL BRIDGES

Natural Bridges, or “NB’s” as it’s sometimes called, is as picturesque as a surf spot gets. Long fingers of flat, rocky reef bend northwest swells into well-shaped walls that range from playful to intimidating. On shore, birdwatchers compete with UC Santa Cruz Banana Slugs for towel space on the pristine white-sand beach. At higher tides, the inside section of the wave can produce a slurpy barrel that breaks over a shallow section of reef called the Tabletop, where faltering surfers often end up on dry rock faster than you can say “Westside pride.”

Type of wave: Righthand reef-point.

Bottom type: Rock reef with sand mixed in on the inside.

Best tide: Medium to full.

Wave conditions: From W to NW swells.

Wind conditions: Prefers little to no wind, stronger NW winds blow it out.

Wave height: 3 to 15 feet.

Surf type: Semi-challenging to reef grinder.

Surfing ability: Advanced.

SAVE THESE WAVES



JOSH LOYA. PHOTO: COURTESY OF WILLIAM HENRY.



STEAMER LANE. PHOTO: COURTESY OF BOOTS MCGHEE.

STEAMER LANE

Steamer Lane was named for the steamships that would thread their way through its offshore reefs during the 1930s. It has been Santa Cruz's central surf spot for more than 70 years now, and is one of California's most consistent spots, comprised of four different breaks. **The Point** is directly under the Lighthouse and is best on a summer south or southwest swell. Lost boards almost invariably bash into the rocks at the Lane, which is why the surf leash was invented here. **The Slot** is a right section on the inside of the Point, and is an excellent performance wave. **Middle Peak** is a two-way peak that breaks farther out on big swells, with a meaty left and softer right. It's a shifty, powerful, challenging wave that many have used as a preparation for Hawaii and Maverick's. All of the big, disorganized energy washing in from Middle Peak rolls forward and re-forms into a long performance wall at Indicators. A perfect wave for modern, high-performance surfing, **Indicators** will also throw out a round barrel when it's in the mood.

Type of wave: Right reef and point, with a left at Middle Peak.

Bottom type: Kelpy rock reef, with occasional sandbars as the seasons and tides ebb and flow.

Best tide: In general, a lower tide coming up is best, although usually surfable on most tides.

Wave conditions: From S to SW to W/NW/N swells; extremely consistent.

Wind conditions: Prevailing northwest wind blows offshore; east and south winds blow onshore.

Wave height: 1 to 15 feet plus.

Surf type: Gentle to thunderous.

Surfing ability: Intermediate to advanced.

SAVE THESE WAVES

COWELL'S

On the inside of Lighthouse Point sits **Cowell's**—one of the best beginner breaks in the world, possibly second only to Waikiki. It's not uncommon to find as many as 200 people in the water on a nice day: locals, visitors, Banana Slugs, Vermin, Vals, surf schools, rippers, trippers, SUPers, grommets and surfagenarians. Cowell's has been the incubator for Santa Cruz surfing since the 1920s. Its long, easy rollers were perfect for the unwieldy hardwood boards of the early 20th Century, and in the intervening decades many generations of Santa Cruz surfers have taken their first steps here before branching out to Steamer Lane, Pleasure Point, the Hook and beyond.

Type of wave: Soft, user-friendly rights.

Bottom type: Sand with some rock reef.

Best tide: In general, the lower the tide the better.

Wave conditions: From SW to W/NW/N swells; normally needs larger swells to break.

Wind conditions: Mostly protected from prevailing northwest wind; east and south winds blow onshore.

Wave height: 1 to 6 feet.

Surf type: Gentle.

Surfing ability: Beginner heaven.

SAVE THESE WAVES





PLEASURE POINT. PHOTO: COURTESY OF PATRICK TREFZ.

PLEASURE POINT

Pleasure Point concentrates a variety of breaks over a third of a mile of kelpy rock reef. A consistent wave that is open to swell from just about any direction, the point offers something for everyone. At the top, **Rockview/Suicides** is a right breaking off rocks into a sandy cove. **Sewer Peak** is the Black Diamond spot—a fast bowly right and a gnarly left off the main, powerful peak. Sewer Peak isn't the longest wave along Pleasure Point, but it's the most challenging and also the most competitive. **First Peak** is a longer, high-performance wave with a tight takeoff area and a mix of aggressive shortboarders and performance longboarders. **Second Peak** is a longboarder's paradise and also a good place for intermediate surfers to work on their skills without getting in everyone's way. On big days there is a **Third Peak**, and on the biggest days it is possible to ride a wave from outside First Peak all the way through to the wave known as **Insidies** or **38th Avenue**. On small days, 38th Avenue is a gentle beginner wave, but on bigger days, it transforms into a high-performance shortboard haven.

Type of wave: Right point and reef breaks.

Bottom type: Kelpy rock reef, with sandbars that come and go.

Best tide: Medium tides are generally best, although usually surfable at most tides.

Wave conditions: From SW to W/NW/N swells; consistent.

Wind conditions: The northwest winds blow side-offshore, although strong NW winds can blow out the top of the point. Thick kelp outside the breaks provide significant wind protection.

Wave height: 1 to 15 feet.

Surf Type: Easy to semi-gnarly and everything between.

Surfing ability: Beginners to superstars.

SAVE THESE WAVES

THE HOOK

Back in the '50s, or maybe it was the '60s, this spot at the end of 41st Avenue became known as the Wild Hook. Some say that name came from the fast, curling waves that were a challenge to the longboards of the day. Others say the name came from the thick kelp that would “hook” the deep skegs of the time. Regardless, what modern surfers now know as **the Hook** is the top of a point that runs all the way down to Capitola. That entire point is divided into the Hook, Shark's Cove, Privates and Trees. The Hook itself has three breaks: First Peak, Second Peak and Third Peak. What was a beloved longboard wave in the 1960s is now a beloved performance wave for 21st Century shortboarders, but longboarders like it, too. *Alaia* flyers crave the place, because without fins, they don't have to worry about all the kelp.

Type of wave: Right reef and point.

Bottom type: Kelpy rock reef, with sandbars that come and go.

Best tide: In general medium tides are best; low tides cause skegs to catch kelp, and high tides swamp it out.

Wave conditions: From SW to W/NW/N swells.

Wind conditions: The Hook is more protected from the wind than Pleasure Point. The northeast winds coming out of the Santa Cruz Mountains blow offshore. South winds wreck the place.

Wave height: 0.5 to 12 feet.

Surf Type: Playful to challenging.

Surfing ability: Intermediate to advanced.

SAVE THESE WAVES





STARFISH. PHOTO: COURTESY OF KELLY VANDER KAAY.

ENVIRONMENTAL CHARACTERISTICS OF SANTA CRUZ

BY KELLY VANDER KAAY

Situated along the northern edge of Monterey Bay, a little more than an hour's drive south of San Francisco, the Santa Cruz World Surfing Reserve lies within the coastal waters of the Monterey Bay National Marine Sanctuary. Covering 276 miles of shoreline and 6,094 square miles of ocean (larger than Yellowstone National Park), this federally protected area extends, on average, 30 miles from shore. At its deepest point, the sanctuary reaches down 12,713 feet, or more than two miles. It is our nation's biggest marine sanctuary.

The Surfing Reserve encompasses about seven of the sanctuary's 276 miles of coastline, including world-renowned right-hand point breaks Steamer Lane and Pleasure Point. In all, some two dozen surf spots—point, reef, and beachbreaks, both famous and lesser known—fall within the reserve's boundaries. South-facing, Santa Cruz is well-protected from Central California's prevailing northwest winds while also open to any swell direction except extreme north. Most of its beaches are overseen by California State Parks, the City of Santa Cruz, and Santa Cruz County.

At Steamer Lane, surfers run past barking sea

lions as they hustle toward the gladiator-like proving grounds where wave energy converges with abruptly sloping bedrock reefs. Here, world-class peaks are born. Often compared to those of the North Shore, these waves owe their existence to a fortuitous confluence of geology and oceanographic processes.

At its deepest point, the sanctuary reaches down 12,713 feet, or more than two miles. It is our nation's biggest marine sanctuary.

The inner continental shelf near the reserve consists of flat sandy areas, faults, boulder fields, and complex bedrock ridges, the amalgamation of which provides the foundation for prolific marine ecosystems. Each spring when the northwest winds blow, cold, nutrient-rich waters rise up out of submarine canyons, nourishing lush growths of marine algae and surface plankton blooms. These provide sustenance for many invertebrates and fish, a key food source for

cetaceans (whales, dolphins, porpoises), pinnipeds (seals and sea lions), and sea otters. Numerous species of sharks also inhabit the region, including blue, mako, and whites reaching more than 20 feet in length.

Santa Cruz is also home to the nation's largest kelp forest, 33 marine mammal species, 94 seabird species, 345 species of fishes, 4 species of turtles, 31 phyla of invertebrates, and more than 450 algae species. An estimated 20,000 gray whales pass by Santa Cruz each December during their annual migration from Arctic feeding grounds to their calving grounds off the Baja

peninsula. Blue, humpback, and killer whales are also frequently spotted off the coast. A total of seven species of whales are found in local coastal waters, including the less frequently seen minke, beaked, and fin whales.

Within the city limits, 39 miles of watercourses, creeks, and wetlands support diverse natural habitats, transport storm water, and protect water quality. Local flora and wildlife depend on no less than twelve habitat types for their subsistence. These range from aquatic to salt



(BELOW) PELICAN, (ABOVE LEFT) CALIFORNIA SEA OTTER. PHOTOS: COURTESY OF RICK PUCKETT.

SANTA CRUZ WORLD SURFING RESERVE

Well known for the raw beauty of its windswept beaches, sandstone cliffs, and chaparral-covered slopes, Santa Cruz is just as breathtaking above water as it is below.

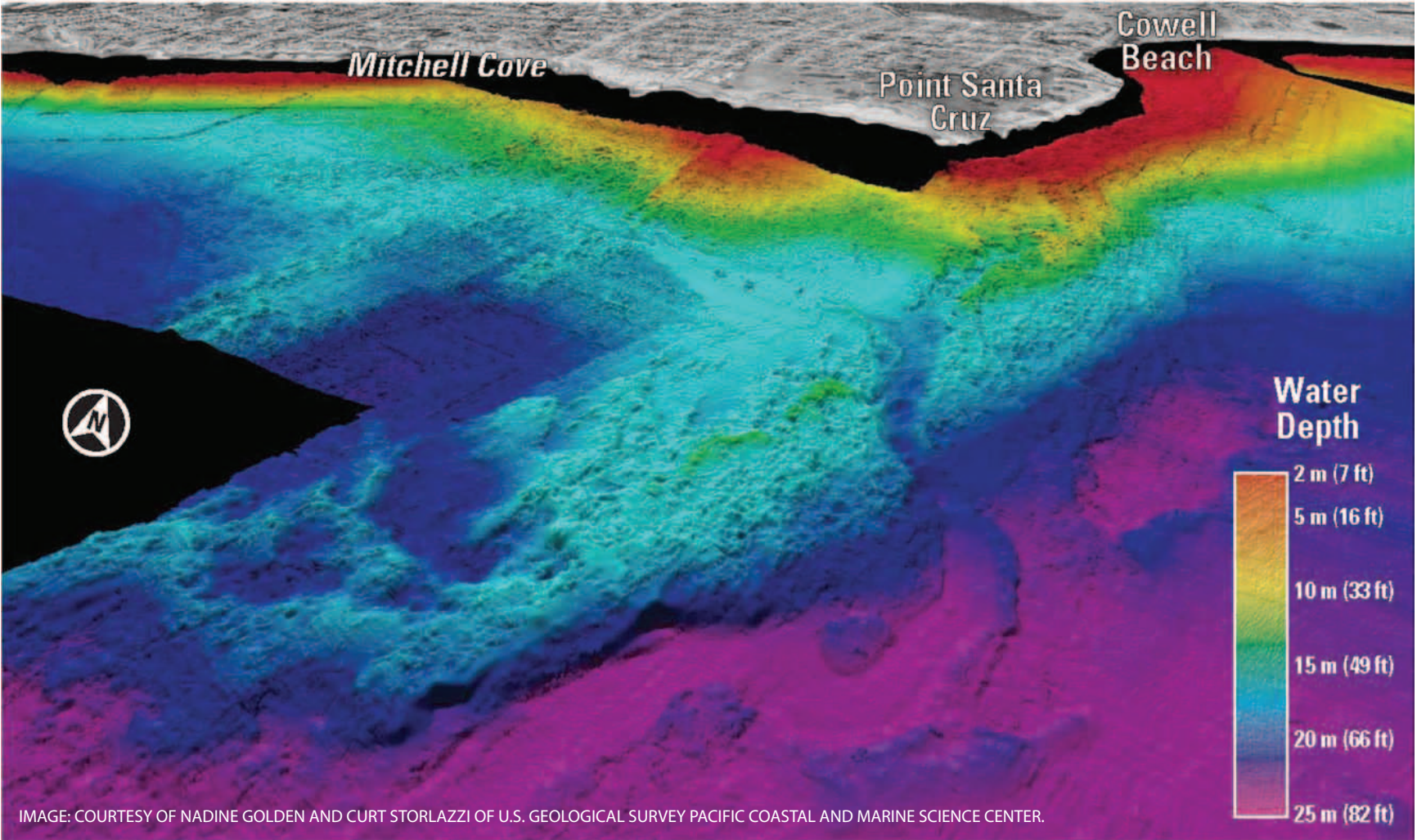


IMAGE: COURTESY OF NADINE GOLDEN AND CURT STORLAZZI OF U.S. GEOLOGICAL SURVEY PACIFIC COASTAL AND MARINE SCIENCE CENTER.

Oblique view to the northwest toward Point Santa Cruz. The southwest-trending bedrock ridge is composed of sandstone of the Purisima Formation, which crops out in Point Santa Cruz. The ridge runs more than 4 km (2.4 mi) offshore and forms reefs that focus the waves that break southeast of Point Santa Cruz at Steamer Lane. The irregular pattern of the shallow sea floor to the west of the bedrock ridge is a field of boulders hypothesized to be resistant bedrock concretions eroded from the Santa Cruz Mudstone that crops out west of Mitchell Cove. The sinuous channel that cuts across the bedrock ridge appears to have formed by erosion, possibly during a period of lower sea level; the abrupt change in water depth over this channel causes the gaps between Steamer Lane’s second and third peaks. The vertical exaggeration is 5x. Approximate distance across the bottom of the image is 1.0 km [0.6 mi].

marsh to freshwater wetland, and from grassland to woodland to forest. Santa Cruz’s mild Mediterranean climate and geography support such diverse vegetation as pickleweed, willow, eucalyptus, pine, black cottonwood, coastal oak, big leaf maple, redwood, and Douglas fir. Maintaining this vegetation not only has a significant positive effect on reducing the potential for landslides and floods, but also is crucial to the survival of local wildlife. Examples include gray foxes, mallard ducks, snowy egrets, coho salmon, steelhead, and monarch butterflies in the lower watershed, and brush rabbits, salamanders, squirrels, hawks, and deer in the upper watershed.

Spanish for “Holy Cross,” Santa Cruz is flanked by mountains bearing its name. Well known for the raw beauty of its windswept beaches, sandstone cliffs, and chaparral-covered slopes, Santa Cruz is just as breathtaking above water as it is below. But that beauty is in a perpetual state of flux—the coastline’s spectacular arches, bridges and rock formations are under eternal siege from winter storms and strong surf. Natural Bridges State Beach, along the western end of the reserve, was named for three bridges that once stood along the promontory at the beach’s southern edge. Today, only a single bridge remains.

Resource-protection issues within the reserve stem from the ocean’s vulnerability to pollution via the urbanized watersheds that drain into it, delivering

sediment, fecal bacteria, pesticides, industrial discharge, oil, grease, plastics, metals, and detergents. Fragile habitats and species are under constant assault from beachfront development, recreational activity, and seaborne commerce. The Santa Cruz chapter of the Surfrider Foundation has led the fight against several proposed coastal construction projects, such as seawalls and large-scale housing development. Surfrider activists have also been involved in local bans on Styrofoam takeout containers and plastic bags and helped push regulations for monitoring of toxic emissions from the harbor’s ongoing dredge disposal.

Despite these successes, local marine wildlife remains under threat from urban encroachment. For instance, the Monterey Bay sea otter population has decreased annually for the past three years, based on a running average. Nearly driven to extinction by fur trading in the early 1900s, they were designated as threatened by the United States Fish and Wildlife Service in 1977. They now number approximately 2,700.

The smallest marine mammal in North America, the sea otters are considered an indicator of the health of nearshore marine ecosystems, because they are relatively sedentary and thus susceptible to contaminants. Kelp canopies serve as a primary foraging area for many sea otters, which consume kelp grazers like the sea urchin. This, in turn, enhances kelp production. If otter populations decline, urchins and

other invertebrates can destroy kelp forests. This results in both increased potential for erosion on shore (kelp absorbs some of the energy of waves and storm surges) and loss of habitat for gray whales, sea lions, harbor seals, birds, and numerous invertebrates and fishes.



WHITE HERON. PHOTO: COURTESY OF RICK PUCKETT.

The greatest threat to sea otters continues to be urban runoff, which contains pathogens considered “unnatural” to the species, along with other contaminants such as PCB, DDT, and tributyltin (an antifouling agent found in boat paint). Addressing the flow of harmful substances into the ocean remains central to sea otter recovery. If left unregulated, urban development and industrial activity present serious threats to the very natural resources that sustain humans and wildlife.

Now that Santa Cruz has been named the fourth World Surfing Reserve, the reserve’s Local Stewardship Council will monitor water quality and other potential risks to this region of incredible beauty and biological diversity.

COWELL BEACH WATER QUALITY EFFORTS

BY NICK MUCHA

Cowell’s Beach is a cherished natural resource that lies at the heart of the Santa Cruz World Surfing Reserve. In recent years, however, Cowell’s Beach water quality has been compromised by high bacteria counts (fecal coliform and enterococcus), consistently landing it on Heal the Bay’s “Beach Bummer” list in recent years.

Stemming from a 2014 World Surfing Reserve planning summit, the Cowell Beach Working Group (CWG) was created to improve the scientific understanding of the issue, recommend actions to improve water quality, and improve public understanding of the issue.

This group is supported by the City of Santa Cruz and led by Save The Waves Coalition and is comprised of City of Santa Cruz staff, County Environmental Health Department staff, Surfrider Foundation and Sierra Club. CWG meets regularly to review water quality data and make recommendations for further improvements.

In 2016, CWG recommended the installation of bird screening to prevent the roosting of pigeons and gulls under the wharf, which the Santa Cruz Municipal Wharf completed in the August 2016. Subsequent monitoring has shown a 50% reduction in high bacteria postings since that intervention, which represents a notable

improvement in water quality conditions. CWG continues to meet regularly and seeks outside input from a Technical Advisory Committee to achieve further bacteria reductions at Cowell Beach.

The Cowell’s water quality issue was a top priority for the Santa Cruz WSR and we are proud of the bacteria reductions achieved by the Cowell’s Working Group.

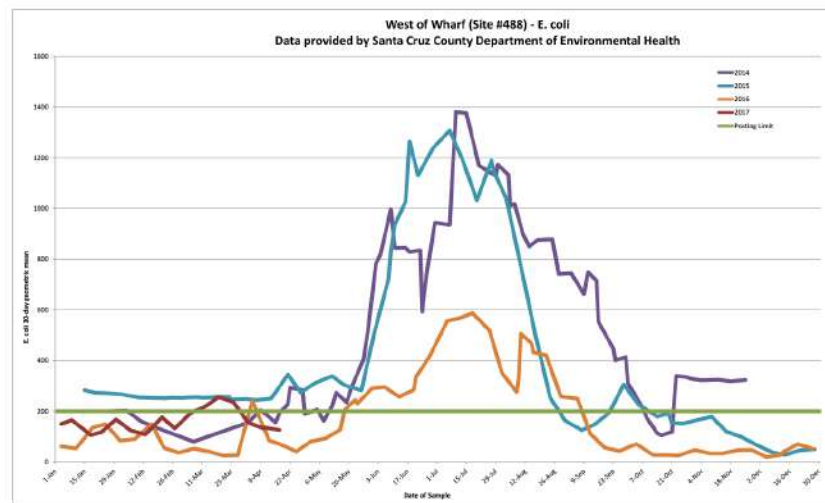


PHOTO: COURTESY OF NIKKI BROOKS



World Surfing Reserves

ACKNOWLEDGEMENTS

WORLD SURFING RESERVES AND SAVE THE WAVES COALITION SINCERELY APPRECIATE THE EFFORTS OF ALL WHO HELPED MAKE THE SANTA CRUZ WORLD SURFING RESERVE AND THIS BOOK A REALITY.

Blue Ocean Supporters: Surfers' Environmental Alliance (SEA), Santa Cruz Chapter of the Surfrider Foundation, O'Neill.

Green Wave Supporters: Dream Inn, Clif Bar.

Grassroots Supporters: Ocean Champions, Vernor Surfboards.

Santa Cruz World Surfing Reserve Partners: City of Santa Cruz, Santa Cruz County Board of Supervisors, Santa Cruz City Council, U.S. Congressman Sam Farr, California Senator Joe Simitian, California Assemblyman Bill Monning, California Coastal Commission, Big Stick Surfing Association, Santa Cruz Surfing Club Preservation Society.

Santa Cruz World Surfing Reserve Coastal Group: Surfers' Environmental Alliance (SEA), Santa Cruz Chapter of the Surfrider Foundation, Save Our Shores, Sierra Club, Ocean Revolution, Santa Cruz Surfing Museum.

Santa Cruz World Surfing Reserve Local Stewardship Council: Jim Littlefield, Hilary Bryant, Brian Kilpatrick, John Leopold, Dustin Macdonald, Jane McKenzie, Mark Stone, Dan Young.

World Surfing Reserves Vision Council: (Executive Committee) Dean LaTourrette, Brad Farmer, Andrew Short, Ginaia Kelly, Drew Kampion; (Vision Council) Fernando Aguerre, Will Henry, Greg Benoit, Jim Moriarity, Len Materman, Paul Shanks, Tony Butt, Terry Gibson, Steve Hawk, Chad Nelsen, Wallace J. Nichols, Chris LaFrankie, Mark Massara, Neil Lazarow, Miles Walsh, João De Macedo, Stéphane Latxague, Michael Blum, Serge Dedina, Hugo Tagholm, Pedro Bicudo, Hiromi Matsubara; (Staff) Katie Westfall.

Huge thanks to all of the people who generously contributed their time and work to this book: Greg Benoit, Chris Burkard, Ryan Craig, Ken "Skindog" Collins, Geoffrey Dunn, Steve Hawk, Will Henry, Drew Kampion, Brian Kilpatrick, Dean LaTourrette, Ben Marcus, Harry Mayo, Boots McGhee, Russell Ord, Rick Puckett, Ruben Ruiz, Richard Schmidt, Curt Storlazzi, Kim Stoner, Patrick Trefz,

Kelly Vander Kaay, Dan Young, Wingnut.

Santa Cruz World Surfing Reserve Ambassadors: Ken "Skindog" Collins, Sarah Gerhardt, Jamilah Star, Kyle Thiermann, Wingnut.

For more information on World Surfing Reserves and to support the WSR initiative, please visit worldsurfingreserves.org or contact Save the Waves Coalition at info@savethewaves.org.

EDITOR: Steve Hawk

ART DESIGNER: Kelly Vander Kaay

COPY EDITOR: Carolyn Cotney

FRONT COVER: Steamer Lane. Photo courtesy of Ryan Craig.

BACK COVER: Jay Moriarity. Photo courtesy of Patrick Trefz.

Published by World Surfing Reserves © 2012

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World Surfing Reserves

RESOLUTION NO. XXXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SUPPORTING THE INCORPORATION OF CAPITOLA INTO THE SANTA CRUZ WORLD
SURFING RESERVE**

WHEREAS, the City of Capitola is known to many for its outstanding surf breaks, and surfing is not only a key industry in our community but a part of the community’s cultural identification; and

WHEREAS, the Santa Cruz World Surfing Reserve is the official fourth World Surfing Reserve in the world and was designated on April 28, 2012; and

WHEREAS, the Santa Cruz World Surfing Reserve is located on the northern side of Monterey Bay along California’s Central Coast within the protected coastal waters of the Monterey Bay National Marine Sanctuary; and

WHEREAS, by endorsing the incorporation of the City of Capitola into the Santa Cruz World Surfing Reserve our community will formally recognize the long and close relationship between surfers and the ocean, and by this action promote the long-term preservation of these irreplaceable sites for recreation and competitive surfing; and

WHEREAS, the sport of surfing and its irreplaceable recreational sites are of undeniable ongoing value to our community’s economy; and

WHEREAS, a World Surfing Reserve is purely ceremonial and memorial in nature and its provisions should not be used to limit how specified surfing areas are used; and

WHEREAS, the incorporation of Capitola into the Santa Cruz World Surfing Reserve will further increase our city’s growing reputation as an environmentally aware and forward-looking community.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that it herby supports the incorporation of the City of Capitola into the Santa Cruz World Surfing Reserve.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of June, 2024, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: Police Department

Subject: Wharf Grand Opening Special Event Permit



Recommended Action: Approve a new single-day Major Special Event Permit on September 25, 2024, for the Capitola Wharf Grand Opening and Ribbon Cutting.

Background: Ordinance No. 1065, enacted by the City Council in March 2024, introduces updated processes and a revised fee schedule for special event permits within the City. This ordinance is designed to streamline the approval process and ensure proper regulation of various types of events held within City limits. The ordinance categorizes special events into three primary types: Major Special Events, Minor Special Events, and Neighborhood Street Closure Events. The primary differences between a Major Special Event and a Minor Special Event vary due to the proposed event's crowd size and roadway impacts. Minor Special Events can be approved administratively by the Chief of Police, however any new Major Special Event must be presented to the City Council for review and consideration.

In 2023, the City of Capitola experienced a series of winter storms that caused historic wave events causing significant damage to the Capitola Wharf. Following completion of the Wharf Resiliency Project, the City plans to host a ribbon cutting and grand opening event for the renovated Wharf. Consistent with City Council direction, staff has applied for a one-day Major Special Event for Wednesday, September 25, , 2024, from 10:00 AM to 8:00 PM, with the event held from 2:00 PM – 6:00 PM on Capitola Wharf. The event will include three food trucks, a live band, and public acknowledgment of dignitaries and City officials. This event will be similar to other City-sponsored events like the Food Truck Friday events and Twilight Concerts, to include a small beer garden and three food trucks. This City-hosted event will be free and open to the public.

Discussion: The anticipated attendance for this four-hour event is between 200 to 300 persons. The Police Department will assist with limited road closures at the base of the Wharf and will provide foot patrol during the event. This event will be free and open to the public. Patrons are encouraged to find alternative modes of transportation and a bicycle parking lot will be set up. Attendees will be encouraged to visit the Wharf and to support all merchants and local restaurants in the Village. A one-day alcoholic license (issued by CA Alcoholic Beverage Control) will be required for the beer garden following State law and our policy.

Fiscal Impact: This is a City-hosted event and all costs will be managed by the City Manager's Office and absorbed by respective Departments.

Attachments:

1. Major Special Event Permit – Capitola Wharf Grand Opening
2. Wharf Map with layout

Report Prepared By: Andrew Dally, Chief of Police

Reviewed By: Julia Gautho, City Clerk; Chloé Woodmansee, Assistant to the City Manager

Approved By: Jamie Goldstein, City Manager



MAJOR SPECIAL EVENT PERMIT APPLICATION

Application fee of \$68 must be submitted with this completed application

Applicant Information:

Name of Applicant: City of Capitola

Address: 420 Capitola Ave. City Capitola State CA Zip 95010

Phone #: 831-475-7300 Email: kbarreto@ci.capitola.ca.us

Organization Information:

Company Name: Same as above

Address: _____ City _____ State _____ Zip _____

Phone #: _____ Nonprofit ID: _____

Website: cityofcapitola.org

Event Information:

Athletic Competition Parade Festival Water/Surf Other: Music/Food Trucks/Beer

Event Name: <u>Wharf Grand Opening & Ribbon Cutting</u>					
Event Date: <u>September 18, 2024</u>			Event Date:		
	Start Time	End Time		Start Time	End Time
Setup	10am	2pm	Setup		
Open to Public	2pm	6pm	Open to Public		
Breakdown	6pm	8pm	Breakdown		

Event Location: Capitola Wharf Anticipated Attendance: 200-500

Event Description:

Grand Opening ceremony: Leaders Speak/Public Address (2:30-3:30) Music following (4:00-6:00)

Food Trucks & Beer Garden (2pm-6pm)

Name of Onsite Event Coordinator During Event: Kelly Barreto

Phone #: 831-818-3026 cell Email: kbarreto@ci.capitola.ca.us

1.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Has this event been held before? Number of years?
2.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Is this a charitable fundraiser? For what cause? Beer Garden-Jr Guard Parents
3.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will participant registration fees be charged? Registration fee amount?
4.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be selling merchandise? Type of merchandise?
5.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will alcohol be sold or served? <input checked="" type="checkbox"/> Beer <input checked="" type="checkbox"/> Wine <input type="checkbox"/> Alcohol Note: ABC Permit will be required. Applicant will coordinate with Capitola Police Department.
6.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will food be sold or served? <input type="checkbox"/> Pre-packaged <input checked="" type="checkbox"/> Food Trucks <input type="checkbox"/> Other Note: Food service may need to be approved by the County Health Department.
7.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be cooking onsite? <input type="checkbox"/> Wood/Charcoal BBQ <input type="checkbox"/> Liquid Fuel Device
8.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will any generators be used? Location: Food Trucks may use
9.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will banners/signs be used? Note: Applicant must complete an Over-the-Street Banner Application.
10.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will canopies be used? Quantity? 5 Type? pop up 10'x10'
11.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will you be setting up a stage? Details (W x L x H): 12' x 16'
12.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be using the Capitola Bandstand? Note: Describe use information on page # 4. Separate fees to be paid by applicant.
13.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will reserved parking be requested? Number of Spaces? Wharf Rd Note: <ul style="list-style-type: none"> • Document parking locations on page # 4. Separate parking fees to be paid by applicant. • "No Parking" signs must be posted seventy-two (72) hours prior to your event start time. • See <i>Guidelines for "No Parking" Signage and Towing During Special Events</i> document for specific public notification and posting requirements.
14.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will a street closure be requested? Note: <ul style="list-style-type: none"> • Specify street names and closure times on page # 4. • "No Parking" signs must be posted seventy-two (72) hours prior to your event start time. • See <i>Guidelines for "No Parking" Signage and Towing During Special Events</i> document for specific public notification and posting requirements.
15.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Do you anticipate any police needs? Note: <ul style="list-style-type: none"> • Describe police needs on page # 4. • Some events will be required to have Capitola Police Department Officers assigned and paid for at appropriate rates by applicant.
16.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Do you anticipate any lifeguard/first aid needs? Note: <ul style="list-style-type: none"> • Describe lifeguard/first aid needs on page # 5. • Some events will be required to have City of Capitola Lifeguards assigned and paid for at appropriate rates by applicant.
17.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be using private security? Security Company Name:
18.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you have portable toilet facilities? Note: <ul style="list-style-type: none"> • Describe toilet facilities plan on page # 5. • One (1) portable restroom per every 100 people with 10% being ADA Compliant is required.
19.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Do you have a garbage/recycling plan? Describe garbage/recycling plan on page # 5.

Amplified Sound Information:

Item 8 F.

1.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will sound amplification be used? Note: Applicant must complete an Amplified Sound Permit Application. Separate fee to be paid by applicant.
2.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Have you read, considered, and agree to abide by the rules and regulations for sound amplification?
Type of Amplified Sound			<input type="checkbox"/> PA Speaker System for Announcements Only <input checked="" type="checkbox"/> PA Speaker System for Announcements and Music <input type="checkbox"/> Professional Sound System for Music <input type="checkbox"/> Professional Sound System for Live Music/Band
Live Music/Band Info			Name of Band: TBA Type of Music: TBA Will sound checks be conducted prior to the event? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, date(s) and time(s): 1:30 pm
3.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will fireworks, rockets or other pyrotechnics be used?
			Pyrotechnics Company Name: Pyrotechnics Company Address:

AGREEMENT AND SUBMITTAL INFORMATION

There are no refunds for cancelled events. A completed application package, with associated forms, are required for permit consideration. Completed applications include:

- Application Form(s)
- Detailed Plans with Timelines
- Diagram of Event Layout and Set-Up Location(s) (including location markers)
- Security and Public Safety Plan
- Certificate of Insurance
- Non-Refundable Application Fee(s)

By signing below, I declare, under penalty of perjury, that I am the authorized representative of the organization listed on this application and that the information contained in the foregoing application is true and correct to the best of my knowledge and understanding.

Name of Applicant: City of Capitola

Signature of Applicant: Kelly Barreto Digitally signed by Kelly Barreto
DN: cn=Kelly Barreto, o=City of Capitola,
ou=City, email=kbarreto@ci.capitola.ca.us, c=US
Date: 2024.05.21 08:30:47 -07'00' Date: 6/05/2024

Completed application, supporting documents and fee(s) should be submitted to the Special Event Coordinator. Checks should be made payable to the City of Capitola. Visa and MasterCard payments are accepted in person only.

Capitola Police Department
Attn: Esmeralda Gonzalez
 422 Capitola Avenue
 Capitola, CA 95010
 (831) 475-4242

Bandstand Use Information:

Item 8 F.

N/A

Reserved Parking Information:

Request reserved parking for all public parking spots on Wharf Rd. (Spaces #405- #413)

Street Closure Information:

N/A

Police Needs:

Assist with:

- 1) Staffing Wharf/Wharf Rd for public safety
- 2) Anticipating attendance from politicians (requesting extra assistance with safety and coordination)

Lifeguard/First Aid Needs:

Requesting Medical Tent

Item 8 F.

Toilet Facilities Plan:

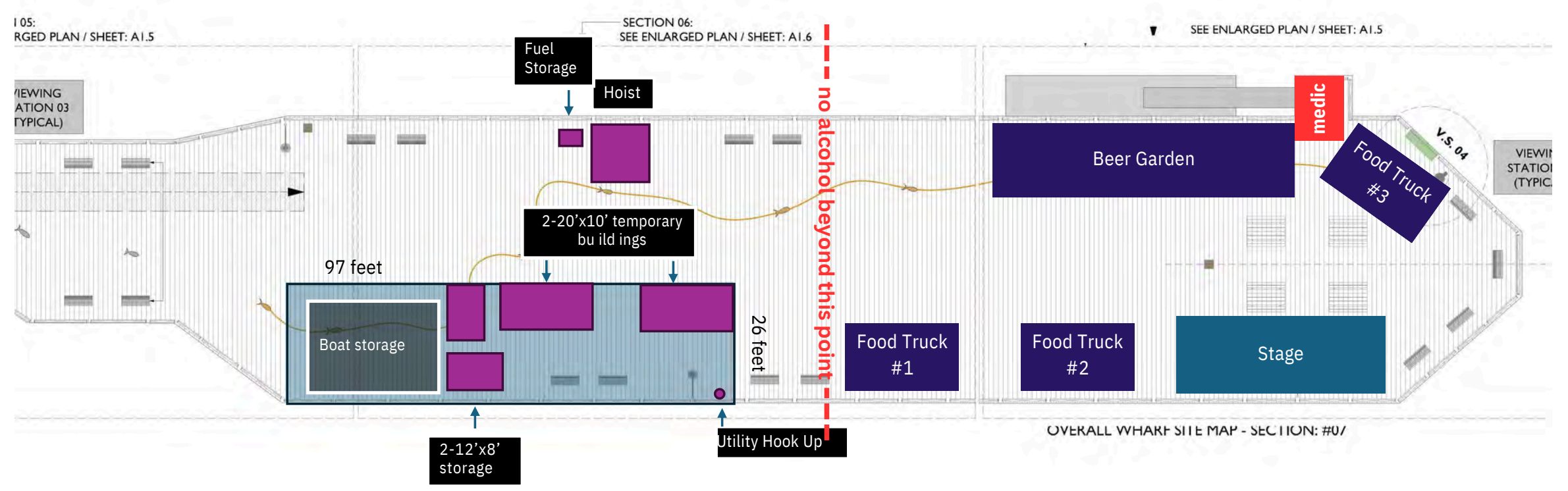
Anticipating public can use public restrooms on wharf

Garbage/Recycling Plan:

Requesting assistance from Public Works to place extra cans in food/beer areas as well as on Wharf. Also requesting extra help monitoring cans and emptying when needed.

Other Pertinent Information Not Listed on Application:

This is the first public social on the Wharf. We anticipate a lot of interest from the public to attend this land mark event. Anticipating extra assistance and support from PD and Public Works.



Capitola City Council

Agenda Report



Meeting: June 27, 2024
From: City Manager Department
Subject: City Council Appointments to City Advisory Bodies

Recommended Action: Appoint members of the public to the City of Capitola Finance Advisory Committee.

Background: The Finance Advisory Committee (FAC) advises the City Council on financial matters pertaining to the governing of the City, as well as on the use of fiscal resources. The FAC is comprised of seven members, appointed by individual Council Members on the basis of their knowledge, experience, and qualifications in financial management and related areas. The FAC was created in 2000 through the adoption of Resolution No. 3063.

Discussion: In accordance with Government Code Section 54974, recruitment was conducted to fill two unscheduled vacancies on the FAC. The notice of vacancy was posted at City Hall, in a local newspaper, on the City website, and advertised through social media. Staff also reached out to the Capitola Village and Wharf Business Improvement Area (CVWBIA) and the Capitola Soquel Chamber of Commerce. Applications for appointment on any City advisory body are accepted year-round and remain valid for a one-year period.

Attached are the applications for appointment received on or before the printing of this agenda packet.

The FAC Bylaws were amended on May 9, 2024, to change the composition of membership to allow a resident to be appointed if no business applicants are on file. Currently, the FAC has one resident application (Melinda Orbach) and one youth resident application (James Joyce).

Fiscal Impact: None.

Attachments:

1. Applications

Report Prepared By: Julia Gautho, City Clerk

Reviewed By: Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager



Boards and Commissions Application

Thank you for your interest in serving on a City of Capitola Advisory Group. Please fill out the following form with your information. Appointments are made at a public City Council meeting.

Application For:

Application For:

- Art and Cultural Commission - Artist
- Art and Cultural Commission - Arts Professional
- Art and Cultural Commission - At Large
- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

Melinda

Last Name *

Orbach

Email *

[REDACTED]

Current Address *

Street Address

[REDACTED]

Address Line 2

City

[REDACTED]

State / Province / Region

CA

Postal / Zip Code

[REDACTED]

Country

USA

Telephone (Home)

Telephone (Mobile) *

[REDACTED]

Are you a Capitola resident? *

Yes

Residential Neighborhood:

[REDACTED]

Are you applying as a Youth Member to an Advisory Group? *

No

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Family Nurse Practitioner

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

I am a curious and interested resident of Capitola who wants to learn more about the financial health of the city. I want to get a better understanding of how revenue is divided into each department, including pension obligations, and how we are planning for economic growth and sustainability.

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

All information contained in this page is public data and will be made available for public review upon request. Qualifications and interests of applicants will be provided to the City Council in a public forum and will be reviewed before appointments are made. Questions regarding this application and appointment process should be directed to the Capitola City Clerk.

Melinda Orbach



Boards and Commissions Application

Thank you for your interest in serving on a City of Capitola Advisory Group. Please fill out the following form with your information. Appointments are made at a public City Council meeting.

Application For:

Application For:

- Art and Cultural Commission - Artist
- Art and Cultural Commission - Arts Professional
- Art and Cultural Commission - At Large
- Commission on the Environment
- Finance Advisory Committee - At Large
- Finance Advisory Committee - Business Representative
- Historical Museum Board
- Planning Commission
- Other:

Applicant Information

First Name *

James

Last Name *

Joyce

Email *

[REDACTED]

Current Address *

Street Address

[REDACTED]

Address Line 2

City

[REDACTED]

State / Province / Region

CA

Postal / Zip Code

[REDACTED]

Country

United States

Telephone (Home)

Telephone (Mobile) *

[REDACTED]

Are you a Capitola resident? *

No

Residential Neighborhood:

Live oak

Are you applying as a Youth Member to an Advisory Group? *

Yes

Youth Members are encouraged to participate with City Boards, Committees, and Commissions.

Qualifications

Occupation:

Student/Intern

Please describe your qualifications and interest in serving on this Board/Commission/Committee: *

As a former member of the City of Capitola recreation team, junior guard, and a new intern with the City of Capitola finance department, I am interested in serving on this board because I can help support the committee with a youth voice and make sure a portion of the funds is directed towards teens and kids in the City of Capitola.

Additional Attachments

Acknowledgement Required *

Please note that appointment to this position may require you to file a conflict of interest disclosure statement or complete additional trainings with the City Clerk. This information is a public record and these statements are available to the public on request.

Acknowledged

Signature *

All information contained in this page is public data and will be made available for public review upon request. Qualifications and interests of applicants will be provided to the City Council in a public forum and will be reviewed before appointments are made. Questions regarding this application and appointment process should be directed to the Capitola City Clerk.





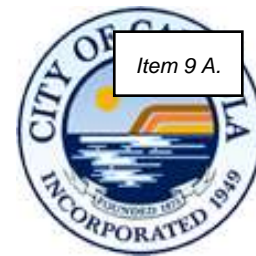
CITY COUNCIL APPOINTMENTS TO ADVISORY BODIES

June 27, 2024



Background

- FAC is composed of 7 members
 - Mayor & Vice Mayor
 - 3 Capitola Residents
 - 2 Capitola Businesspeople
- 5/9/24: Bylaws amended to allow for appointment of non-business rep if no applications on file
- Vacancy for two business rep terms ending December 31, 2024



Applicants

- Melinda Orbach – Resident
- Anthony Guajardo – Business
- Matt Arthur – Business
- Keith Cahalen – Resident
- Leslie Nielsen – Business
- Daniel Castagnola – Business



Recommended Action

- Staff recommends Council appoint members of the public to City's Finance Advisory Committee for terms expiring on 12/31/2024

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: City Manager Department

Subject: 2024 General Municipal Election



Recommended Action: 1) Adopt a resolution ordering the 2024 General Municipal Election, requesting the Santa Cruz County Department of Elections conduct the election, and requesting consolidation of the General Municipal Election in the City of Capitola on Tuesday, November 5, 2024; and

2) Adopt a resolution submitting a ballot measure to Capitola voters to increase the City's transactions and use tax through December 31, 2034 at the General Municipal Election to be held on Tuesday, November 5, 2024, requesting consolidation by the Santa Cruz County Board of Supervisors of the election regarding said measure with the Statewide General Election to be held on the same date and that Santa Cruz County provide election services with full reimbursement by the City of Capitola, directing the City Attorney to prepare an impartial analysis, authorizing the City Council to appoint two City Council Members to an ad hoc subcommittee to submit an argument supporting the Measure, and releasing the rebuttal argument.

Background: Pursuant to Chapter 1.30 of the Capitola Municipal Code, General Municipal Elections are to be held on the same day as statewide General Elections. The 2024 General Municipal Election will be held in Capitola on November 5, 2024. At the 2024 General Election, voters will elect two members of the City Council, each for a term of four years, and vote on a City-sponsored ballot measure to repeal an existing 0.25% transactions and use ("Sales Tax") and replace it with a 0.5% Sales Tax through December 2034. An information sheet regarding the offices to be filled and the nomination procedure is included as Attachment 1.

The City of Capitola's elections have traditionally been consolidated with other Santa Cruz County local elections, and conducted by the Santa Cruz County Elections Department, at the City's request. Pursuant to Elections Code section 10403, the City Council must adopt a resolution ordering an election, requesting consolidation, and requesting the County conduct the election.

California Elections Code requires the City to publish a Notice of Election between July 1 and July 15, 2024.

History of Sales Tax Measure:

Capitola voters first approved a Temporary 5-year 0.25% (1/4 cent) Sales Tax in 2004 (Measure P) and then extended the tax through December 31, 2017, with the passage of Measure D in 2008.

In 2012, assuming the Temporary Sales Tax authorized by Measure P would expire in 2017, the City adopted a Permanent Sales Tax of 0.25%, codified in Capitola Municipal Code Chapter 3.11. This 0.25% Sales Tax is unaffected by the Proposed Sales Tax Measure.

In 2016, Capitola voters passed Measure F, extending the Temporary Sales Tax through December 31, 2027. Measure F provides funding for essential City services, including Wharf storm repair projects, and public safety operations during the pandemic. Since the passage of Measure F, the City has used Measure F funds to purchase a new Beach Loader to grade and rake beach sand to prepare it for summer usage and lagoon management, rehabilitated the flume and jetty, and is in the final stages of completing the Wharf Resiliency and Public Access Project.

As of July 1, 2024, the average sales tax rate in California is currently 8.75%. Cities in Santa Cruz County have the following sales tax rates:

Capitola	9.0%
Santa Cruz	9.75%
Watsonville	9.75%
Scotts Valley	9.75%
Unincorporated Santa Cruz County	9.50%

Capitola's current 9.0% Sales Tax rate includes the statewide rate of 7.25% plus 0.5% of Capitola-specific district taxes and 1.25% of regional district taxes (Metro, RTC, Library) . Of the total 9.0% collected, Capitola receives 1.50%.

Over the past decade, Capitola's revenues have not kept pace with the growing costs of providing and maintaining essential municipal services and facilities. It is becoming increasingly challenging to maintain the quality of City services, such as crime prevention, pothole repair, and street maintenance. Demand for services continues to increase and, despite cost-reducing measures, the City will face a structural deficit beginning in FY 2027-28 when Measure F expires. To maintain service levels for residents and visitors, additional revenue sources are needed.

Polling Results:

On November 21, 2023, the City Council authorized an Agreement with EMC Research to conduct polling with Capitola voters on potential revenue measures to be placed on the November 2024 ballot. EMC Research returned to the City Council on March 14, 2024, to present the results of the polling.

EMC Research conducted a multi-modal survey by using email, telephone, and text-to-web options from January 10-28, 2024. They conducted 206 interviews in English and Spanish by trained, professional interviewers. Overall, polling showed that a majority of voters recognize the City's need for additional funding and are willing to maintain services through taxes. The survey results show that support for a renewal of the expiring one-quarter cent sales tax is well above the threshold. The survey also identified voter priorities, such as maintaining public safety response, maintenance of roads, sidewalks, and bike lanes, continuing recreation programs for youth, and protection of the beach and the Wharf.

On April 11, City Council received an update regarding the overall projected ballot landscape for the November 2024 election and directed staff to pursue a measure to replace Measure F with a new 0.5% Sales Tax.

In order to continue to obtain community input on priorities as well as to educate the community on the City's current and projected financial condition and services, staff met with residents and community groups. In addition, staff held a joint City advisory body meeting to provide information to appointed board, committee, and commission members and City volunteers.

Working with EMC Research and the City Attorney's Office, staff prepared the following language for presentation to the voters:

To protect essential city services including public safety and emergency services; repair potholes, maintain streets, sidewalks, bike lanes, beaches, the new wharf, and recreation programs for youth; improve traffic safety; and support local businesses, shall City-of-Capitola replace its quarter-percent sales tax, approved by voters in 2016, with a one-half percent sales tax, generating an estimated \$2.2 million annually for general government use, for ten years, with independent audits, and all funds staying local?

Discussion: Revenue and Tax Code section 7285.9 authorizes the City Council to levy, increase, or extend a general Sales Tax if the ordinance proposing the tax is approved by two-thirds of all members of the Council (four affirmative votes), and the tax is then approved by a majority of voters in the City voting on the measure. The deadline to place a measure on the November 2024 ballot is August 9, 2024.

The proposed Ordinance amends Capitola Municipal Code sections 3.10.050 and 3.10.070, to increase the temporary sales tax rate from 0.25% to 0.50%. The Ordinance would also amend the sunset date to extend the Sales Tax through December 31, 2034.

The proposed increased general Sales Tax of one-half of one percent (0.50%) for a 10-year period is projected to generate an estimated \$22 million in additional revenues over the ten-year life of the proposed measure (assuming an average sales tax revenue increase of 1% per year); with the actual revenues determined by economic conditions.¹

The revenue from the proposed Sales Tax Measure would be paid in addition to the existing Sales Tax and would be collected at the same time and in the same manner as the existing Sales Tax.² All revenue generated would be dedicated to Capitola and would not be diverted to the state or other agencies. Because the proposed Sales Tax Measure is a general tax, the revenues would go into the City's General Fund and could be used for any general municipal purpose.

Under Revenue and Tax Code section 7265, if adopted by the voters, the increased Sales Tax would go into effect on the first day of the first calendar quarter commencing more than 110 days after adoption of the Ordinance. The Ordinance is considered "adopted" when the vote is declared by the City Council. (Elec. Code § 9217.)

Revenue from the proposed Sales Tax Measure would be reviewed in the following ways:

- In an annual audit, conducted by independent auditors;
- In an annual review of revenues by the City's Finance Advisory Committee; and
- In an annual review of the City's operating budget and revenues by the City Council.

Ballot Arguments: Elections Code Section 9282 allows the legislative body, any member or members of the legislative body authorized by the body, any individual voter who is eligible to vote on the measure, bona fide association of citizens, or any combination of voters and associations, to submit an argument for or against a measure placed on the ballot by the legislative body. Arguments may not exceed 300 words in length and must be submitted to the Capitola City Clerk by a deadline to be established by the Santa Cruz County Elections Department. The draft resolution authorizes the City Council to submit arguments in favor of the measure on behalf of the City Council.

¹ Pursuant to the California Revenue and Taxation Code, food items (groceries), prescriptions, certain medical devices, and other "Necessities of Life" are exempt from sales tax.

² District taxes on vehicle sales are treated differently and depend on where the vehicle will be registered, rather than where the vehicle is sold.

Pursuant to Elections Code 9285 (a)(2) the author or the majority of the authors of an argument relating to a City Measure may prepare and submit a rebuttal argument or may authorize in writing another person or persons to prepare, submit, or sign the rebuttal argument. A rebuttal argument shall not exceed 250 words. The draft resolution authorizes the release of the City Council's rebuttal argument, to allow other individuals to draft and submit a rebuttal argument.

Fiscal Impact: The Santa Cruz County Elections Department has provided the following cost estimate: \$4.50 to \$6.50 per voter per contest. The contest refers to the question being posed to the voters. The City Council seats up for election count as one contest. Capitola has approximately 6,900 registered voters. The estimate for two contests is \$62,100. The FY 2024-25 Budget has funds allocated for the election.

Staff estimates that the proposed half-cent Sales Tax would generate \$2.2 million annually. This increase is projected to generate an estimated \$24 million in additional revenues over the ten-year life of the measure (assuming an average increase in sales tax revenues of 2.5% per year); with actual revenues determined by economic conditions.

Attachments:

1. General Municipal Election Information Sheet
2. Resolution Calling the Election
3. Resolution, with proposed Ordinance Amending Municipal Code Sections 3.10.050 and 3.10.070 and Sec. 16 of Ordinance No. 880 as Exhibit A – Ballot Measure

Report Prepared By: Julia Gautho, City Clerk

Reviewed By: Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

HOW TO RUN: JULY 15 - AUGUST 9

1) MEET WITH CITY CLERK:

- Schedule an appointment to learn more info and collect forms and nomination papers.

2) GET SIGNATURES:

- Collect 20 to 30 signatures of registered Capitola voters (verified by the County Clerk).

3) FILE ON TIME:

- Turn in all required forms and paperwork by August 9.



CITY HALL:

420 CAPITOLA AVENUE
CAPITOLA, CA, 95010

CONTACT:

JULIA GAUTHO, CAPITOLA CITY CLERK
JGAUTHO@CI.CAPITOLA.CA.US



831-475-7300

Call For Details



Item 9 B.

Run for
Office!

Capitola City Council Election 2024

2 SEATS UP FOR ELECTION
ON NOVEMBER 5

WHAT DOES CITY COUNCIL DO?

The purpose of the City Council is to establish local laws, establish programs, allocate funds, and provide direction through the City Manager to City staff.

Capitola City Council is composed of five council members, all of whom are directly elected by the voters in the City of Capitola to serve four-year terms. The Council appoints a mayor and vice mayor annually.

Capitola City Council generally meets twice a month. In addition, Council members may serve on other City & Countywide Boards. City Council members receive a monthly stipend.



WHO CONDUCTS THE ELECTION?

Capitola Municipal Elections are conducted by the Santa Cruz County Clerk / Elections Office and often consolidated with State and Federal regular elections.

Capitola City Council candidates work and file papers with the Capitola City Clerk to have their name on the November 5 general election ballot.

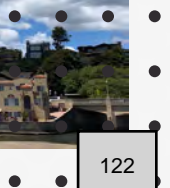
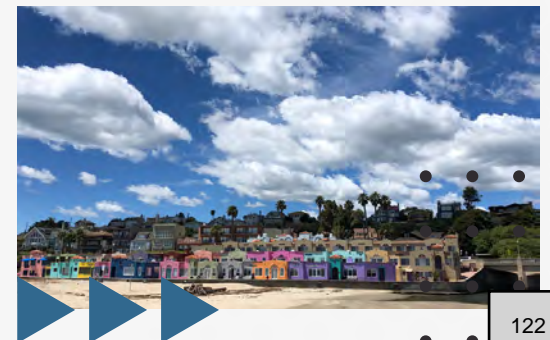
ELIGIBILITY FOR OFFICE

You must be:

- **Capitola resident**
- **Registered voter**
- **18+ years old**

You should be:

- **Passionate**
- **Collaborative**
- **Dedicated to Capitola's future**



RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ORDERING AN ELECTION, REQUESTING THE SANTA CRUZ COUNTY DEPARTMENT OF ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE GENERAL MUNICIPAL ELECTION IN THE CITY OF CAPITOLA ON TUESDAY, NOVEMBER 5, 2024

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any City may by Resolution request the Board of Supervisors of the County to permit the County Elections Official to render specified services to the City relating to the conduct of an election; and

WHEREAS, the Resolution of the governing body of the City shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the City shall reimburse the County in full for the services performed upon presentation of a bill to the City; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional District, Public District, City, County, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

WHEREAS, the Resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the Ordinance, Resolution, or order calling the election; and

WHEREAS, various District, County, State and other political subdivision elections may be or have been called to be held on November 5, 2024; and

WHEREAS, the City Clerk is directed to forward without delay to the Board of Supervisors and to the County Election Department, each a certified copy of this Resolution; and

WHEREAS, the City Clerk shall certify the passage and adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Capitola hereby orders an election be called and consolidated with any and all elections also

called to be held on November 5, 2024, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Capitola and requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Sections 10401, 10403 and 10418.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Capitola acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code section 10418.

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Capitola hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the City Clerk shall (i) publish a notice of elections, including all information required by Elections Code Section 12101; (ii) take necessary actions to ensure the placement of both of the below mentioned vacant City Council seats on the November 5, 2024 ballot; and (iii) coordinate with the County of Santa Cruz and take all necessary actions to oversee and certify the November 5, 2024 election process as required by the Elections Code; and

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form and manner as required by law; and

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters of the County of Santa Cruz. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used; and

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED in all particulars not recited in this resolution, the election shall be held and conducted as provided by State law for holding municipal elections; and

NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department conduct the election for the following offices to be voted on at the November 5, 2024, election:

<u>Seats Open</u>	<u>Office</u>	<u>Term</u>
Two (2)	Member of the City Council	Four (4) Years

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of June, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

RESOLUTION NO. ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF CAPITOLA A MEASURE TO INCREASE THE CITY'S TRANSACTIONS AND USE TAX TO 0.5% AND EXTEND THE SUNSET DATE FOR THE CITY'S TRANSACTIONS AND USE TAX THROUGH DECEMBER 31, 2034 AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024; REQUESTING CONSOLIDATION BY THE SANTA CRUZ COUNTY BOARD OF SUPERVISORS OF THE ELECTION REGARDING SAID MEASURE WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE AND THAT SANTA CRUZ COUNTY PROVIDE ELECTION SERVICES WITH FULL REIMBURSEMENT BY THE CITY OF CAPITOLA; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS; AND AUTHORIZING THE CITY COUNCIL TO SUBMIT ARGUMENT SUPPORTING THE MEASURE AND RELEASING THE REBUTTAL ARGUMENT.

WHEREAS, on November 2, 2004, City of Capitola voters adopted Ordinance No. 880, imposing a one-quarter cent (0.25%) on the dollar transactions and use tax ("Sales Tax") for general purposes, which would expire, or sunset, on June 30, 2010; and

WHEREAS, on November 4, 2008, Capitola voters adopted Ordinance 935, which extended the sunset date of the Sales Tax to December 31, 2017; and

WHEREAS, on November 8, 2016, the Capitola voters adopted Ordinance no. 1008, which again extended the sunset date of the Sales Tax to December 31, 2027; and

WHEREAS, proceeds generated by the Sales Tax are deposited into the City's General Fund and support important City services such as police, fire, and paramedic services; 911 emergency response; emergency street repairs and maintenance; neighborhood park and recreation services; and

WHEREAS, the City's budget forecast indicates a fiscal shortfall due to the impending expiration of the Sales Tax, increased pension liabilities, and the steady erosion of retail sales tax when adjusted for inflation; and

WHEREAS, on April 11, 2024, the City Council directed staff to prepare a ballot measure replacing the existing one-quarter of one cent (0.25%) Sales Tax with a one-half of one cent (0.50%) Sales Tax and further extending authority to collect the Sales Tax for another 10 years; and

WHEREAS, the City Council also desires, on its own motion, to submit to the voters at the November 5, 2024 Statewide Election a question relating to the imposition of a one-half of one cent (0.5%) Sales Tax for general purposes ("Sales Tax Measure"); and

WHEREAS, the proposed, locally enacted Sales Tax Measure is projected to generate approximately \$2.2 million in new General Fund revenue annually; and

WHEREAS, the City will incorporate review of the uses of revenue generated by the Sales Tax Measure into the annual financial audit, conducted by independent certified public accountants, as well as a review by the Finance Advisory Committee and City Council; and

WHEREAS, Revenue and Taxation Code Section 7285.9 authorizes the City Council for the City of Capitola to levy, increase or extend a general Sales Tax if the ordinance proposing the tax is

approved by a two-thirds vote of all members of the City Council, and the tax is approved by a simple majority (50%+1) vote of the qualified voters of the City voting in an election on the issue; and

WHEREAS, a general municipal election consolidated with the statewide primary election to be held on Tuesday, November 5, 2024, has been called and, pursuant to Elections Code Section 9222, the City Council desires to submit the proposed Sales Tax Measure to the qualified electors of the City of Capitola at the consolidated election.

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

Section 1. Compliance with CEQA. The City Council finds and determines that this activity is not a “Project” as defined under Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because it is a financing decision without commitment to a specific project that may result in a potentially significant physical impact on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the actions proposed are not subject to CEQA.

Section 2. Call for Election and Ballot Language. Pursuant to California Elections Code Section 9222, the City Council hereby calls an election at which it shall submit to the qualified voters of the City of Capitola a ballot measure designated by the letter of the Santa Cruz County Registrar of Voters proposing to amend the City of Capitola’s Municipal Code, to appear on the ballot in substantially the following form:

To protect essential city services including public safety and emergency services; repair potholes, maintain streets, sidewalks, bike lanes, beaches, the new wharf, and recreation programs for youth; improve traffic safety; and support local businesses, shall City-of-Capitola replace its quarter-percent sales tax, approved by voters in 2016, with a one-half percent sales tax, generating an estimated \$ 2.2 million annually for general government use, for ten years, with independent audits, and all funds staying local?	YES	
	NO	

This question requires the approval of a majority vote of the City of Capitola voters voting on the Sales Tax Measure at the election to become effective. If the ordinance referenced in Section 3 is so approved by the City of Capitola voters, then the ordinance shall become effective ten (10) days following the date the vote is declared by the City Council.

Section 3. Text of Measure. The proposed Sales Tax Measure submitted to the voters is as attached in Exhibit A to this Resolution, which is incorporated herein by reference. The City Council hereby approves the proposed ordinance, in the form thereof, and its submission to the voters of the City at the November 5, 2024 election. The text of the measure shall be printed in the ballot materials and be available for public inspection in the City Clerk’s office and on the City’s website at www.cityofcapitola.org.

Section 4. Publication of Measure. The City Clerk is hereby directed to cause notice of the measure to be published in accordance with Section 12111 of the California Elections Code.

Section 5. Request to Consolidate and Conduct Election and Canvass Returns.

(a) Pursuant to California Elections Code Section 10400 et seq., the election for this measure shall be consolidated with the established election to be conducted on November 5, 2024. The City Council hereby requests that the Santa Cruz County Board of Supervisors consolidate the election called by this Resolution with the statewide election to be conducted on November 5, 2024 and order the election to be conducted by the Registrar of Voters. The City Council of the City of Capitola acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code section 10418. The City Council recognizes that additional cost will be incurred by the County of Santa Cruz by reason of the consolidation of the election with the Statewide election and agrees to reimburse the County of Santa Cruz for any costs that are not reimbursed by the State, and the City Council hereby authorizes the City Manager to pay the County of Santa Cruz for said services in full. The City Clerk is directed to file a certified copy of this Resolution with the Board of Supervisors of Santa Cruz and the Registrar of Voters of Santa Cruz County on or before August 9, 2024.

(b) The election on the Sales Tax Measure set forth in Section 3 shall be held and conducted, the voters canvassed and the returns made, and the results ascertained and determined as provided herein. The election shall be held in accordance with the Elections Code of the State of California.

(c) The election on the Sales Tax Measure set forth in Section 3 shall be held in Santa Cruz County in the City of Capitola on November 5, 2024, as required by law, and the Board of Supervisors of Santa Cruz County is authorized to canvass the returns of the election with respect to the votes cast in the City of Capitola and certify the results to the City Council of the City of Capitola.

(d) At the next regular meeting of the City Council of the City of Capitola occurring after the returns of the election for the Sales Tax Measure set forth in Section 3 have been canvassed and the results have been certified to the City Council, or at a special meeting called for such purpose if required by law, the City Council shall cause to be entered in its minutes a statement of the results of the election.

Section 6. Submission of Ballot Arguments.

(a) In accordance with California Elections Code §9282, the City Council orders that the City Council is authorized to file a written argument in favor of the Ordinance, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, and to make any revisions to the argument up to the deadline by which it must be filed with the City Clerk.

(b) Arguments in favor and against the measure shall be filed with the City Clerk no later than 5:00 p.m. on August 16, 2024, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

(c) Arguments shall not exceed three hundred (300) words and shall be signed by not more than five (5) persons.

(d) The City Council hereby appoints a subcommittee of the City Council, comprised of Councilmembers _____ and _____, and authorizes said subcommittee to prepare and file the written argument in favor of the proposed measure, on behalf of the City Council, no later than August 16, 2024. Once the argument is lodged with the City Clerk, the City Clerk shall notify other members of the City Council, who may then sign the argument on file, but may not make any revisions thereto.

(d) Pursuant to California Elections Code Section 9285(b), the City Council is hereby adopting provisions for the filing of rebuttal arguments for this measure. Accordingly, when the City Clerk has selected the arguments for and against the measure, which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against it, and copies of the argument against it to the authors of the argument in favor. Rebuttal arguments shall not exceed 250 words and shall be filed no later than 5:00 p.m. on August 23, 2024, accompanied by the printed names and signatures of the persons submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument that it seeks to rebut.

(e) As authorized by California Elections Code §9285, the City Council wishes to authorize the release of the City Council's rebuttal argument to individual voters and thus hereby authorizes each individual member of the City Council to release rebuttal argument in writing to any other person or persons to prepare, submit, or sign the rebuttal argument.

Section 7. Impartial Analysis. In accordance with California Elections Code Section 9280, the City Council directs the City Clerk to transmit a copy of this Measure to the City Attorney, who shall prepare an impartial analysis showing the effect of the measure on the existing law and the operation of the measure. The City Attorney's impartial analysis may not exceed 500 words and shall be filed with the City Clerk no later than 5:00 p.m. on August 16, 2024.

Section 8. Services of City Clerk. The City Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and to cause the ordinance or measure to be printed. A copy of the measure shall be made available to any voter upon request.

Section 9. Severance. Should any section, subsection, clause or provision of this resolution for any reason be held to be invalid, then the remainder of the resolution shall be deemed valid, it being expressly declared that this resolution, and each and every section, subsection, clause and phrase hereof would have been prepared, proposed, approved, adopted and/or ratified even if any other section, subsection, sentence, clause or phrase of this resolution were declared invalid.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of June, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

 Kristen Brown, Mayor

ATTEST:

 Julia Gautho, City Clerk

EXHIBIT A

ORDINANCE NO. __

AN ORDINANCE OF THE CITY OF CAPITOLA AMENDING SECTIONS 3.10.050 AND 3.10.070 OF THE CAPITOLA MUNICIPAL CODE AND AMENDING SECTION 16 OF ORDINANCE 880 TO INCREASE THE TRANSACTION AND USE TAX TO 0.5% OF ONE CENT AND EXTENDING THE TERMINATION DATE OF THE TRANSACTIONS AND USE TAX THROUGH DECEMBER 31, 2034.

WHEREAS, on November 2, 2004, City of Capitola voters adopted Ordinance No. 880, imposing a one-quarter cent (0.25%) on the dollar transactions and use tax (“Sales Tax”) for general purposes, which would expire, or sunset, on June 30, 2010; and

WHEREAS, on November 4, 2008, Capitola voters adopted Ordinance No. 935, which extended the sunset date of the Sales Tax to December 31, 2017; and

WHEREAS, on November 8, 2016, the Capitola voters adopted Ordinance No. 1008, which again extended the sunset date of the Sales Tax to December 31, 2027; and

WHEREAS, proceeds generated by the Sales Tax are deposited into the City’s General Fund and support important City services such as police, fire, and paramedic services; 911 emergency response; emergency street repairs and maintenance; neighborhood park and recreation services; and

WHEREAS, the City’s budget forecast indicates a fiscal shortfall due to the impending expiration of the Sales Tax, increased pension liabilities, and the steady erosion of retail sales tax when adjusted for inflation; and

WHEREAS, as a result of this budget forecast, on April 11, 2024, the City Council directed staff to prepare a ballot measure replacing the existing one-quarter of one cent (0.25%) Sales Tax with a one-half of one cent (0.50%) Sales Tax, and further extending authority to collect the Sales Tax for another 10 years; and

WHEREAS, the City’s budget forecast anticipates budget shortfalls, which would impact the City’s ability to perform its functions and maintain the quality of life in the City of Capitola; and

WHEREAS, additional funding will help maintain the City of Capitola’s financial viability in coming years and improve the city’s local infrastructure, including repairing, paving and maintaining city streets, and maintaining city beaches, including the new Wharf infrastructure and services related thereto; and

WHEREAS, Revenue and Taxation Code Section 7285.9 authorizes the City Council for the City of Capitola to levy, increase or extend a general transactions and use tax if the ordinance proposing the tax is approved by a two-thirds vote of all members of the City Council, and the tax is approved by a simple majority (50%+1) vote of the qualified voters of the City voting in an election on the issue; and

WHEREAS, the City desires to levy an additional one-quarter of one percent (0.25%) Sales Tax for general purposes for a total Sales Tax rate of one-half of one percent (0.50%) for an additional 10 years through December 31, 2034; and

WHEREAS, the amendments proposed by this Measure do not purport to amend the provisions of Capitola Municipal Code Chapter 3.11; and

WHEREAS, if the voters do not adopt the additional 0.25% tax rate, for a total of 0.50%, the City wishes to retain the current 0.25% tax rate, until its sunset date of December 31, 2027.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF CAPITOLA DO ORDAIN AS FOLLOWS:

Section 1. Findings

The People of the City of Capitola find that the above referenced recitals are true, correct, and material to the adoption of this Ordinance.

Section 2. Amend Section 3.10.050 – “Transactions tax rate” of the Capitola Municipal Code. Section 3.10.050 of the Capitola Municipal Code is amended as indicated below, with amended text shown in underlined text, and deleted text shown in ~~strikeout~~ text.

Section 3.10.050 Transactions tax rate.

For the privilege of selling tangible personal property at retail, a tax is imposed upon all retailers in the incorporated territory of the city at the rate of ~~one-quarter~~ one-half of one percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the territory on and after the operative date of the ordinance codified in this chapter.

Section 3. Amend Section 3.10.070 – “Use tax rate” of the Capitola Municipal Code. Section 3.10.070 of the Capitola Municipal Code is amended as indicated below, with amended text shown in underlined text, and deleted text shown in ~~strikeout~~ text.

Section 3.10.070 Use tax rate.

An excise tax is imposed on the storage, use or other consumption in the city of tangible personal property purchased from any retailer on and after the operative date of the ordinance codified in this chapter for storage, use or other consumption in the territory at the rate of ~~one-quarter~~ one-half of one percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 4. Amendment of Ordinance 880 (uncodified). Section 16 of Ordinance 880, as amended by Ordinance Nos. 935 and 1008, is hereby amended to read as follows:

“Section 16. Termination Date. The authority to levy the tax imposed by this ordinance shall expire December 31, 2034.”

Section 5. Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

Section 6. Voter Approval.

This ordinance shall be submitted to the voters at an election to be held on November 5, 2024. Upon approval by a majority of the voters of the City voting on this ordinance, a Transactions and Use Tax shall be authorized.

Section 7. Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 8. Effective Date.

This Ordinance shall take effect ten (10) days after the certification by the City Council of the election returns indicating passage of the Ordinance by a majority of voters casting votes in the election.

Section 9. Codification. Sections 2 and 3 of this ordinance shall be codified in the Capitola Municipal Code.

Section 10. CEQA. For purposes of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), a “project” is defined in State CEQA Guidelines Section 15378 (a) as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment”. The people of the Capitola hereby find that the proposed Ordinance will not result in any change in the environment and thus is not a project subject to the requirements of CEQA. Additionally, the proposed Ordinance involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus the proposed Ordinance is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4). Further, even if the adoption of this Ordinance was deemed to be a project subject to CEQA, the people of the City of Watsonville find the proposed Ordinance is exempt from CEQA under the common sense exemption set forth in Section 15061(b)(3), which provides that CEQA only applies to projects which have the potential for causing a significant effect on the environment, and thus where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

APPROVED (or DENIED) by the following vote of the People of the City of Capitola on November ____, 2024:

_____ YES _____ NO _____ TOTAL VOTES

RESULTS DECLARED by the City Council of the City of Capitola on _____, 2024.

SO ORDERED

ATTEST

Kristen Brown, Mayor

Julia Gautho, City Clerk

Dated: _____

1



NOV. 2024 GENERAL ELECTION



OUTLINE

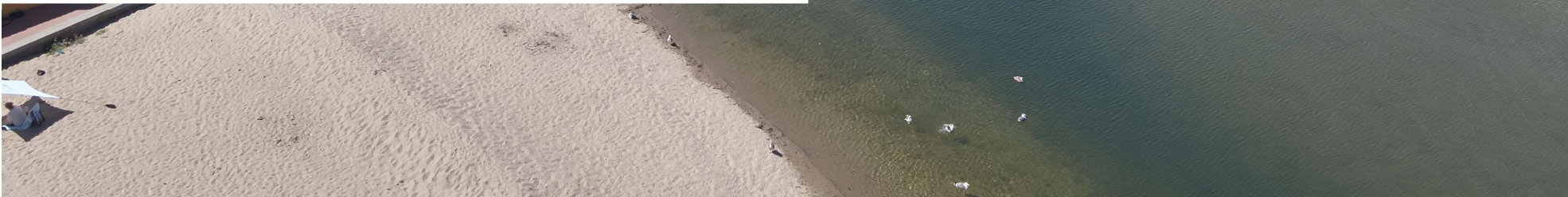
1. General Election Resolution
2. Proposed Ballot Measure Resolution



3



ELECTION REQUIREMENTS





+ **November 5, 2024**

- Chapter 1.30 of Capitola Municipal Code
- Two City Council seats
 - Four-year terms

+ **Resolution**

- Officially calls election
- Consolidates with County
- Requesting the County to conduct the election

HOW TO RUN

- City Clerk works with City Council candidates
- Information provided online, in pamphlet, at Candidate Info Night
- Nomination Period: July 15 – August 9*



RECOMMENDED ACTION

1. Adopt a resolution ordering the 2024 General Municipal Election, requesting Santa Cruz County Department of Elections conduct the election, and requesting consolidation of the General Municipal Election in Capitola on Tuesday, November 5, 2024.





PROPOSED LOCAL SALES TAX MEASURE

BACKGROUND

- Nov. 2023: City Council authorized agreement with EMC Research to conduct polling
- March 2024: Presented polling results, identified voter priorities:
 - Public safety response
 - Maintenance of roads, sidewalks, bike lanes
 - Maintaining beach and new Wharf
 - Recreation programming for youth and supporting local businesses
- Voter support for renewal of existing Measure F tax above threshold



OTHER BALLOT MEASURES

- Regional Clean Water & Wildfire Protection
 - \$87/year per parcel. Until ended by voters
- Central Fire General Obligation Bond
 - Bond Measure: ~\$31 per \$100,000. 30 years.
- Soquel Unified Elementary School District Bond
 - Bond Measure: \$30 per \$100,000. 30 years.



WHY CONSIDER A SALES TAX?



Projected fiscal challenges



Measure F will expire in 2027



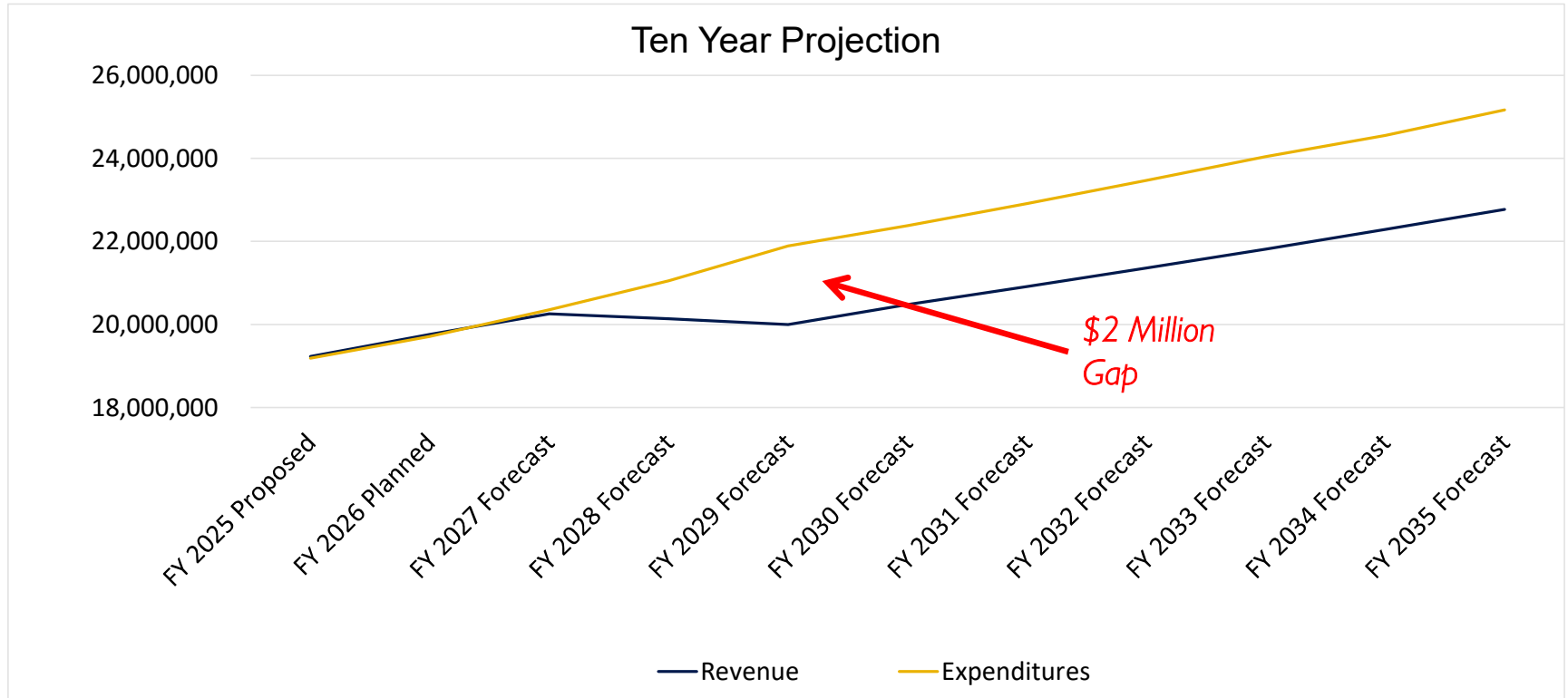
Previous support for tax measures high



Less than 1/3 of all sales tax paid by City residents

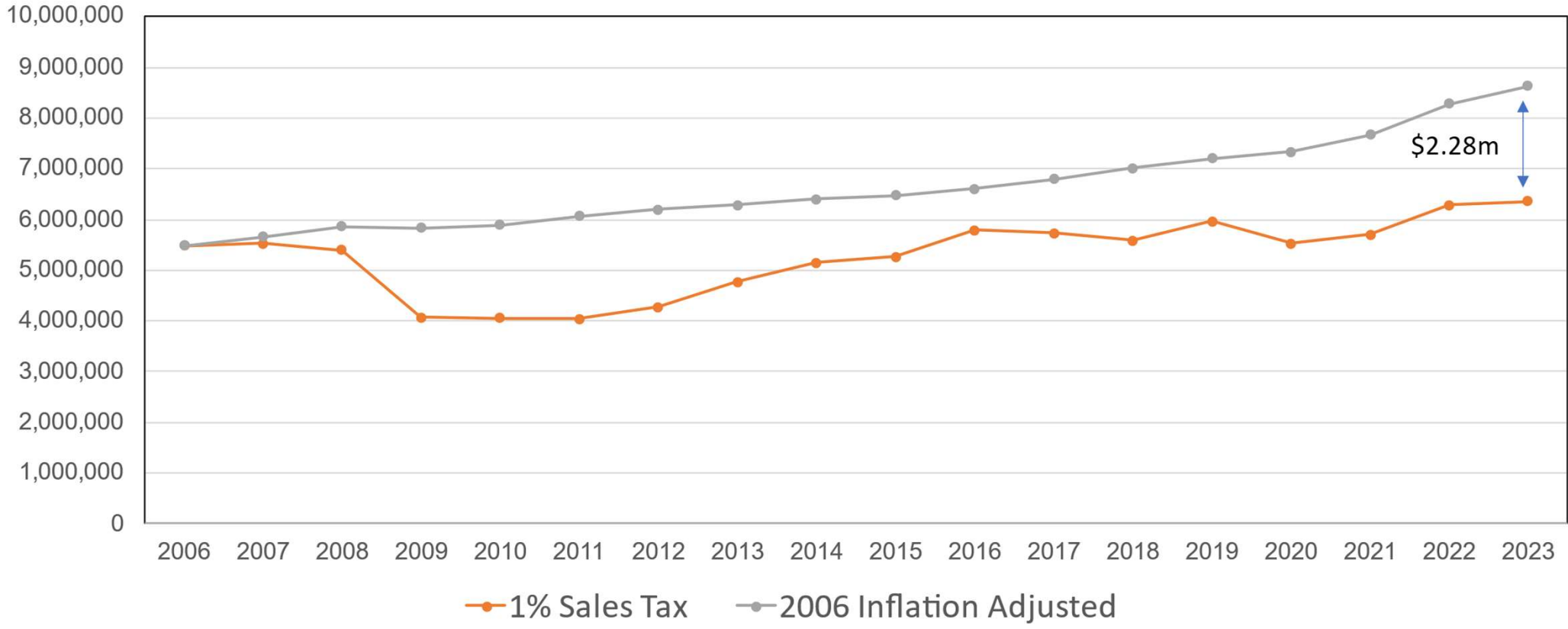


Sales tax is a way to balance tax between visitors and residents



FISCAL PROJECTION

Long Term Sales Tax Trend



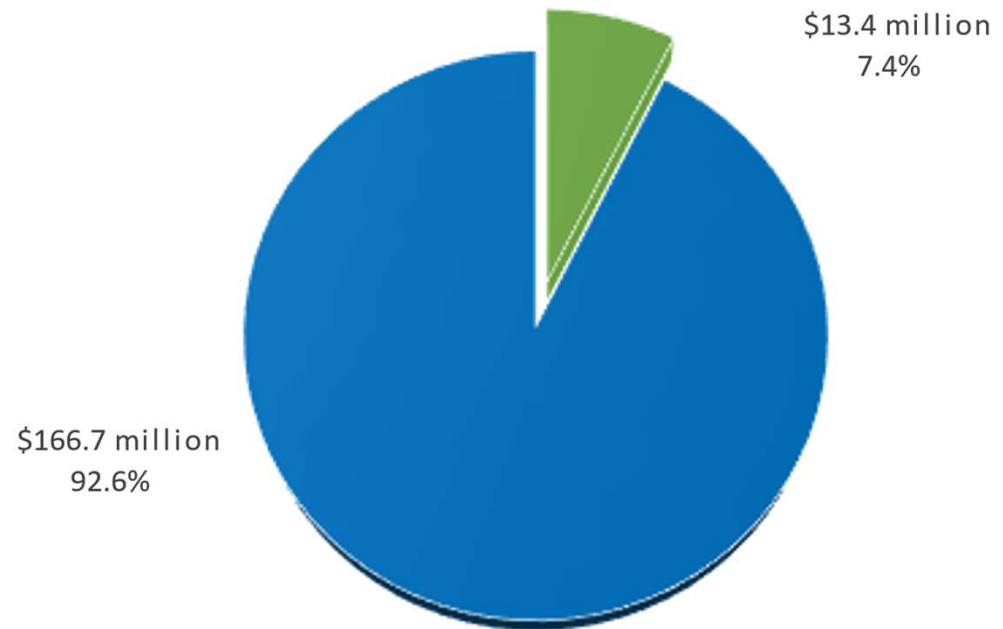
HOW YOUR TAXES ARE SHARED

- 7.5% of property taxes paid by Capitola residents go to the City's budget. Rest goes to State, County, and outside agencies
- 16.5% of sales tax paid in Capitola goes to City
- 0% of income tax

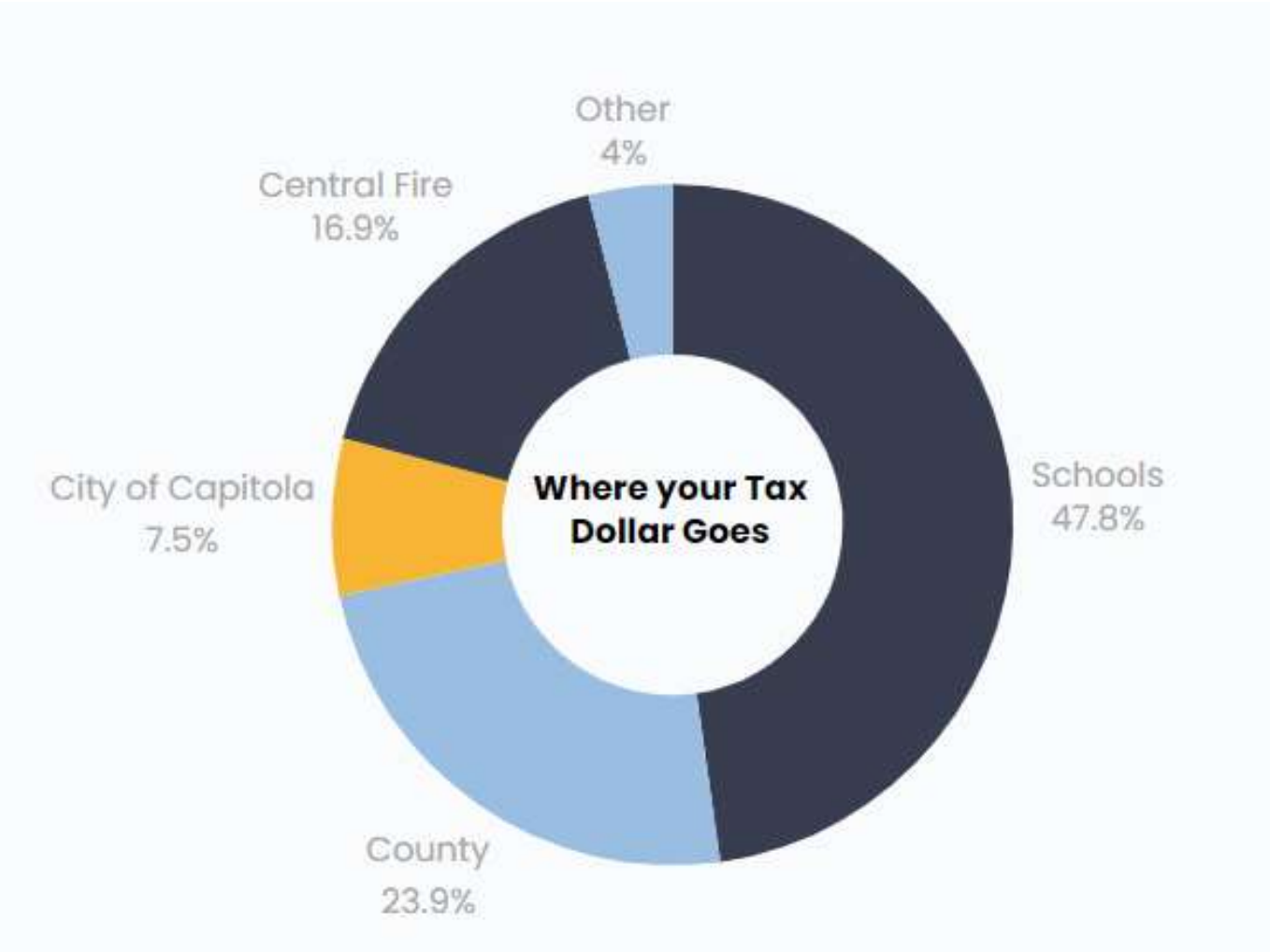
Total Taxes

- Estimated \$180.1 million of total taxes generated within the City
- Capitola only receives approximately 7.4%

Total Taxes \$180.1 million



PROPERTY TAX BREAKDOWN:



LOCAL SALES TAX RATES

As of July 1, sales tax rates in County will be:

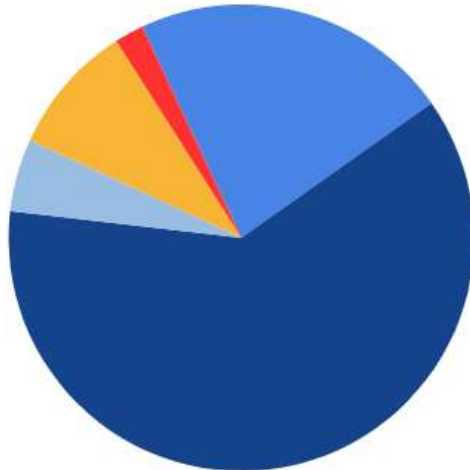
- Santa Cruz: 9.75
- Watsonville: 9.75
- Scotts Valley: 9.75
- Unincorporated SC County: 9.50
- Capitola: 9.00



MEASURE F – STATUS REPORT


As promised, Measure F paid for:

- Wharf
- Flume
- Jetty
- Public Safety



- PUBLIC SAFETY AND EMERGENCY RESPONSE
22% (\$1,321,601)
- WHARF
61% (\$3,595,083)
- JETTY
5% (\$321,381)
- FLUME
9% (\$512,586)
- BEACH LOADER
2% (\$237,557)





Because Measure F projects were completed early, replace Measure F with half-cent tax measure

- Estimated \$2.2 million in revenue

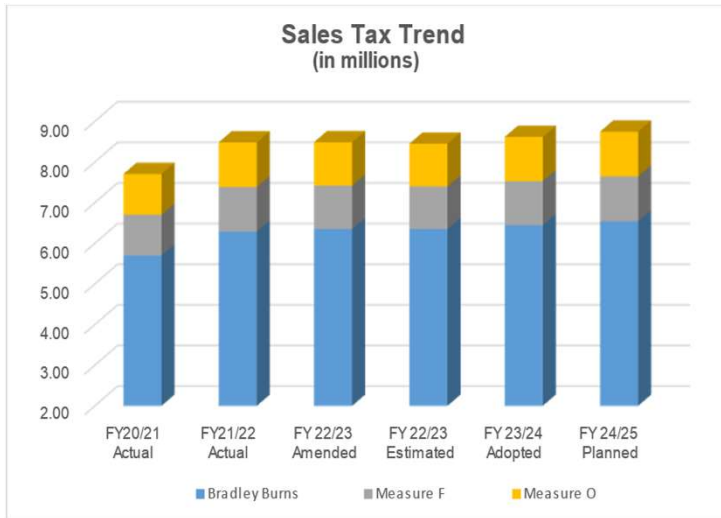


POTENTIAL KEY PROJECTS

1. Up to \$1,000,000 to leverage \$10+ million in Federal Funding to stabilize Cliff Drive and maintain the roadway in the face of continued coastal erosion
2. Funds to implement elements of Bay Avenue corridor study
3. Pavement management



REVENUE OVERSIGHT



Revenue and expenditures will be reviewed by:

- Annual Audit (conducted by independent auditors)
- Annually reviewed by FAC
- Annually reviewed by City Council

PROPOSED BALLOT LANGUAGE

To protect essential city services including public safety and emergency services; repair potholes, maintain streets, sidewalks, bike lanes, beaches, the new wharf, and recreation programs for youth; improve traffic safety; and support local businesses, shall City-of-Capitola replace its quarter-percent sales tax, approved by voters in 2016, with a one-half percent sales tax, generating an estimated \$2.2 million annually for general government use, for ten years, with independent audits, and all funds staying local?

21

RECOMMENDED ACTION

Adopt a resolution submitting a ballot measure to Capitola voters to increase the City's transactions and use tax through December 31, 2034 at the General Municipal Election to be held on Tuesday, November 5, 2024, requesting consolidation by the Santa Cruz County Board of Supervisors of the election regarding said measure with the Statewide General Election to be held on the same date and that Santa Cruz County provide election services with full reimbursement by the City of Capitola, directing the City Attorney to prepare an impartial analysis, authorizing the City Council to appoint two City Council Members to a subcommittee to submit an argument supporting the Measure, and releasing the rebuttal argument.



COMPONENTS OF RECOMMENDATION

1. Submit ballot measure to Capitola voters to increase City's sales tax through 2034 on November 2024 election
2. Consolidate measure with General Election
3. Pay County for our share of election
4. Direct City Attorney to prepare an impartial analysis
5. Appoint two City Council Members to a sub-committee to submit argument supporting Measure
6. Allow community members opportunity to file potential rebuttal argument



Capitola City Council

Agenda Report

Meeting: June 23, 2024

From: Police Department

Subject: VDUBlicious Car Show



Recommended Action: Approve or deny a request for a new Major Special Event Permit from the VDUBlicious Car Club requesting to host a car show in the Capitola Village on August 10, 2024, from 7:00 am to 5:00 pm.

Background: In March 2024, the Capitola Police Department was approached by the VDUBlicious Car Club to host a one-day car show in the Capitola Village to display 200 vintage Volkswagens, as well as host three local non-profits (Second Harvest Food Bank of Santa Cruz County, Tim Brauch Foundation, and the Veterans Surf Alliance). This group held their first annual car show on Santa Cruz Wharf. The proposed event will be open to the public.

Special events are divided into two categories: major special events and minor special events. Major special events are those with more than 200 attendees or notable impacts on City services or a neighborhood. Minor special events are activities with fewer than 200 people and limited impacts. Minor special events can be approved by the City Manager, while all applications for new general special events must be presented to the City Council for review and consideration.

The City Council has the discretion to request a review of any special event if there is an identifiable concern related to past events.

This report and presentation aim to review the request made by the event organizer, Chris Kremer, identify any issues, and determine if any additional review should be required. The City Council may direct staff to issue a new special event permit to the event organizers if no concerns are identified.

Discussion: This event would require the posting of “no parking” signs on August 7, 2024, at 7:00 am for the entire Esplanade and 200 Capitola Avenue to 200 San Jose Avenue. The Swenson parking lot, located at 120 Monterey Avenue, will not be accessible from 7:00 am to 5:00 pm on August 10, 2024. The event coordinator has made contact with the Swenson management group and gained their approval to limit public access to their lot. The event organizers also coordinated with the Capitola Mercantile to close their lot to the public for the duration of the event.

The following roads will be closed to vehicular traffic on August 10, 2024, from 6:00 am to 5:00 pm.

- Stockton Avenue/Esplanade
- Monterey Avenue/Capitola Avenue
- San Jose Avenue/Capitola Avenue

The event organizer would manage the parking and access for the Vintage Volkswagen club members and the Capitola Police Department would assist with the placement of the bollards for pedestrian safety.

The event benefit organizer has requested to erect four 10x10 canopies within the event and the use of the bandstand for live music and announcements. The City currently has nine Major Special Events and 26 Minor Events planned for this calendar year. Summer weekends tend to be heavily congested time periods in the Capitola Village. The Police Department and Public Works staffing are impacted by all major events to support public safety.

Fiscal Impact: Estimated parking revenue loss for the Capitola Esplanade, including San Jose Avenue on August 7, 2024, from 0700 am to 5:00 pm. is approximately \$4,000.

Attachments:

1. Major Special Event Permit Application
2. Amplified Sound Permit Application
3. Map of Proposed Vehicle Staging and Road Closures

Report Prepared By: Sarah Ryan, Administrative Captain

Reviewed By: Julia Gautho, City Clerk, Andy Dally, Chief, Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager



Item 9 C.

422 CAPITOLA AVENUE
 CAPITOLA, CALIFORNIA 95010
 TELEPHONE (831) 475-4242
 FAX (831) 479-8881

MAJOR SPECIAL EVENT PERMIT APPLICATION

Application fee of \$68 must be submitted with this completed application

Applicant Information:

Name of Applicant: Chris kremer
 Address: 1166 Hacienda Dr City Gilroy State Ca Zip 95020
 Phone #: 4088438227 Email: info@vdublicious.com

Organization Information:

Company Name: VDUBlicious
 Address: 1166 Hacienda Dt City Gilroy State ca Zip 95020
 Phone #: 4088438227 Nonprofit ID: 88-4085369
 Website: VDUBlicious.com

Event Information:

Athletic Competition Parade Festival Water/Surf Other: car meet

Event Name: <u>VDUBs inthe Village</u>					
Event Date: <u>Aug 10th</u>			Event Date:		
	Start Time	End Time		Start Time	End Time
Setup	7am	9:30am	Setup		
Open to Public	9:30am	3pm	Open to Public		
Breakdown	3pm	4pm	Breakdown		

Event Location: capitola village Anticipated Attendance: 200

Event Description:

Vintage Volkswagen car meet. 200 Volkswagens on display along with 3 local non profits in attendance
Second Harvest food bank of Santa Cruz County, Tim Brauch Foundation, the Veterans Surf Alliance

Name of Onsite Event Coordinator During Event: Chris kremer

Phone #: 4088438227 Email: info@vdublicious.com

1.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Has this event been held before? Number of years? yes but not in capitola
2.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Is this a charitable fundraiser? For what cause? we work with 3 non profit
3.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will participant registration fees be charged? Registration fee amount?
4.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be selling merchandise? Type of merchandise?
5.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will alcohol be sold or served? <input type="checkbox"/> Beer <input type="checkbox"/> Wine <input type="checkbox"/> Alcohol Note: ABC Permit will be required. Applicant will coordinate with Capitola Police Department.
6.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will food be sold or served? <input type="checkbox"/> Pre-packaged <input type="checkbox"/> Food Trucks <input type="checkbox"/> Other Note: Food service may need to be approved by the County Health Department.
7.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be cooking onsite? <input type="checkbox"/> Wood/Charcoal BBQ <input type="checkbox"/> Liquid Fuel Device
8.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will any generators be used? Location:
9.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will banners/signs be used? Note: Applicant must complete an Over-the-Street Banner Application.
10.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will canopies be used? Quantity? 4 Type? 10x10 tents booth
11.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be setting up a stage? Details (W x L x H):
12.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will you be using the Capitola Bandstand? Note: Describe use information on page # 4. Separate fees to be paid by applicant.
13.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will reserved parking be requested? Number of Spaces? 200 Note: <ul style="list-style-type: none"> • Document parking locations on page # 4. Separate parking fees to be paid by applicant. • "No Parking" signs must be posted seventy-two (72) hours prior to your event start time. • See <i>Guidelines for "No Parking" Signage and Towing During Special Events</i> document for specific public notification and posting requirements.
14.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will a street closure be requested? Note: <ul style="list-style-type: none"> • Specify street names and closure times on page # 4. • "No Parking" signs must be posted seventy-two (72) hours prior to your event start time. • See <i>Guidelines for "No Parking" Signage and Towing During Special Events</i> document for specific public notification and posting requirements.
15.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Do you anticipate any police needs? Note: <ul style="list-style-type: none"> • Describe police needs on page # 4. • Some events will be required to have Capitola Police Department Officers assigned and paid for at appropriate rates by applicant.
16.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Do you anticipate any lifeguard/first aid needs? Note: <ul style="list-style-type: none"> • Describe lifeguard/first aid needs on page # 5. • Some events will be required to have City of Capitola Lifeguards assigned and paid for at appropriate rates by applicant.
17.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you be using private security? Security Company Name:
18.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will you have portable toilet facilities? Note: <ul style="list-style-type: none"> • Describe toilet facilities plan on page # 5. • One (1) portable restroom per every 100 people with 10% being ADA Compliant is required.
19.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Do you have a garbage/recycling plan? Describe garbage/recycling plan on page # 5.

Amplified Sound Information:

Item 9 C.

1.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Will sound amplification be used? Note: Applicant must complete an Amplified Sound Permit Application. Separate fee to be paid by applicant.
2.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Have you read, considered, and agree to abide by the rules and regulations for sound amplification?
Type of Amplified Sound			<input type="checkbox"/> PA Speaker System for Announcements Only <input type="checkbox"/> PA Speaker System for Announcements and Music <input type="checkbox"/> Professional Sound System for Music <input checked="" type="checkbox"/> Professional Sound System for Live Music/Band
Live Music/Band Info			Name of Band: possibly Santa Cruda and Dub Souljah Type of Music: reggae/ other Will sound checks be conducted prior to the event? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, date(s) and time(s):
3.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Will fireworks, rockets or other pyrotechnics be used?
			Pyrotechnics Company Name: Pyrotechnics Company Address:

AGREEMENT AND SUBMITTAL INFORMATION

There are no refunds for cancelled events. A completed application package, with associated forms, are required for permit consideration. Completed applications include:

- Application Form(s)
- Detailed Plans with Timelines
- Diagram of Event Layout and Set-Up Location(s) (including location markers)
- Security and Public Safety Plan
- Certificate of Insurance
- Non-Refundable Application Fee(s)

By signing below, I declare, under penalty of perjury, that I am the authorized representative of the organization listed on this application and that the information contained in the foregoing application is true and correct to the best of my knowledge and understanding.

Name of Applicant: Chris kremer

Signature of Applicant:  Date: 04/29/2024

Completed application, supporting documents and fee(s) should be submitted to the Special Event Coordinator. Checks should be made payable to the City of Capitola. Visa and MasterCard payments are accepted in person only.

Capitola Police Department
Attn: Esmeralda Gonzalez
 422 Capitola Avenue
 Capitola, CA 95010
 (831) 475-4242

Bandstand Use Information:

Item 9 C.

We are working to have local bands play music during the event. So far we have reached out to Sant Cruda and Dub Souljah. Both bands are very excited to have an opportunity to play at the event

Reserved Parking Information:

We would like to reserve the 200 or so spots available in the village area

Street Closure Information:

The esplanade at the corner of esplanade and Stockton ave up Monterey ave to the intersection at capitola ave

Police Needs:

none needed

Lifeguard/First Aid Needs:

Item 9 C.

none needed

Toilet Facilities Plan:

none needed

Garbage/Recycling Plan:

none needed

Other Pertinent Information Not Listed on Application:

We are a Northern California non-profit organization and we are Volkswagen car enthusiasts. Last year on October 7th we held our first annual car show on the Santa Cruz Wharf. This car show was a great success and we are hoping to bring the same enthusiasm to Capitola Village. The show would be open to the public to enjoy vintage Volkswagen, also we encourage everyone to support local businesses.

We plan to host our three non-profits, The Veterans Surf Alliance, Santa Cruz Second Harvest Food Bank and The Tim Brauch Foundation. All donations collected will support their efforts throughout Santa Cruz County.

Our Mission Statement is -
Building friendships and memories through past, present and future generations by bringing communities together through the love of the Volkswagen culture.
We would like to continue to make this an annual event.



422 CAPITOLA AVENUE
CAPITOLA, CALIFORNIA 95010
TELEPHONE (831) 475-4242
FAX (831) 479-8881

AMPLIFIED SOUND PERMIT APPLICATION

Application fee of \$32 must be submitted with this completed application

Applicant Information:

Name of Applicant: Chris Kremer
Address: 1166 Hacienda Dr City Gilroy State Ca Zip 95020
Phone #: 4088438227 Email: info@vdublicious.com

Organization Information, if applicable:

Company Name: VDUBlicious
Address: 1166 Hacienda Dr City Gilroy State Ca Zip 95020
Phone #: 4088438227 Nonprofit ID: 88-4085369
Website: http://www.vdublicious.com

Name of Onsite Event Coordinator During Event: Chris Kremer
Phone #: 4088438227 Email: kremer2123@gmail.com

Event Information:

Event Name: Vdubs in the Village Type of Event: Vintage Volkswagen car meet
Date(s) of Event: August 10th 2024 Hours of Event: 7am - 4pm
Event Location: capitola village area Anticipated Attendance: 200

Type of Amplified Sound:

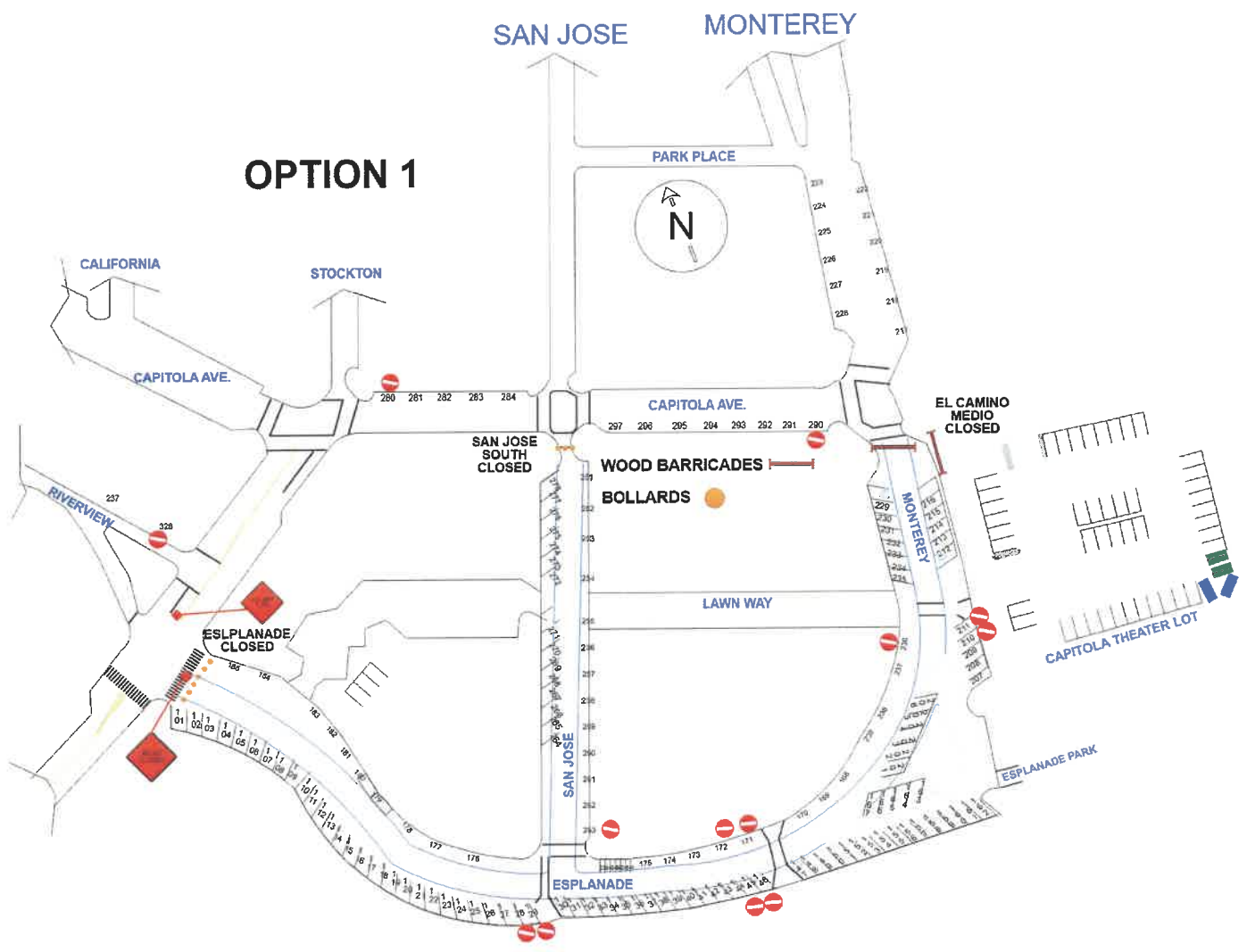
- PA Speaker for Announcement Only PA Speaker for Announcements and Music
 Professional Sound System for Music Professional Sound System for Live Music/Band

Live Music/Band Name: possibly Santa Cruda and Dub Souljah
Type of Music: reggae

Signature of Applicant:  Date: 4/29/2024

Approved By: _____, Chief of Police Date: _____

Approved By: _____, CCD Director Date: _____



Sarah Ryan, Police
Administrative Captain

MAJOR SPECIAL EVENT APPLICATION- VDUBLICIOUS

Background

- In March 2024, council adopted an ordinance amending Special Event application and approval process.
- Police department received an application in March from Vdubilicious Car Club for a special event in Village on August 10, 2024.
- Event qualifies as a “major event” per our updated Special Event threshold.

Major SE > 200 attendees and impacts on city services

Event Application

- August 10, 2024, from 6:00 AM to 5:00 PM
 - Following roads proposed to be closed
 - Stockton Avenue/Esplanade
 - Monterey Avenue/Capitola Avenue
 - San Jose Avenue/Capitola Avenue
 - Use of Bandstand for amplified music and event announcements
-

Impacts to the City

- Police Department staffing impacts
 - Public Works staffing impacts
 - Loss of parking revenue for the village
 - Parking impacts to village residents and employees
-

“No Parking” Sign Postage

Signs must be posted by 0500 hours on Wednesday, August 7th at 6:00 AM

“No Parking” Sign Posting	Hours	Hourly Rate	Total
Parking Enforcement Officer	4	\$59.00	\$236.00
Parking Enforcement Officer	4	\$59.00	\$236.00

Patrol Staffing 5:00 AM to 5:00 PM

Event Staff	Hours	Hourly Rate	Total
Sergeant	12	\$129.00	\$1,548.00
Police Officer 1	12	\$106.00	\$1,272.00
Police Officer 2	12	\$106.00	\$1,272.00

9 Major Special Events

- February Surfer's Path 10k/5k
- Capitola Art & Wine Festival
- May Surfer's Path Half Marathon
- Capitola Beach Festival
- Capitola Custom Classic Car Show
- Women on Waves
- Wharf to Wharf
- October Surfer's Path Wahine 10k/6k
- Oktoberfest



26 Minor Special Events

- Village Sip and Stroll (3 total)
 - California Coast Classic Ride
 - Operation Surf
 - Veteran Surf Alliance Paddle Out
 - Fill the Boot for Muscular Dystrophy
 - Halloween Parade
 - Skate-Tola
 - Surfing Santa
 - Walk for Angelman's Syndrome
 - Food Truck Fridays Event at Monterey Park
 - First Responder's Surf Contest
 - AIDS/Lifecycle Bicycle Ride
-

Recommended Action

- Approve or deny a request for a new Major Special Event permit from the VDublicious Car Club requesting to host a car show in the Capitola Village on August 10, 2024 from 7:00 am to 5:00 pm.
-

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: Public Works Department

Subject: Cliff Drive Resiliency Project



Recommended Action: Receive a progress report on the Cliff Drive Resiliency Project and provide feedback on design alternatives.

Background: Cliff Drive serves as a crucial transportation link between Capitola Village and Santa Cruz County. The road runs along steep bluffs that overlook the Pacific Ocean, making it exceptionally vulnerable to erosion. The scenic nature of Cliff Drive not only supports local transportation but also enhances tourism and community access to the coast.

Cliff Drive's history is rooted in the development of the Santa Cruz Railroad in 1876 and subsequent infrastructure improvements, such as the construction of the Stockton Bridge in 1934. Erosion concerns have been noted since the 1960s, leading to initial protective measures like rock slope protection. Despite these efforts, erosion remains a persistent challenge, with significant events occurring in the 1990s and most recently during the winter of 2022-2023, which severely undermined existing protections like the soil nail wall installed in 1997.

City staff secured Federal Emergency Relief Funding to repair Cliff Drive's damaged bluff within the City's right of way. The project must be ready for a construction funding request by September 2025. Additionally, the City received \$450,000 from the California Coastal Commission for an alternatives analysis. On October 12, 2023, the City contracted CSW/ST2 for design services for the Cliff Drive Resiliency Project. Since then, staff has worked closely with CSW/ST2 to develop the project, guided by the following principles.

Mission Statement: Cliff Drive improvements will serve the mobility needs of all users equitably, maintain access for future generations despite the impact of sea level rise and increasing storm intensities, seek to reduce traffic impacts to the Jewel Box neighborhood, and safeguard environmental resources.

Goals:

1. Provide safe access for all users to and from the coastline.
2. Conform to regional transportation goals.
3. Protect the roadway from erosion under various sea level rise scenarios.
4. Ensure construction feasibility with minimal temporary impact.
5. Protect environmental and cultural resources.
6. Optimize life-cycle cost.
7. Simplify permitting complexity

Staff is in the process of finalizing a feasibility report. The purpose of this staff report is to provide the City Council with a detailed overview of the Cliff Drive Resiliency Project, confirm the approach to various project options, and seek input to move forward with the next steps in the evaluation process to determine the preferred option.

Discussion: The feasibility analysis reviews existing conditions and the basis of design to develop project strategies and identify alternatives.

Existing and Environmental Conditions:

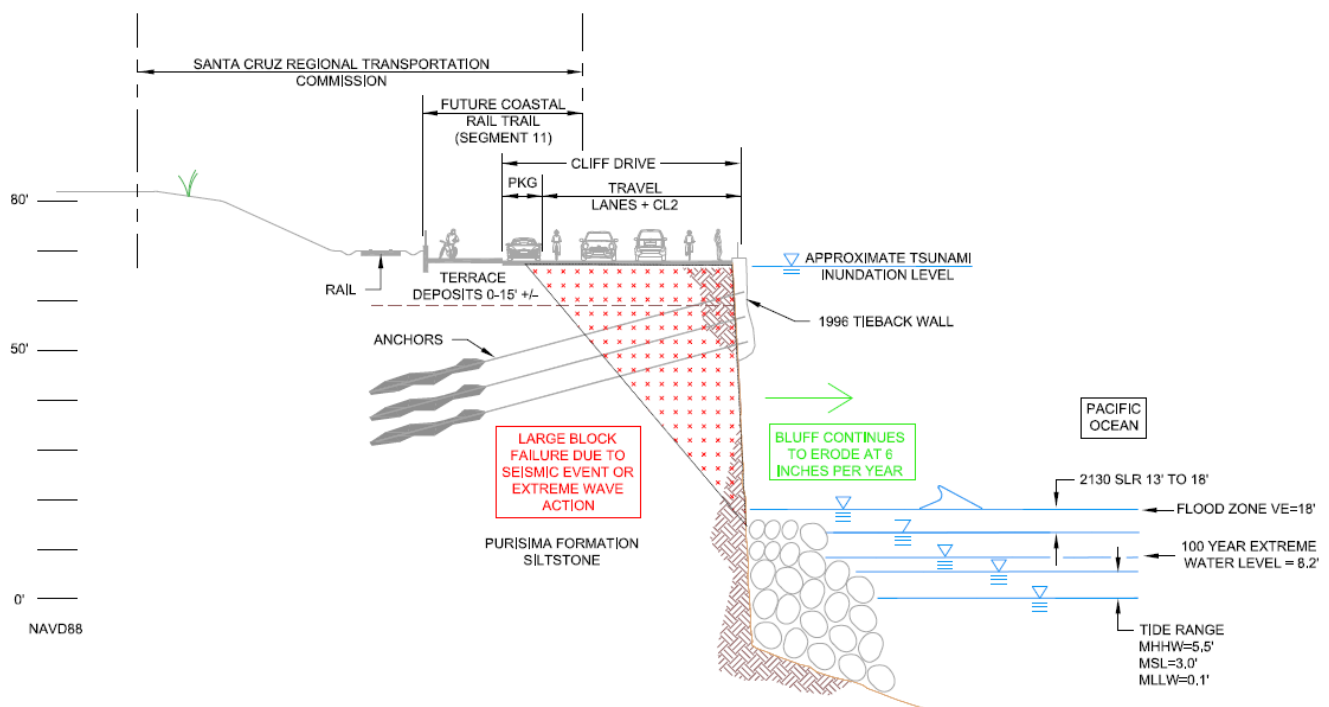
- Geological Composition: Erosion rates vary from 0.3 to 1.3 feet per year.
- Traffic and Infrastructure: Cliff Drive is a two-lane street with asphalt paving, including Class 2 bicycle lanes.
- Hydrological Factors: The area is classified as being within a Tsunami Hazard Area. Projected sea level rise estimates indicate potential elevations of 3.1 to 6.6 feet by 2100, impacting bluff erosion rates and infrastructure vulnerability.
- Sand Supply: Sand supply dynamics are influenced by wave action, local erosion rates, and sediment contributions from rivers and dredging activities.
- Cultural and Biological Resources: Environmental assessments are ongoing to identify and mitigate impacts on local flora, fauna, and cultural heritage, ensuring compliance with CEQA and the National Historic Preservation Act.

Basis of Design:

- Roadway Standards: Enhancing Cliff Drive to align with “Complete Streets” principles involves developing Class IV protected bicycle lanes, which require a width of 38 feet. Additionally, there is consideration for a multi-use walkway on the bluff side of the roadway that serves both pedestrians and bicyclists, accommodating diverse transportation needs.
- Expected Life of Facility: Given Cliff Drive's vulnerability to bluff erosion exacerbated by sea level rise, ensuring a service life of 100 years is crucial for maintaining continuous transportation access. Phased adaptation strategies based on triggers such as time, sea level rise, or bluff recession are recommended.
-

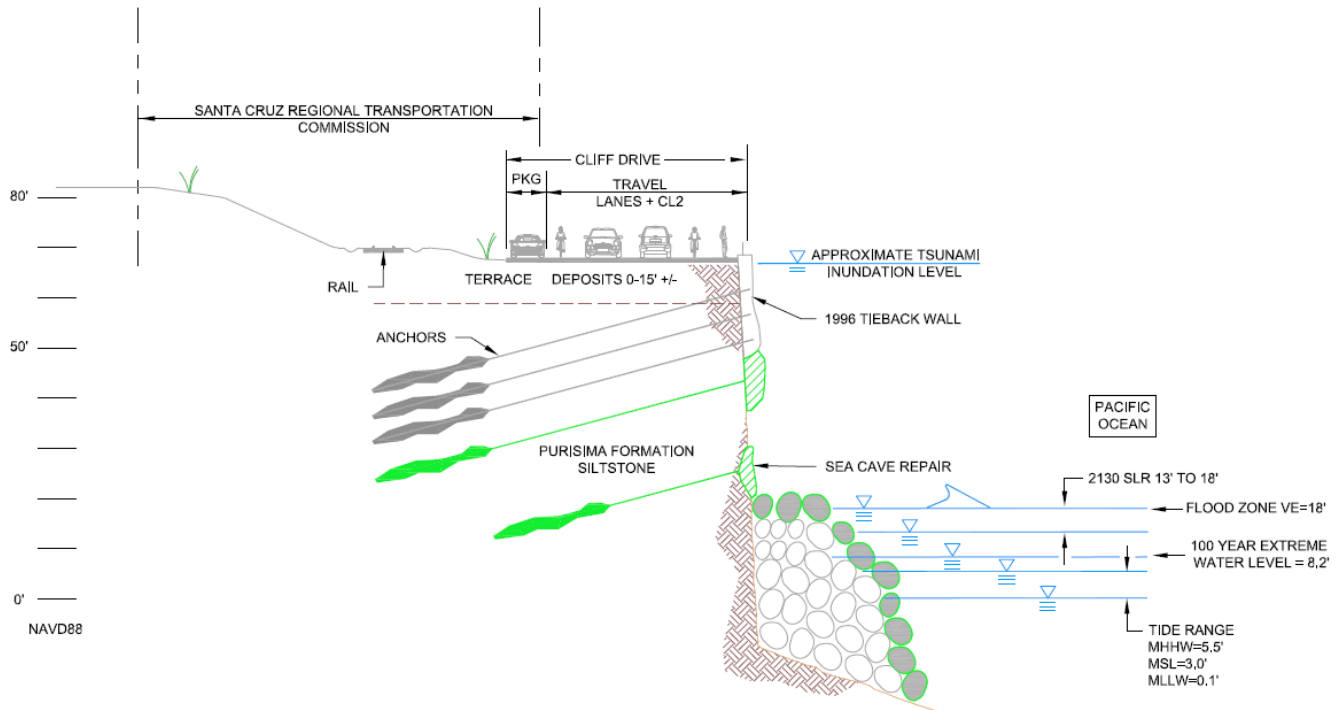
Project Strategies and Alternatives Considered:

- Strategy 1: Managed Retreat
 - Alternative 1: Do Nothing: No action to mitigate erosion and bluff instability. Continued bluff erosion will lead to episodic failures and potential closure of Cliff Drive, requiring traffic to be redirected to inland routes.



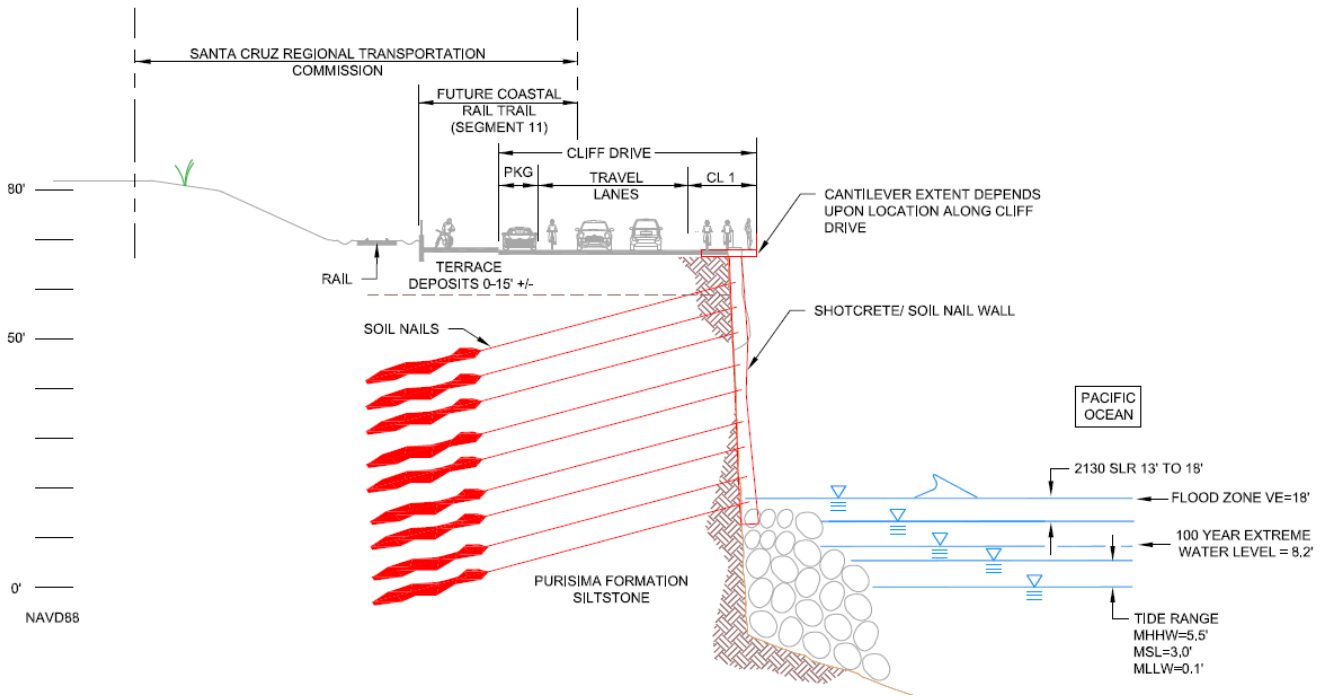
- Strategy 2: Adapting to Sea Level Rise

- Alternative 2: Adapt: Short-term adaptive measures with provisions for future structural changes. Additional rock slope protection, repair of sea caves with concrete facing, and potential future installation of a secant pile structure to create a barrier. A long-term alternative could involve reconfiguration of Cliff Drive to a one-way westbound street.



- Strategy 3: Protecting the Bluff

- Alternative 3: Protect: Maintaining Cliff Drive in its current location, enhancing it as a complete street. Installation of a full-faced soil nail wall, rock slope protection, development of a Class 1 multi-use trail, and conversion of existing parking to parallel parking with accessible stalls. Creation of new overlooks and improved access points.



A decision matrix has been used to objectively evaluate each alternative based on criteria such as safety, regional transportation goals, erosion protection, construction feasibility, environmental impact, cost, and permitting complexity.

	Option 1 Do Nothing	Option 2 Adapt	Option 3 Protect
Service Life	Marginal/ Negligible		
Capital Cost	\$0		
Life Cycle Cost			
Coastal Access	No change or loss		
Traffic Impact			No change

Although the analysis suggests Alternative 3 (Protect) as a strong candidate, the final decision will be made after completing further analysis and stakeholder consultation.

Community and Stakeholder Outreach:

- On Tuesday, February 27, 2024, the City held a community meeting at the Capitola Community Center to review the Cliff Drive Resiliency project based on the above preliminary information. Roughly 20 residents attended, discussing potential solutions such as protecting the bluff, closing Cliff Drive, and hybrid solutions converting it to a one-way street.
- Feedback Summary:
 - Strong preference for retaining two-way automobile travel.
 - Emphasis on quickly advancing the process.
 - Concerns about shifting traffic into adjacent neighborhoods.

- Interest in improving bicycle and pedestrian infrastructure due to expected increases in trips.

Next Steps:

The immediate next steps consist of finalizing the evaluation of each alternative using the decision matrix analysis and stakeholder feedback. This comprehensive analysis will help us determine the preferred option for the Cliff Drive Resiliency Project. Staff will continue with public outreach efforts to solicit input from residents, businesses, and other stakeholders, ensuring that the final decision reflects the community's needs. During the development of the preferred option, staff will further develop other design elements such as long-term resilience plans for Hoopers stairs and informal evacuation paths.

Future Tasks – September 2024 to September 2025:

- LCP Amendment Related to Coastal Access: Update the Local Coastal Program (LCP) to align with proposed changes to coastal access and infrastructure, ensuring compliance with local regulations.
- Finalize Preliminary Engineering for the Preferred Option.
- CEQA IS/MND.
- Permitting.
- Final Design: To be completed within the required timeframe to request FHWA construction funding.

Fiscal Impact: The City was awarded federal ER funding amounting to \$839,408 for professional engineering and environmental services, of which 88.53% (\$743,127) will be reimbursed by FHWA/Caltrans LA, and 11.47% (\$96,281) will be supported by a City match. The City match must be non-federal funding, which can be covered by the \$450,000 grant from the Coastal Commission, resulting in a total project budget of \$1.2 million.

The current available funding for the capital construction of this project is approximately \$8.4 million, which will also be reimbursed at a rate of 88.53% with federal funding, requiring a City match of approximately \$96,000.

Staff continues to seek additional funding for the project in the form of grants and other sources.

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager



Cliff Drive Resiliency Planning

June 27, 2024

Presentation Overview

- 1 Background
- 2 Summary of Existing Conditions
- 3 Summary of Outreach
- 4 Options Under Consideration
- 5 Next Steps

An aerial photograph showing a residential neighborhood with numerous houses and streets. A road runs horizontally across the middle of the image. Below the road, there is a body of water, possibly a lake or a large pond, with a concrete structure extending into it from the right side. The image is faded and serves as a background for the text.

Background



Localized erosion,
lower parking lot

Localized erosion,
upper parking lot

Background

Federal ER funding awarded

- Design
 - FHWA/Caltrans LA reimbursement: \$743,000
 - Coastal Commission grant: \$450,000
- Construction Funding
 - FHWA/Caltrans LA reimbursement: \$8M
 - Required Match \$960,000
 - Seeking Additional Funding

October 2023

- Professional Services Agreement with CSW/ST2

Phase 1 - Alternatives

- Existing conditions, opportunities, and constraints
- Community and stakeholder outreach
- Project alternatives

Cliff Drive Study Area



An aerial photograph of a residential neighborhood. The houses are arranged in a grid-like pattern with streets. A road with a median runs horizontally across the middle. Below the road, there is a body of water, possibly a canal or a bay, with a concrete structure extending into it. The overall scene is in grayscale, with the text overlaid in a dark color.

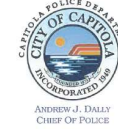
Summary of Existing Conditions

Existing Conditions



Existing Conditions





422 CAPITOLA AVENUE
CAPITOLA, CALIFORNIA 95010
TELEPHONE (831) 475-4242
FAX (831) 479-8881

ANDREW J. DALLY
CHIEF OF POLICE

January 9, 2024

Existing Conditions

Dear Director Kahn,

I am writing to express my concerns regarding the potential impacts on emergency response that may arise from any proposed closure of Cliff Drive. Cliff Drive serves as a vital emergency access route to the west side of our jurisdiction and the Pleasure Point community. Any permanent disruption to its accessibility could have serious consequences for our response time for emergency services.

Emergency response times are critical in ensuring the safety and well-being of our community members. In my opinion, Cliff Drive is an established emergency access route, and its removal will raise several concerns that need careful consideration before implementing any change. Any closure of Cliff Drive will likely lead to prolonged response times for emergency services, which could jeopardize lives and property in our community. Additionally, alternative routes will not provide the same level of efficiency and accessibility, further exacerbating the challenges faced by our emergency responders.

Cliff Drive has long served as a crucial artery for emergency vehicles to access the west side of our jurisdiction. Closing it may impede the swift and efficient response of emergency services. Rapid response times are essential in emergency situations, and any delay caused by the closure of Cliff Drive could have severe consequences for the safety and well-being of our community members.

I submit this information for your consideration and my hope is you take the necessary steps to ensure that any decision made regarding the closure of Cliff Drive prioritizes the safety and emergency response capabilities of our community.

Thank you for your attention to this matter, and I look forward to hearing about the steps being taken to address these concerns.

Sincerely,

Andrew Dally, Chief of Police



Central Fire District of Santa Cruz County

930 17th Avenue • Santa Cruz, CA 95062 • (831) 479-6842 • www.centralfiresc.org

January 9, 2024

Dear Director Kahn,

I am writing to express my concerns regarding the potential impacts on emergency response that may arise from any proposed closure of Cliff Drive. Cliff Drive serves as a vital emergency access route to the west side of Capitola and the Pleasure Point community. Any permanent disruption to its accessibility could have serious consequences for our response time for emergency services.

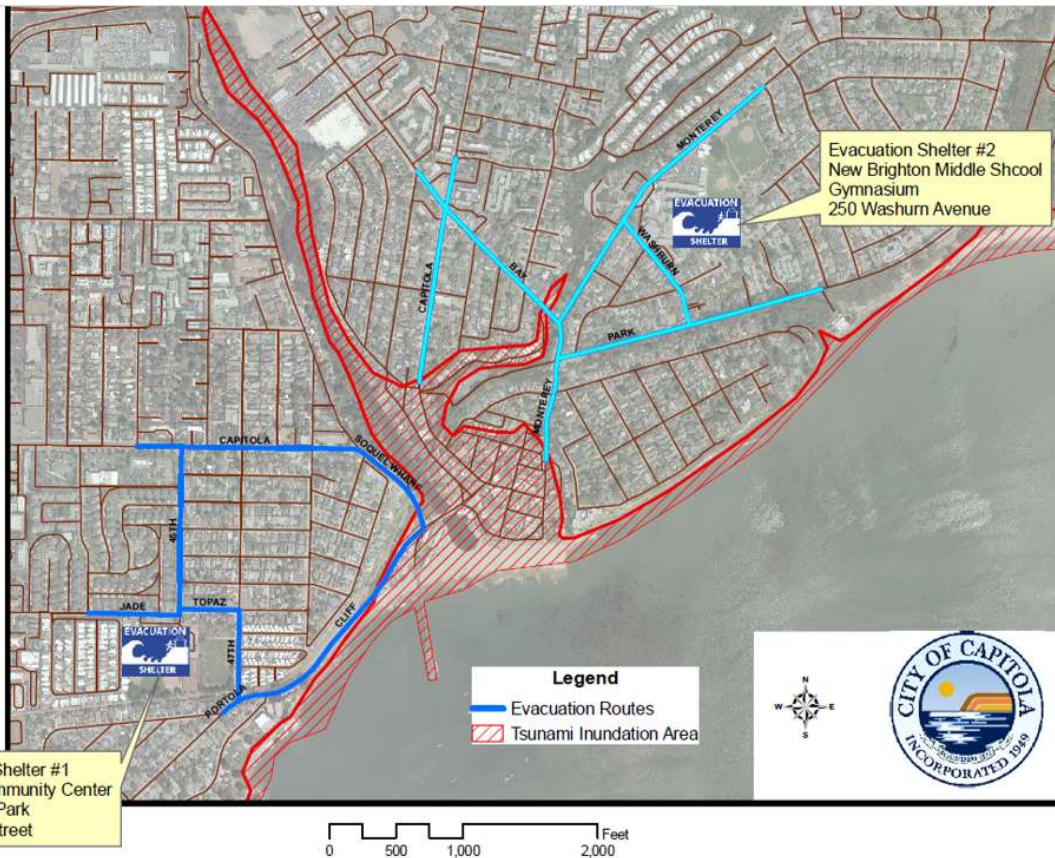
Emergency response times are critical in ensuring the safety and well-being of our community members. Cliff Drive is an established emergency access route, and its removal will raise several concerns that need careful consideration before implementing any change. Any closure of Cliff Drive will likely lead to prolonged response times for emergency services, which could jeopardize lives and property in our district. Additionally, alternative routes will not provide the same level of efficiency and accessibility, further exacerbating the challenges faced by our emergency responders.

I submit this information for your consideration, and I hope you take the necessary steps to ensure that any decision made regarding the closure of Cliff Drive prioritizes our community's safety and emergency response capabilities.

Thank you for your attention to this matter, and I look forward to hearing about the steps being taken to address these concerns.

Sincerely,

Jason Nee
Fire Chief
Jason.Nee@centralfiresc.org



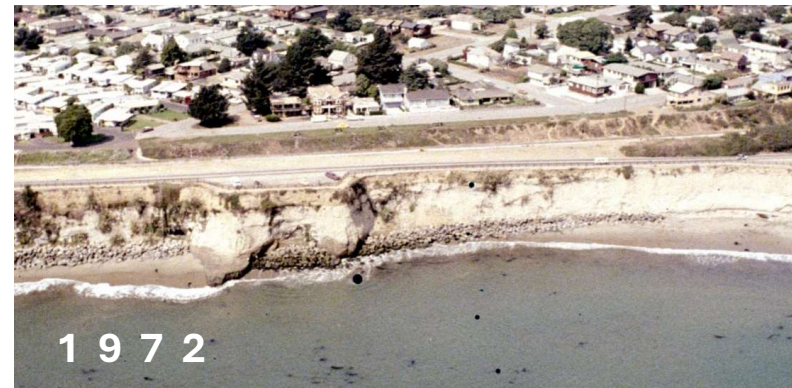
Existing Conditions



Existing Conditions

Bluff stabilization efforts

- Early 1960s RSP installed
- 1997 soil nail wall installed



Existing Conditions



Existing Conditions

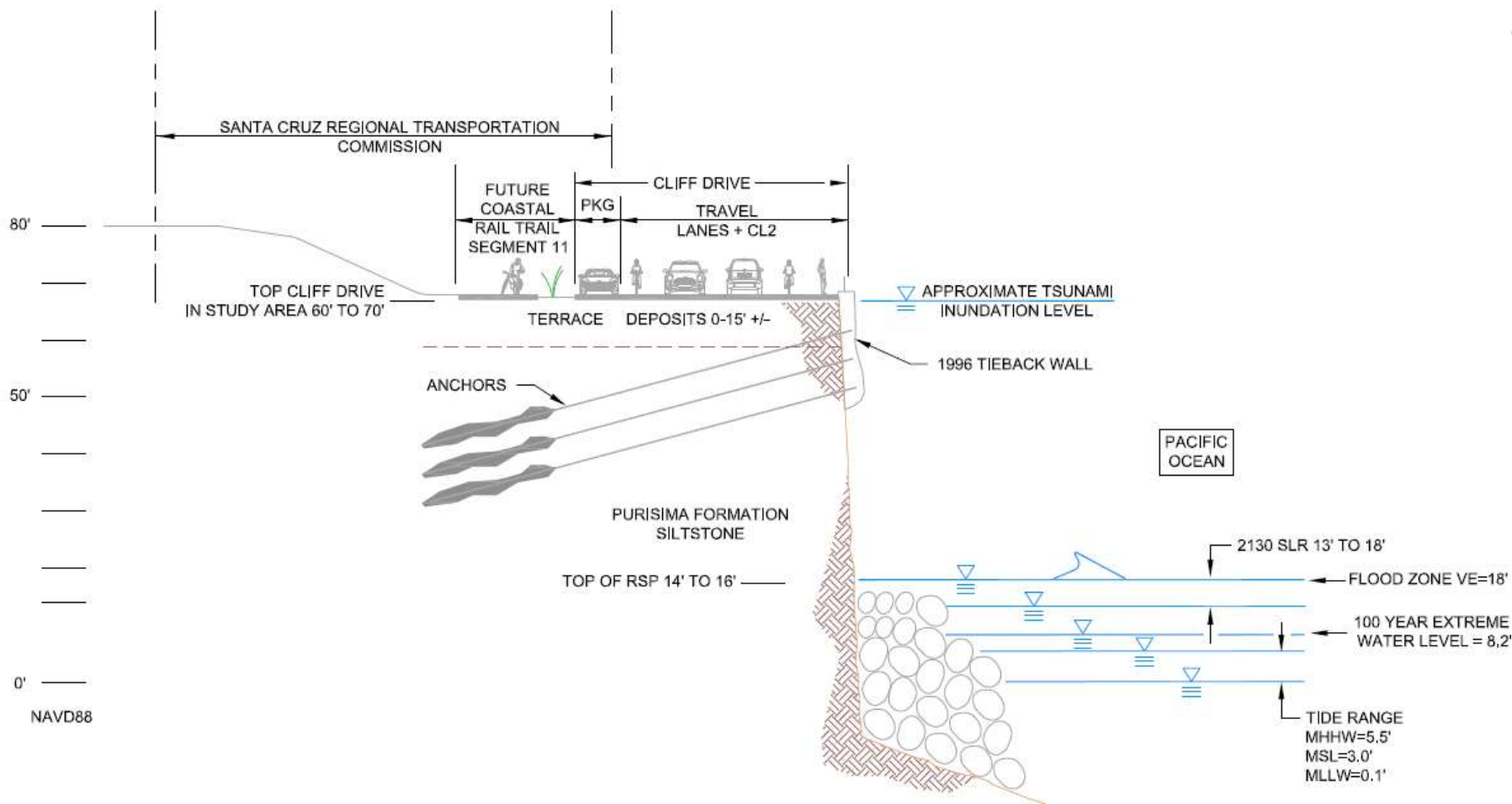


Bluff erosion rate is about 6 inches per year.

Existing Conditions



Existing Conditions

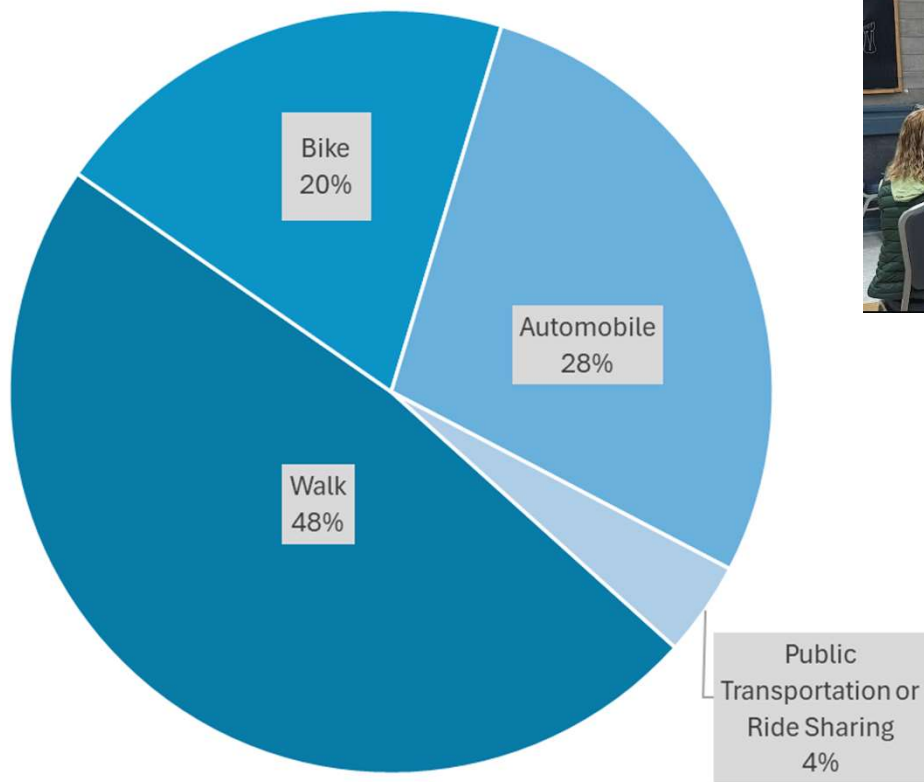


An aerial photograph of a residential neighborhood, showing houses, streets, and a road that curves along a body of water. The image is faded and serves as a background for the text.

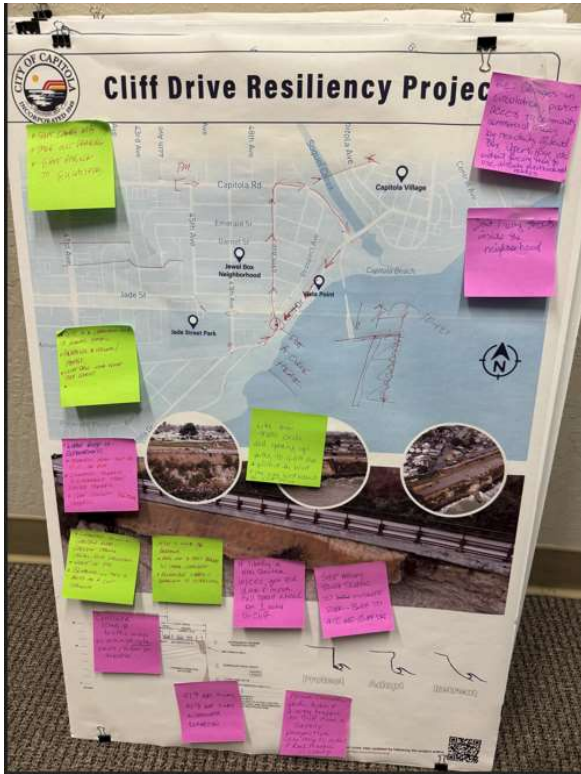
Summary of Outreach

February 2024 Outreach

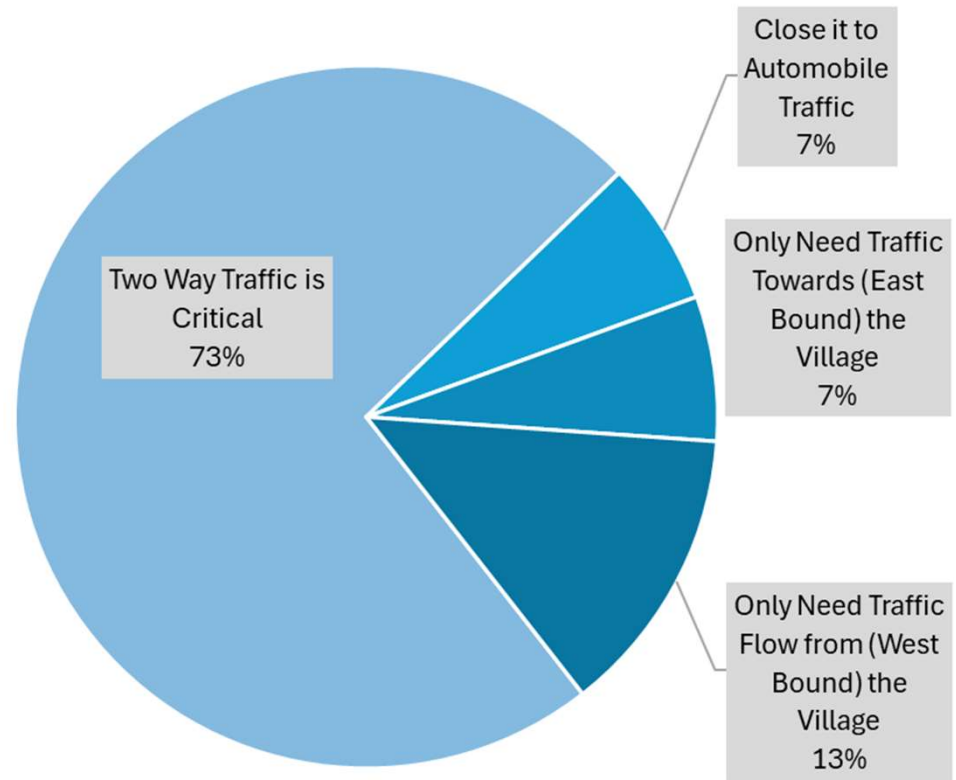
How do you travel to Vista Point and/ or Capitola Village?



February 2024 Outreach

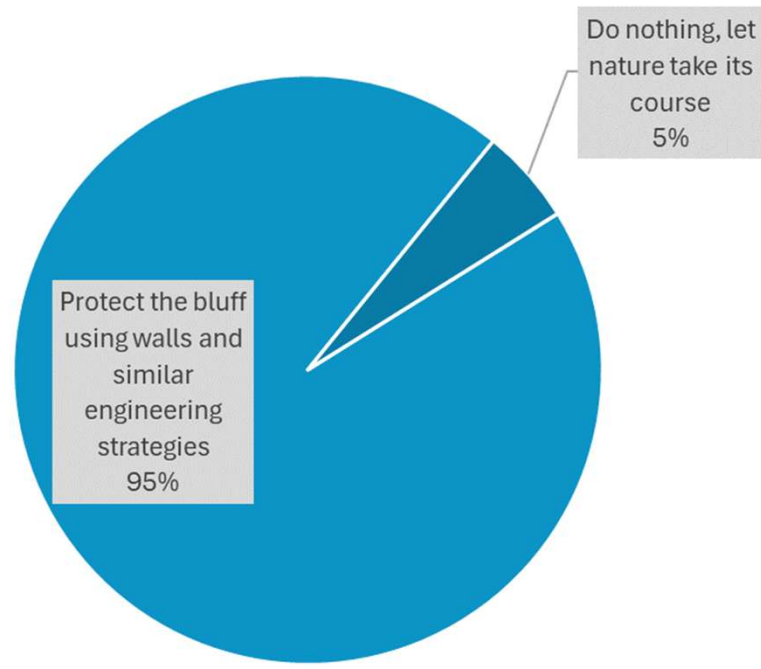


How important is two way vehicle traffic on Cliff Drive?



February 2024 Outreach

The bluff supporting Cliff Drive is threatened by erosion. If the City can reasonably attain funding, we should do one of the following options.



On Going Outreach

Information: www.cliffdriveresiliency.org

Contact: info@cliffdriveresiliency.org

The screenshot shows the City of Capitola website. At the top left is the City of Capitola logo celebrating 75 years (1949-2024). The navigation menu includes: Local Government (City Council & Committees), City Services (Departments & Resources), Community (Activities & Culture), and I Want To... (Apply For | Connect With | Find A). Social media icons for Facebook, Instagram, and YouTube are on the right. A search bar is also present. The main content area is titled "Public Works" and features the "Cliff Dr. Resiliency Project".

Cliff Dr. Resiliency Project

Location:
Cliff Dr.

Description:
January 2023 saw major storm events that caused significant erosion to the bluff along Cliff Drive southwest of Hooper Beach. These storms undermined the retaining wall installed in the mid-1990s. Last fall, the City initiated a study to assess risks to the bluff due to sea level rise and storm surge, which may threaten Cliff Drive's accessibility for pedestrians, bicyclists, and motorists in the future.

Upcoming:

- The City of Capitola Public Works Department is hosting a public meeting in the Community Center at 4400 Jade Street in Capitola this Tuesday, February 27, 2024, from 6 to 8 pm. The purpose is to discuss potential bluff risks and explore alternatives to ensure continued circulation, whether by foot, bike, or vehicle along this section of the Capitola coastline. Your input is crucial in developing and evaluating these alternatives. A recording of the meeting will be posted on the Capitola Public Works' website at: <https://www.cityofcapitola.org/publicworks/page/projects>

We want to thank all in the community for their interest and support regarding the Plans for a Resilient Cliff Drive.

For all inquiries related to this project direct your emails to info@cliffdriveresiliency.org

QR Code



An aerial photograph of a residential neighborhood. The houses are arranged in a grid-like pattern with streets. A road with a median runs horizontally across the middle. Below the road, there is a body of water, possibly a canal or a bayou, with a concrete structure extending into it. The image is faded and serves as a background for the text.

Options Under Consideration

Purpose & Need

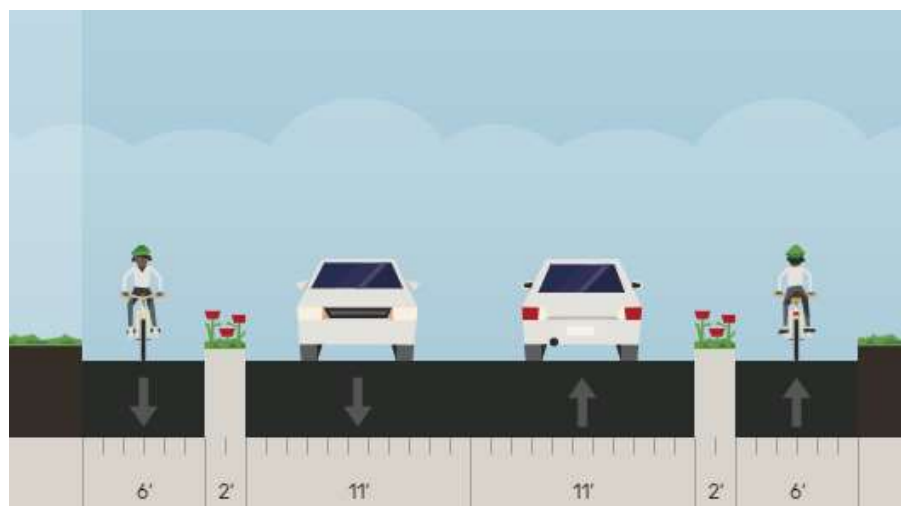
Mission Statement

Cliff Drive improvements will serve the mobility needs of all users equitably, maintain access for future generations despite the impact of sea level rise and increasing storm intensities, seek to reduce traffic impacts to the Jewel Box neighborhood, and safeguard environmental resources.

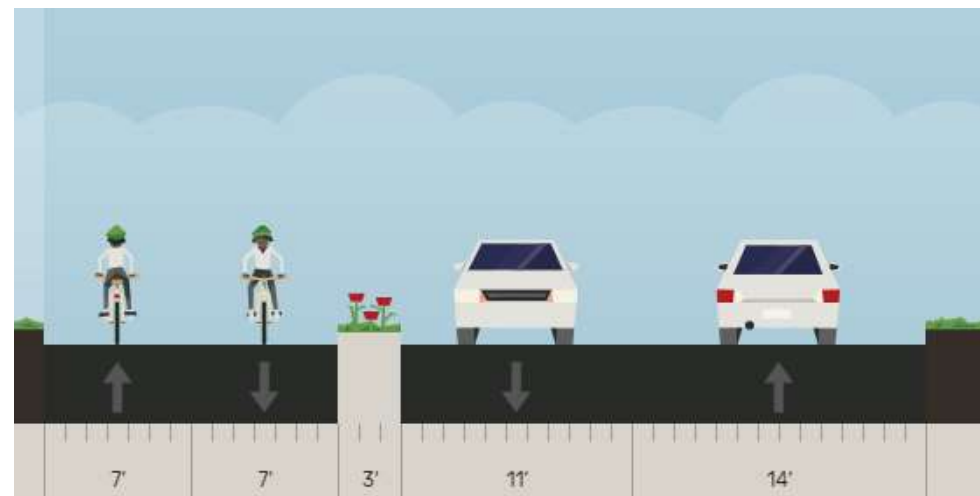
Project Goals

1. Provide safe access for all users to and from coastline.
2. Conforms to regional transportation goals for vehicles, bicyclists, pedestrians, and emergency services.
3. Protects roadway from erosion in existing, 2080, and 2130 sea level rise scenarios.
4. Construction feasibility as well as temporary impact to the community to construct improvement.
5. Protects both environmental and cultural resources.
6. Life-cycle cost.
7. Complexity associated permitting.

Complete Streets Assessment

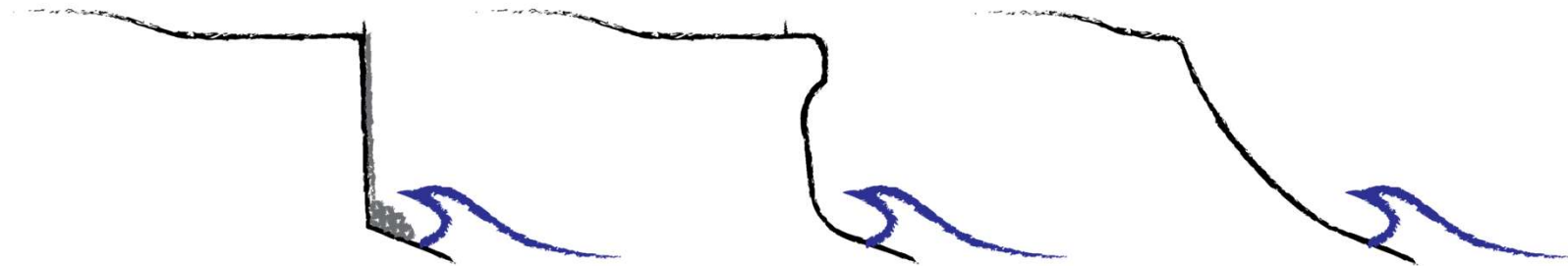


Class IV



Class I

Options



Protect

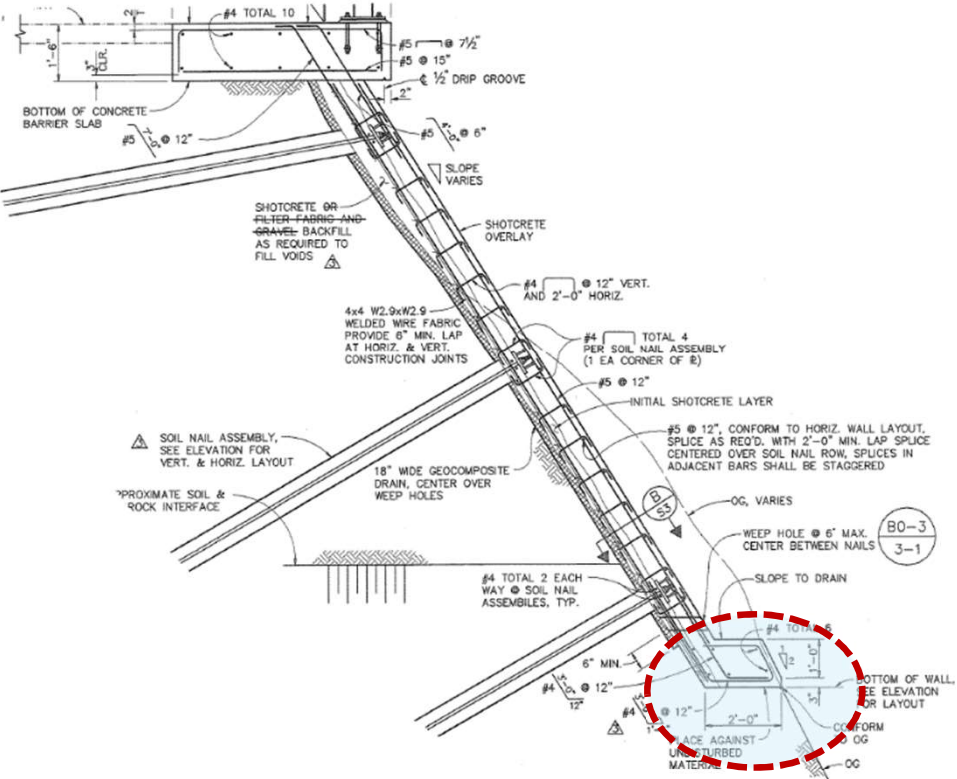
Adapt

Retreat



Retreat

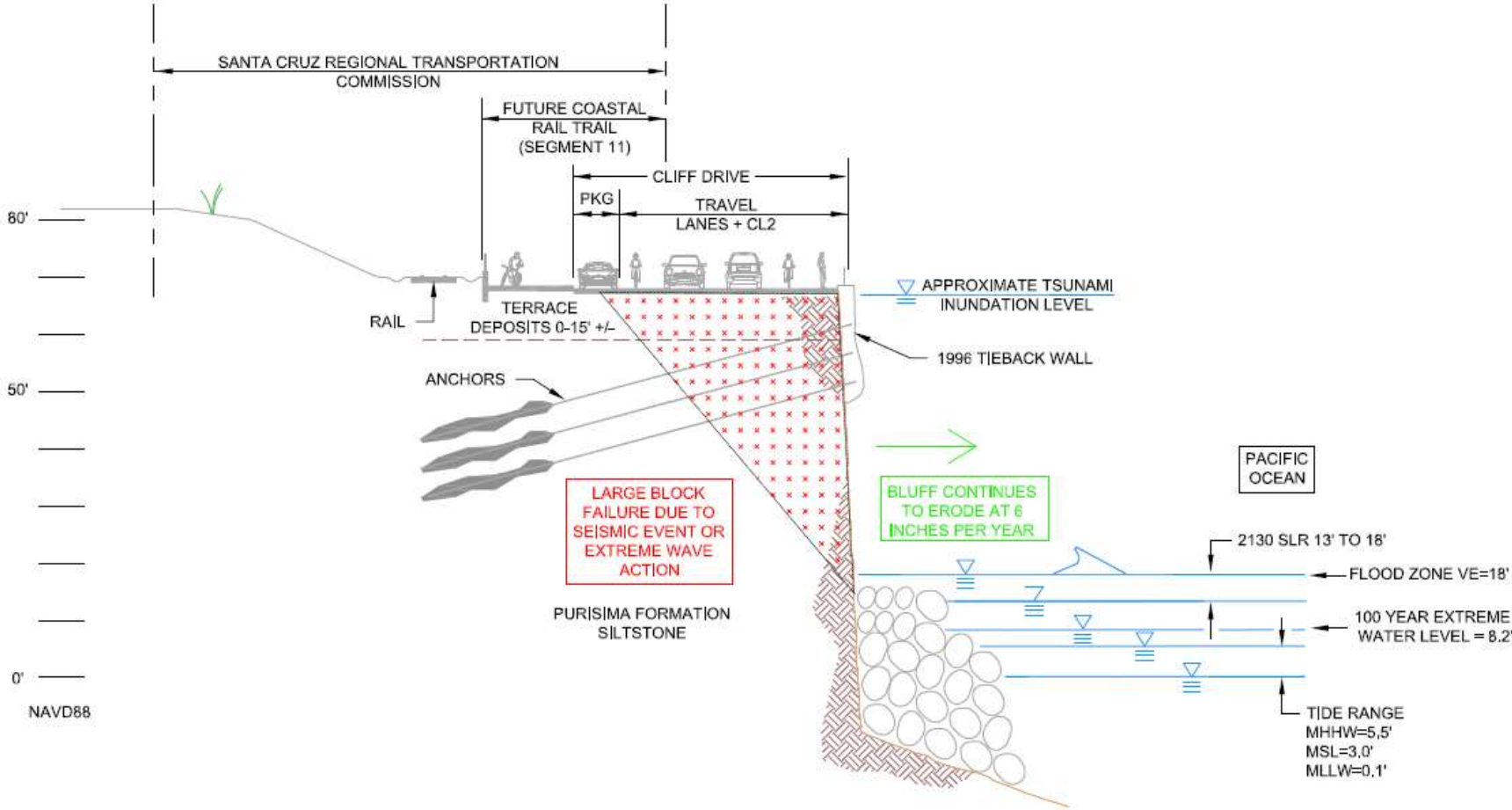
Option 1 – Do Nothing



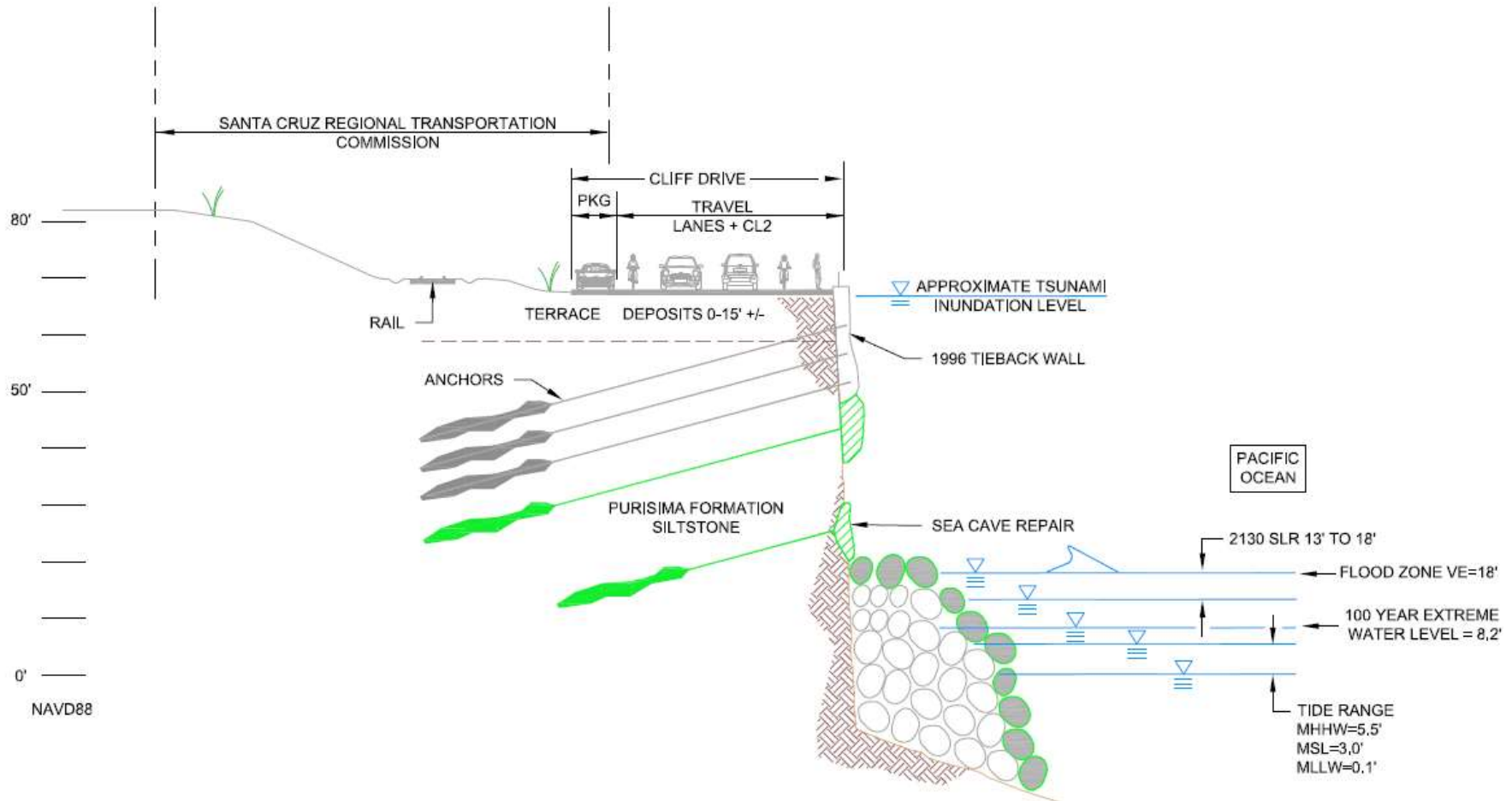
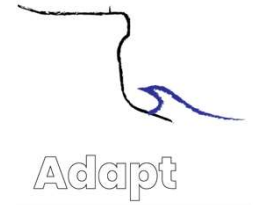


Retreat

Option 1 – Do Nothing



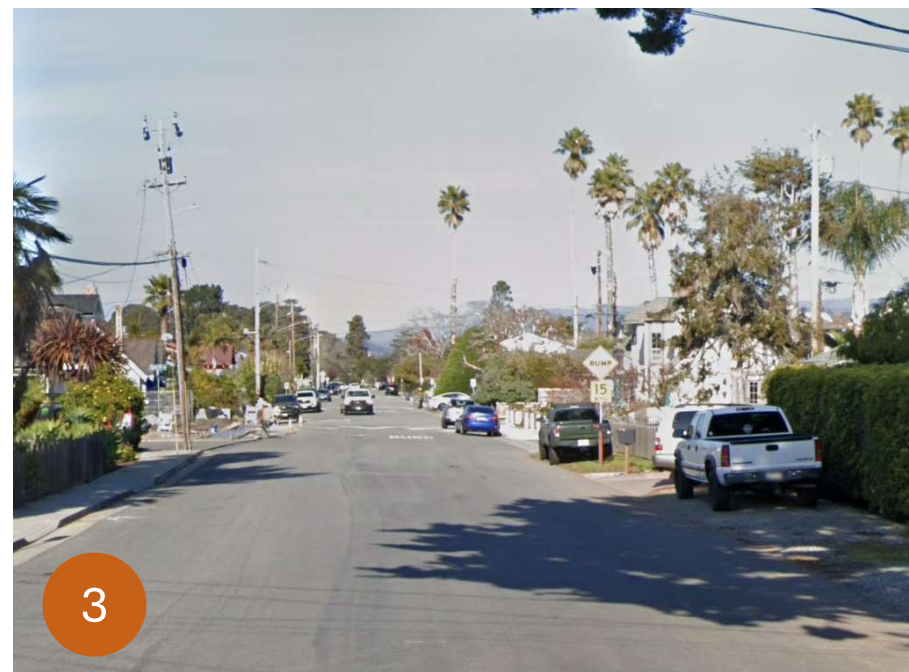
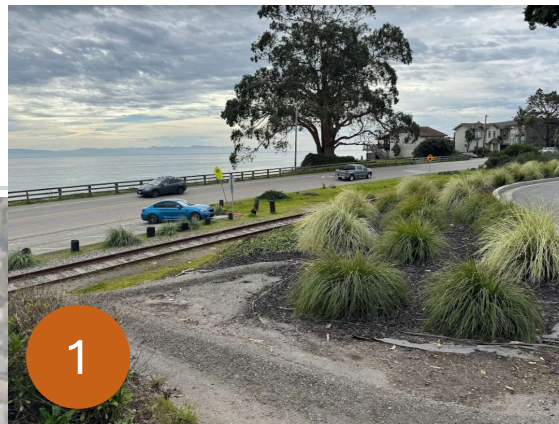
Option 2 – Adapt



Option 2 – Adapt

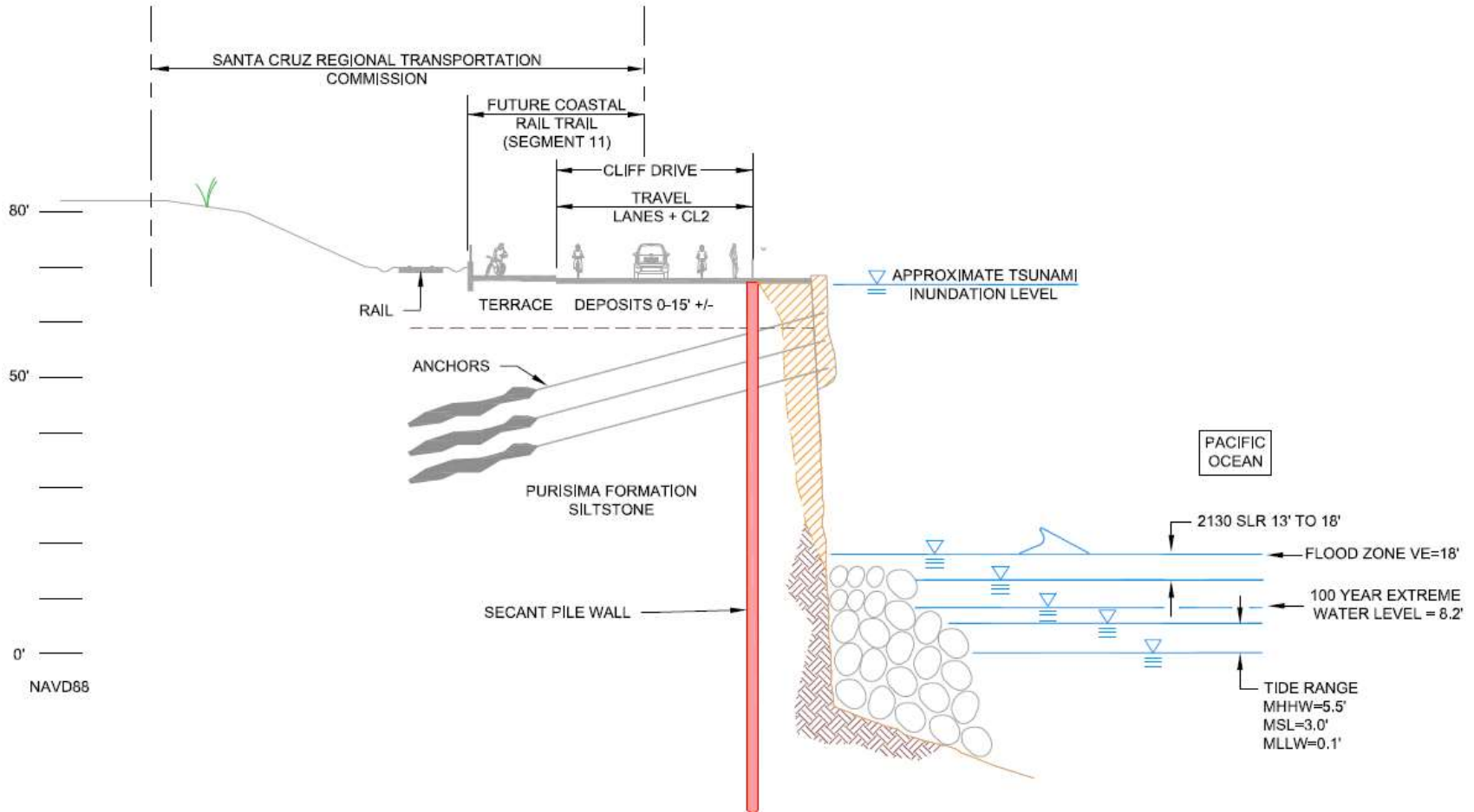
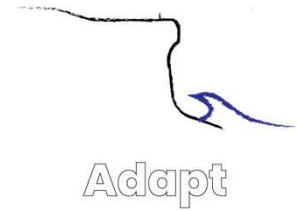


Option 2 - Adapt

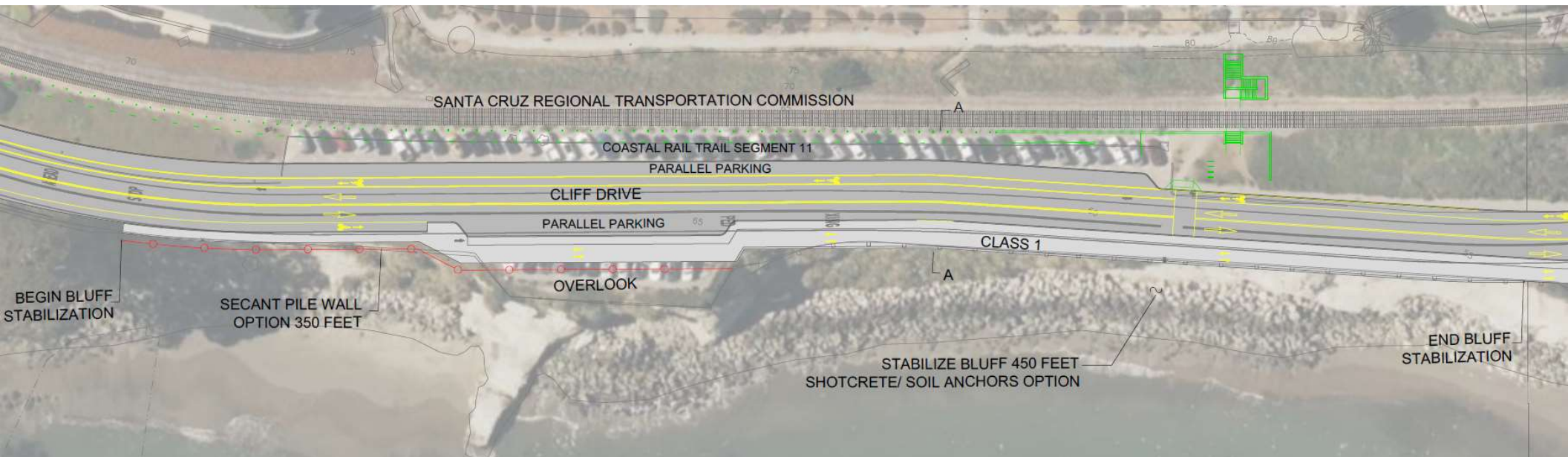
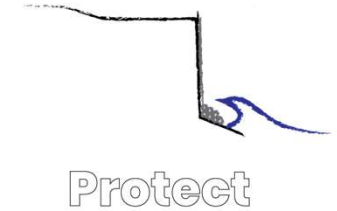


Cliff Drive operates in one-way direction.

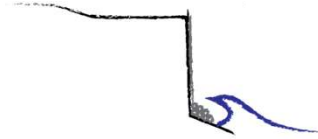
Option 2 – Adapt



Option 3 – Protect

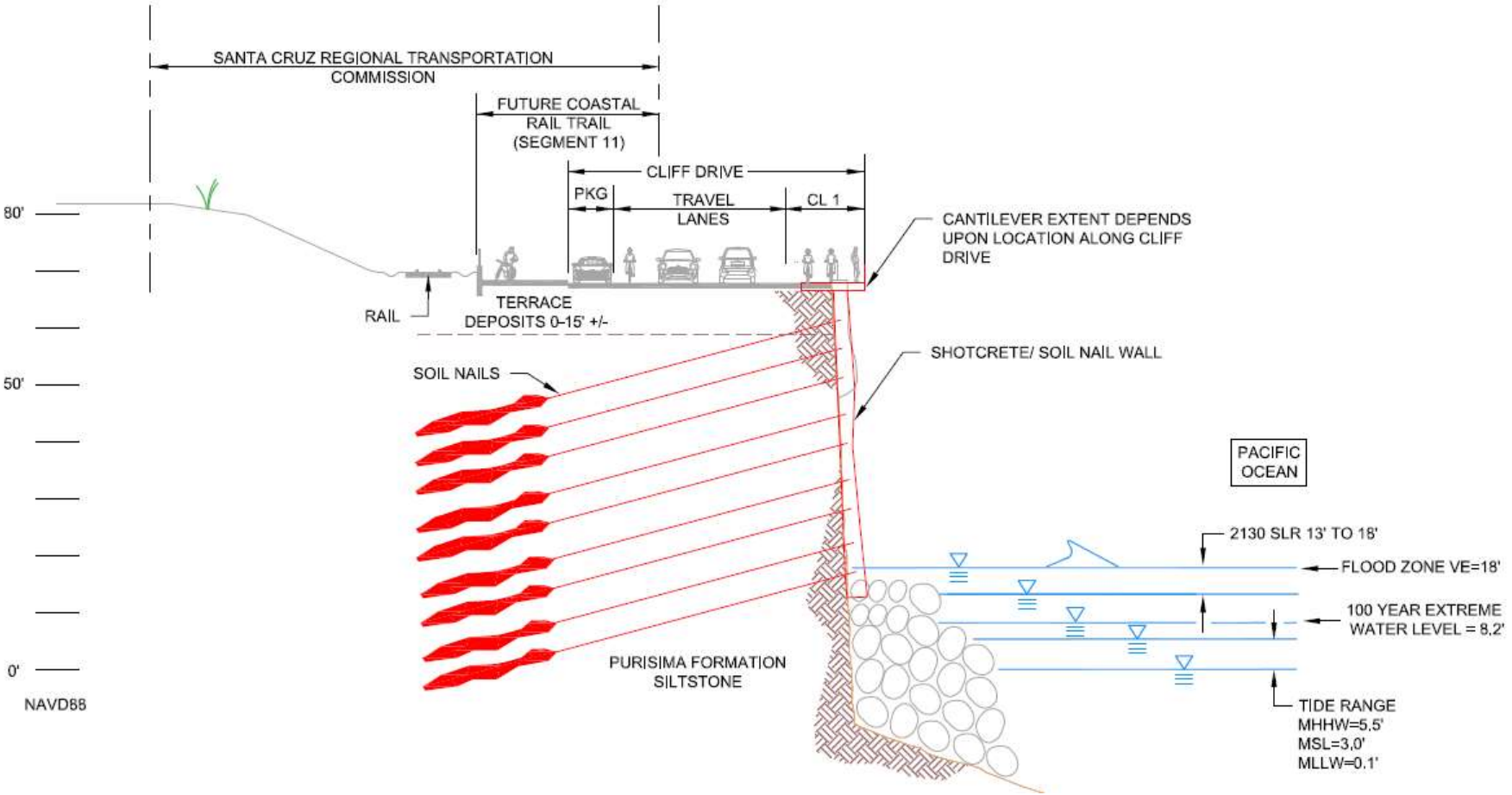


1. Provide vehicle travel lanes in the east and westbound directions.
2. Develop a Class 1 pathway eastbound towards the Village.
3. Maintain westbound Class 2 bike lanes.
4. Provide parallel parking.
5. Enhance the overlook.

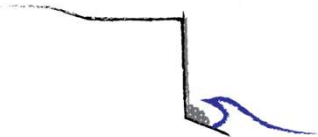


Option 3 - Protect

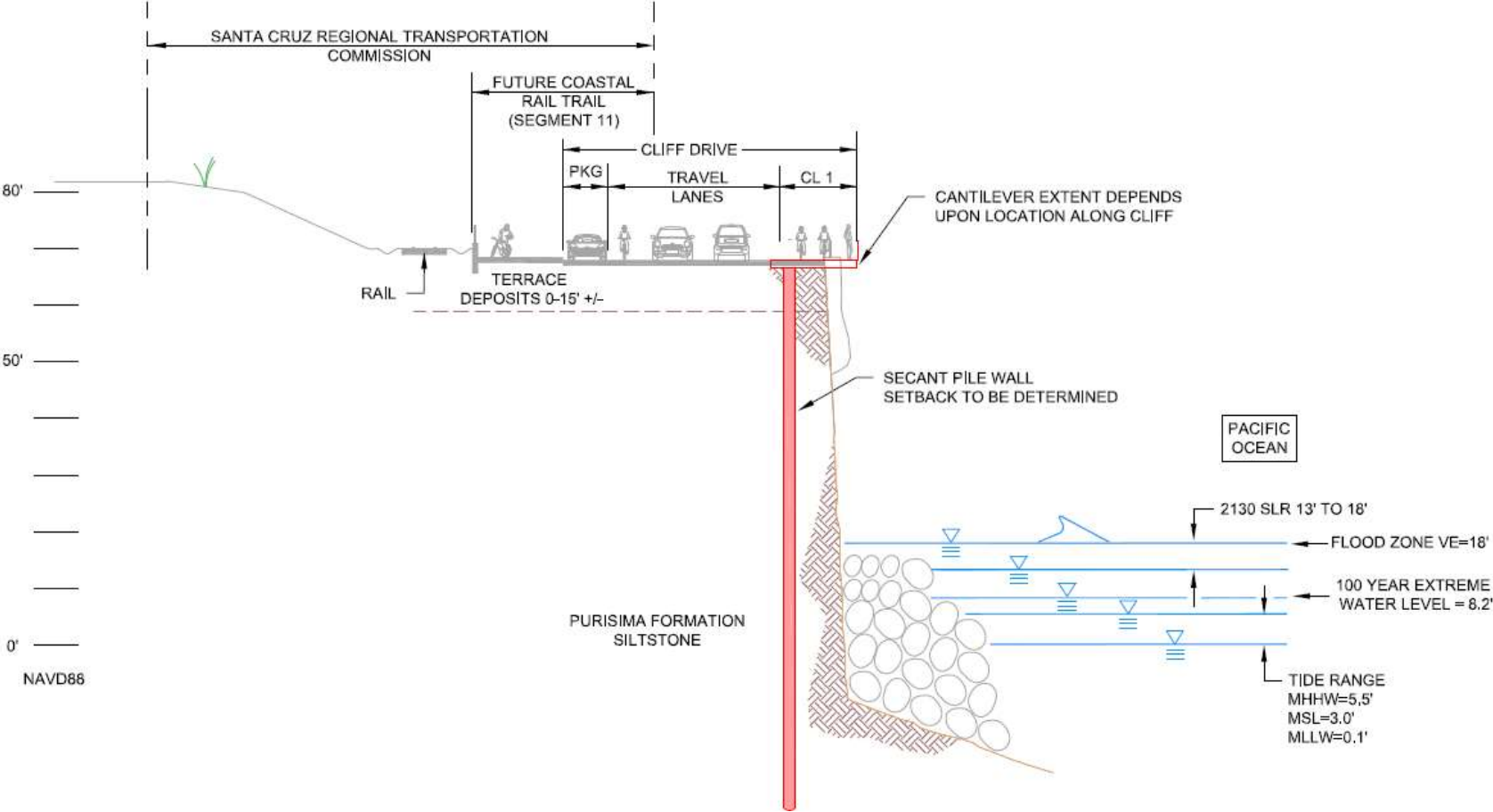
Protect



Option 3 - Protect

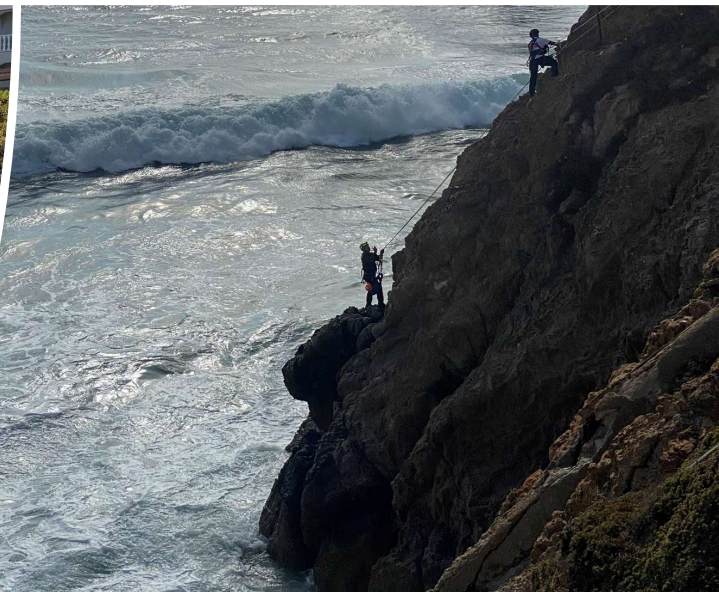
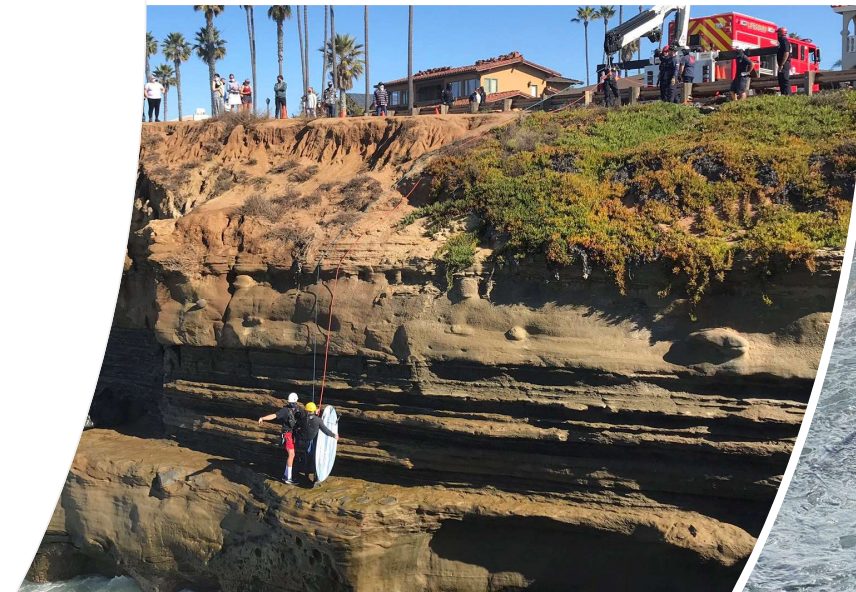
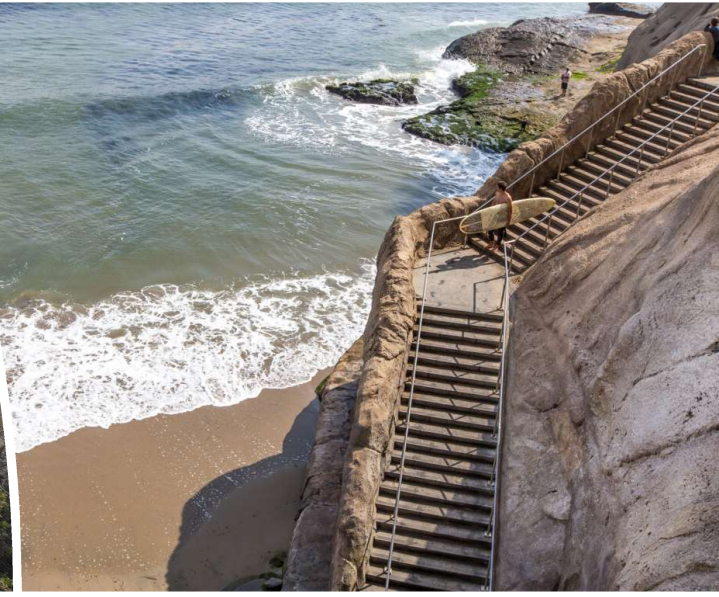
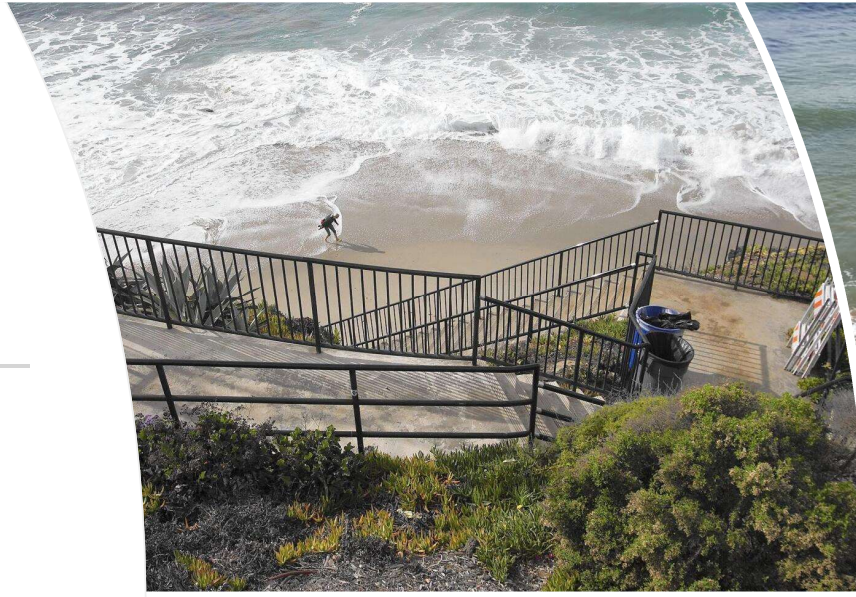


Protect



Additional Design Considerations

- Vertical Access
- Surfer Safety



Cliff Drive Comparison of Options

Option	<p>Option 1 Do Nothing</p>	<p>Option 2 Adapt</p>	<p>Option 3 Protect</p>
Service Life	Marginal/ Negligible		
Capital Cost	\$0		
Life Cycle Cost			
Coastal Access	No change or loss		
Traffic Impact			No change

An aerial photograph of a residential neighborhood. The houses are arranged in a grid-like pattern with streets. A road with a median runs horizontally across the middle. Below the road is a body of water, possibly a canal or a bay, with a concrete structure extending into it. The text "Next Steps" is overlaid in orange on the left side of the image.

Next Steps

Planning Schedule

Immediate Next Steps – July and August 2024

- Complete analysis of options, including detailing a preferred option.
- Community and Stakeholder Outreach including pop up event and online survey.

Future Tasks - September 2024 to September 2025

- LCP Amendment related to coastal access.
- Finalize preliminary engineering for the preferred option.
- CEQA IS/ MND
- Permitting
- Final Design

Cliff Drive Comparison of Options

Option

	Option 1 Do Nothing	Option 2 Adapt	Option 3 Protect
Service Life	Marginal/ Negligible		
Capital Cost	\$0		
Life Cycle Cost			
Coastal Access	No change or loss		
Traffic Impact			No change

Capitola City Council

Agenda Report



Meeting: June 27, 2024

From: City Manager Department

Subject: Memorandum of Understanding with the Mid-Management Employee Group and Management and City Manager Compensation Plans

Recommended Action: Authorize the City Manager to: 1) Execute a successor agreement to the existing Memorandum of Understanding with negotiated changes for the Mid-Management Employee Group, subject to technical corrections and 2) Execute a successor agreement to the existing Management Compensation Plan; and Authorize the Mayor to execute the Eighth Amendment to the City Manager Employment Agreement.

Background: The City of Capitola's employees are divided into five bargaining groups, with associated agreements. The City's Employee Memoranda of Understandings (MOUs) expire at the end of June 2024. As required by state law, the City has participated in good faith negotiations with the bargaining groups on working conditions, salary, and benefit changes.

Discussion: The City of Capitola and all employee bargaining groups began negotiation meetings in March 2024. The City Council gave the City's negotiator fiscal authority based on the City's ten-year budget forecast, the results of a compensation study, and known concerns regarding healthcare plan costs. Each bargaining group has negotiated for items they prioritize.

On June 14, 2024, the Mid-Management Employee Group signed a tentative agreement. A red-lined MOU with negotiated changes is included as an attachment to this report.

In addition to City bargaining groups, the City Council directed staff to modify the Department Head Compensation and Benefits Plan and the City Manager Employment Agreement within the same financial authority as given for the other groups. The proposed Department Head Compensation and Benefits Plan is attached, as is 2021 Compensation Plan for comparison.

The City Council generously approved \$2,000 wellness bonuses for the Confidential Bargaining Unit, of which the Assistant to the City Manager is a member, and proposed the same wellness bonus for the City Manager. The Assistant to the City Manager and the City Manager have elected to allocate this \$4,000 in funding to Citywide employee engagement.

Fiscal Impact: Fiscal impacts resulting from the Mid-Management Employees MOU, the Management Compensation Plan, and the City Manager Employment Agreement have been incorporated into the FY 2024-25 Budget. In 2024-25, the estimated fiscal impact of the negotiated changes to the Mid-Management MOU is \$61,000. This includes \$25,500 in Cost of Living Adjustments (COLAs), \$21,500 in City health care contributions and \$14,000 in one-time wellness bonuses.

In 2024-25, the estimated fiscal impact of the changes to the Management Compensation Plan and Eighth Amendment to the City Manager Agreement is \$54,200. This includes \$33,600 in COLAs and \$20,600 in City health care contributions.

Attachments:

1. Red-lined Mid-Management Employee MOU

2. 2021 Management Compensation Plan
3. Proposed 2024 Compensation and Benefits Plan
4. Eighth Amendment to the City Manager Employment Agreement

Report Prepared By: Chloé Woodmansee, Assistant to the City Manager

Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MID-MANAGEMENT EMPLOYEES AND CITY OF CAPITOLA
~~6/27/2021 – 6/30/2023~~6/27/2024 – 6/30/2027**

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**MIDDLE- MANAGEMENT EMPLOYEES
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as “City”) and the Mid-Management employees. Classifications covered by this MOU are: Associate Planner, Public Works Project Manager, Senior Planner, ~~Maintenance Superintendent~~Operations Maintenance Supervisor, ~~Field Supervisor~~, Building Official, Public Works Environmental Projects Manager, Senior Mechanic, and Senior Accountant. This MOU shall be in effect for the period beginning on June 27, 202~~4~~1, and ending on June 30, 202~~7~~3 and shall be effective upon ratification by the bargaining unit and approval by the Capitola City Council.

SECTION I. WAGE SCHEDULES/HOURLY RATES/EMPLOYEE STATUS

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

Effective the first pay period after association ratification and Council approval of the successor MOU in accordance with the Brown Act, the salary range for each classification shall be readjusted by ~~2.5~~3%.

Effective the first full pay period of July 202~~5~~2, the salary range for each classification shall be readjusted by 3.0%.

Effective the first full pay period of July 2026, the salary range for each classification shall be readjusted by 3%.

1. Merit Pay

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

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

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

designated.

2. Service

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

1. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments and Equipment Operator

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

b. If an employee is designated by the Department Head or the Department Head's designee to perform the duties of an Equipment Operator on the following equipment;

- Ten-yard Truck and Trailer (license required)
- Sweeper
- Bull Dozer
- Front Loader

that employee shall receive a 5% increase to salary for all such hours worked.

3. Overtime

All employees within the Mid-Management unit except for the position of Building Official, Public Works Project Manager, Environmental Projects Manager, Senior Planner and Senior Accountant which are exempt from FLSA, are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government.

The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times

the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee's election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

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

The position of Building Official, Public Works Project Manager, Environmental Projects Manager, Senior Planner, and Senior Accountant are professional positions exempt under FLSA, and therefore not entitled to overtime compensation. An Employee filling exempt positions are entitled to ten days per year of administrative time off. Administrative leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid-year, in which case administrative leave is prorated for the applicable period. (Reso. #3486)

4. Effective Date of Pay Increase

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

5. Signing Bonus

~~Contingent upon a tentative agreement by June 24, 2021, which is ratified by the membership. All employees at the time of ratification in the Mid-Management bargaining unit shall receive a one-time \$1500 signing bonus, minus applicable taxes. The one-time signing bonus shall be paid the first full pay period after ratification by the Capitola City Council.~~

5. One-Time Wellness Bonus

All employees in the Mid-Management bargaining unit shall receive a one-time \$2,000 wellness bonus, minus applicable withholdings. The one-time wellness bonus shall be paid during the first full pay period after ratification of this MOU by the Capitola City Council.

6. Market Study Salary Contingent Equity Adjustments

If the City tax measure on the November 2024 ballot passes, the below classifications shall receive a one-time base wage increase, as indicated below. Increases shall be effective the first pay period after City Council certification of 2024 election results.

- PW Project Manager, PW Environmental Project Manager – 6.37%
- Senior Mechanic – 7.11%
- Operations Maintenance Supervisor – 4.71%
- Associate Planner, Senior Planner – 3.4%
- Building Official – 3.81%

SECTION II: LEAVE PROVISIONS

1. Vacation

a. Vacation Accrual

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

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

b. Accumulation

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

c. Vacation Cash Out Upon Termination

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

d. Vacation- Mandatory Cash Out Before Termination

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

e. Optional Vacation Cash Out

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

2. Sick Leave

a. Sick Leave Accrual

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

b. Sick Leave-Family Care

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

c. Sick Leave While on Vacation

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

d. Sick Leave Cash Out

Employees may not cash out sick leave.

2. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays shall be used by the employee no later than December 31st of each year and are not cumulative.

3. Bereavement Leave

All employees are permitted five (5) days of Unpaid Bereavement Leave upon the death of any family member listed in Section 12945.2 of Government Code. In case of death in the immediate family (as defined below) an employee shall be granted three (3) days of paid bereavement leave per occurrence within California. In cases involving out-of-state funerals or distances of more than 200 miles, an additional two (2) days of paid bereavement leave shall be granted. The Paid Bereavement leave runs concurrent with the five (5) Day Unpaid Bereavement Leave. However, the leave days need not be consecutive. Additional time off for this purpose must be Vacation, Sick Time, or unpaid leave. Bereavement leave must be approved by the Department Head.

For purposes of this section, "Immediate family" means mother, stepmother, father, stepfather, husband, wife, domestic partner as defined by the State of California, child, stepchild, sibling, stepsibling, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents., and any individual to whom an employee is serving in Loco Parentis.

4. Holiday Schedule

There shall be ~~twelve~~ thirteen (~~12~~13) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	*
Washington's Birthday	*
Memorial Day	*
<u>Juneteenth</u>	<u>6/19/</u>
Independence Day	7/4/
Labor Day	*
Indigenous Peoples Day	*
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday. Item 9 E.

Holiday time will be for the regularly scheduled shift time. For example, if the regularly scheduled shift is 8.5 hours, employee will receive 8.5 hours of holiday time. If the regularly scheduled shift is 6 hours, employee will receive 6 hours of holiday time.

In addition, offices located at the Community Center or at City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation. All other City offices and programs shall remain open during this period.

Public Works employees may be required to work holidays. Employees who work on any holidays will use holiday time on the holiday and it will count as hours worked. Actual hours worked will be added to holiday time hours and will be considered overtime if total hours worked meet the weekly overtime threshold.

5. Jury Duty

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

6. Leave of Absence Without Pay

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

7. Accruals after Date of Separation

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

SECTION III: BENEFITS

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

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, effective January 1, 2024 a \$~~143~~157.00 per month contribution will be paid to PERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. The City's maximum contribution below is inclusive of the required PEMCHA minimum. The City reserves the option of adding additional health care plans as they may become available.

<u>Effective Dates</u>	<u>Employee Only</u>	<u>Employee +1</u>	<u>Employee +2</u>
<u>First full pay after ratification</u>	<u>\$824.00</u>	<u>\$1339.00</u>	<u>\$ 1751.00</u>

<u>Effective Dates</u>	<u>Employee Only</u>	<u>Employee +1</u>	<u>Employee +2</u>
<u>First full pay period after ratification</u>	<u>\$1,000</u>	<u>\$1,850</u>	<u>\$2,250</u>
<u>First full pay period in July 2025</u>	<u>\$1,050*</u>	<u>\$1,925*</u>	<u>\$2,350*</u>
<u>First Full pay period in July 2026</u>	<u>\$1,100*</u>	<u>\$2,000*</u>	<u>\$2,450*</u>

*contingent on the City tax measure passing in ~~November~~November, 2024.

2. Opt-Out

Employees who can verify to the City's satisfaction that: they have equivalent group health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date will be eligible for a cash payment of \$250.00 per month. ~~The City reserves the option of adding additional programs to the cafeteria plan, as they may become available.~~

3. Retirement Benefits CalPERS

a. Classic Employees:

The City participates in the California Public Employees' Retirement System (CalPERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. Contributions will be reported in accordance with the current CalPERS contract, i.e.: the employee portion (8%) plus any amount above the cap is reported to CalPERS as paid by the employee.

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

Beginning July 1, 2018, all classic employees shall contribute 13.392% of their reportable salary to PERS. This contribution shall not be reduced unless negotiated by the parties in future negotiations.

b. PEPRA Employees:

Public Employees' Pension Reform Act (PEPRA) for Miscellaneous Employees hired by the City on or after January 1, 2013 and who do not qualify as Classic members as determined by CalPERS, are considered PEPRA Employees. CalPERS has by statute implemented a 2.0% @ 62 pension formula, based on a three-year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CalPERS.

4. Shoes, and Apparel Reimbursements:

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

5. Deferred Compensation

All employees covered by this Agreement shall be eligible to participate in a deferred compensation program, upon request. the City will contribute \$25 per pay period.

~~5.6.~~ Physical Examinations

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

~~6.7.~~ Insurance.

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

~~7.8.~~ Mileage Reimbursement

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

SECTION IV: INCENTIVE PROGRAMS

1. Longevity Pay Incentive

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

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

If the City tax measure on the November 2024 ballot passes, the following longevity schedule will replace the longevity schedule noted above:

- a. 10 years' continuous service – 5%
- b. 15 years' continuous service – additional 3%, which shall be compounded with the 10 year recognition.
- c. 20 years' continuous service – additional 2%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

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

3. Bilingual Pay

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

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

SECTION V: EMERGENCY MEALS

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

SECTION VI: GRIEVANCE PROCEDURE

- 1. Definition of a Grievance:
A grievance is defined as an allegation presented in writing by an employee or group of employees that the City has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of both such right is not made subject to the discretion of the Department Head or the City by the terms of law, Memorandum of Understanding, or by written City or departmental rules and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504. Notwithstanding the above, excluded from this grievance procedure are employee evaluations, and any other matter that is assigned its own appeal procedure such as discipline and an alleged violation of the harassment policy.
- 2. Right to Representation:
An employee having a grievance shall have the right to consult with and be assisted by a representative of his/her own choice throughout the grievance process. In those cases in which an employee elects to represent him/herself or arranges for other representation, the Union shall have the right to participate in the grievance procedure to the extent necessary to protect the interest of its members in negotiated conditions of employment.
- 3. Limitations on Money Damages:
In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.
- 4. Procedure:
Failure of the employee to timely file a grievance and/or comply with the time limits at any step of this grievance procedure shall constitute an abandonment of the grievance. Failure of the employer to respond within the time limits at any step of this grievance procedure shall result in an automatic advancement of the grievance to the next step. The parties may mutually agree to extend the time permitted under any of the steps

Step 1

A grievance must be presented to the grievant's supervisor within twenty-one (21) calendar days

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

Item 9 E.

- a) Date of submission;
- b) Signature of employee or employees;
- c) The MOU provision, Personnel Rule, Administrative Policy or other rule or policy allegedly violated;

- d) A description of the relevant facts, including specifically how, when and by whom the grieved condition of employment was violated;
- e) The requested resolution or remedy; and
- f) The name of any representative chosen by the grievant.

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

Step 2

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

Step 3

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

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

Step 4

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

SECTION VII: LAYOFFS

Layoffs shall be governed by Personnel Rule 12. The City will make its best efforts to provide an additional 30 days of EAP benefits to employees who are laid off to assist them in their transition.

If continued EAP benefits are not available, the City will meet with the Union to discuss the possibility of the City providing laid off workers with guidance on resume writing, conducting a job search, job interviewing, coping with stress and/or unemployment insurance benefits.

SECTION VIII: MISCELLANEOUS

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

1. Legal Defense

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

2. Use of Employer Facilities.

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

3. Bargaining Time.

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

4. Required Meetings

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

5. Emergency Call-Back Compensation

- a. "Call-back" refers to a situation where an employee has completed his/her regular work day without knowing that he/she would be called back to work, by his/her supervisor or as

a result of emergency circumstances, during hours of the day not occurring during the employee’s regular workday. An employee who is required to come to work not more than one hour early, but is not thereafter released from work before the start of the regular work day is not on “call-back.”

- b. Employees called back to work shall be treated as having worked at least three hours, even if actual time is less.
- c. Public Works: The rate of pay for Public Works Dept. employees in the Mid-Management Group during call-back hours is as follows:
 - (1) Two and one-half times the employee’s hourly base rate for hours served between the hours of 10 p.m. and 6 a.m.; or
 - (2) Two times the hourly base rate for hours served during other times of the day.
- d. For all employees not covered by subsection c, call-back hours will be paid the same as overtime.
- e. Time spent traveling to and from the place of call-back work is not counted in applying the provisions of this section, or Section 8 above.
- f. Units of time that are both call-back and overtime will receive the most favorable of the two treatments, but no single unit of time will be treated as both call-back and overtime.

8. Severability.

If any of the provision herein contained be rendered or declared invalid by reason of any State or Federal legislation, or by ruling of any court of competent jurisdiction, such invalidation of such part or portion of this Memorandum of Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect, insofar as such remaining portions are severable.

SIGNATURES:

CITY OF CAPITOLA:

Jamie Goldstein

MIDDLE-MANAGER EMPLOYEES:

Brian Froelich

Gabe Cuzick

Eric Martin



Effective June 27, 2024

CITY OF CAPITOLA Department Heads Compensation and Benefits Plan

PURPOSE AND INTENT

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

1) POSITIONS COVERED BY PLAN

- a. Chief of Police
- b. Community Development Director
- c. Community Services & Recreation Director
- d. Finance Director
- e. Public Works Director

2) SALARY SCHEDULE

- a. Cost of Living Adjustments shall be as follows:
 - i. Effective first full pay period after June 27, 2024, the salary range for each classification shall be increased by 3%
 - ii. Effective the first full pay period of July 2025, the salary range for each classification shall be increased by 3%
 - iii. Effective the first full pay period of July 2026, the salary range for each classification shall be increased by 3%
- b. Equity Salary Adjustments – *contingent on the City tax measure passing in November 2024*: If the City tax measure on the November 2024 ballot passes, the salary range for the following classifications shall be increased by the following amounts. Increases shall be effective the first pay period after City Council certification of the 2024 election results.
 - i. Community Development, Community Services & Recreation, Finance, and Public Works Directors: 8.75%
 - ii. Chief of Police: 4.3%

3) LONGEVITY PAY – *contingent on the City tax measure passing in November 2024*

- a. If the City tax measure on the November 2024 ballot passes, the following longevity schedule will apply to the Community Development, Community Services & Recreation, Finance, and Public Works Directors:
 - i. 10 years' continuous service – 5%

- ii. 15 years' continuous service – additional 3%, which shall be compounded with the 10-year recognition
 - iii. 20 years' continuous service – additional 2%, which shall be compounded with the 15-year recognition
- b. If the City tax measure on the November 2024 ballot does not pass, the following longevity schedule for the Community Development, Community Services & Recreation, Finance, and Public Works Directors will remain in place:
- 12 years' continuous service – 5%
- 4) POLICE CHIEF CALIFORNIA LAW ENFORCEMENT EXPERIENCE PAY – *contingent on the City tax measure passing in November 2024*

The Chief of Police shall receive a 5% salary adjustment upon completion of 10-years of service as a POST-certified Peace Officer in California, and a 2.5% salary adjustment upon completion of 15-years of service as a POST-certified Peace Officer in California. This provision shall apply to applicants for the Chief of Police position.

- 5) CITY ENGINEER SPECIALTY PAY – *contingent on the City tax measure passing in November 2024*

The Public Works Director shall receive a 5% salary adjustment if they have the appropriate qualifications for and do serve as City Engineer. This provision shall apply to applicants for the Public Works Director position.

6) BILINGUAL PAY

Department Heads proficient in a second language will qualify for a 5% salary adjustment, dependent upon City Manager approval.

7) SEVERANCE PAY

If a Department Head is terminated by the City Manager, the City will pay the Department Head an amount equal to four months salary and four months Flexible Spending Arrangement Contribution benefits. Additionally, the Department Head will receive payment for all vacation leave accrued to the date of separation. The same terms apply to the Chief of Police, except that severance shall be six months' salary and Flexible Spending Arrangement Contribution. However, if an employee is terminated because of conviction of any criminal offense or "for cause", the City shall have no obligation to continue the employment of the Department Head or pay severance pay. Any severance payment shall be contingent on the employee receiving the payment executing a release of all claims against the City, as permitted by State law.

8) ADMINISTRATIVE LEAVE ACCRUAL

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

9) PERSONAL HOLIDAYS

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

10) VACATION ACCRUAL

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

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

11) SICK LEAVE

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

12) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a. Employees are eligible to enroll in a CalPERS medical plan, Dental and Vision Plan. The City reserves the option of adding additional health care plans as they may become available. The City makes a contribution on behalf of each qualified employee, listed below:

Effective Dates	Employee Only	Employee +1	Employee +2
First full pay period after ratification	\$1,000	\$1,850	\$2,250
First full pay period in July 2025	\$1,050*	\$1,925*	\$2,350*
First Full pay period in July 2026	\$1,100*	\$2,000*	\$2,450*

**Contingent on the City tax measure passing in November 2024*

- b. Cash Out: Employees who can verify to the City's satisfaction that they have group health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date, will be eligible for a cash payment of \$250.00 per month. Employees who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including

dental and vision) coverage. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan).

13) FLEXIBLE SPENDING ACCOUNTS

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

14) RETIREMENT

a. CalPERS Retirement Benefits for Classic Members:

- i. **Miscellaneous Classic Employees:** The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for eligible classic miscellaneous employees in the Unit and the single-highest-year option. Miscellaneous classic employees will contribute 13.392% of their reportable salary to PERS.
- ii. **Safety Classic Employees:** The City participates in the California Public Employees Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for eligible classic Safety employees in the Unit and the single-highest-year option. Sworn classic employees will contribute 14.974% of their reportable salary to PERS.

b. CalPERS PEPRA Employees:

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

10) HOLIDAYS

Thirteen (13) Holidays per calendar year, as follows: New Year's Day, Martin Luther King, Lincoln's Birthday, Washington's Birthday, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous Peoples Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Day.

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

11) INSURANCE

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

12) VEHICLE USE

The Chief of Police will be provided with a vehicle for commuting to and from work within Santa Cruz County and for business purposes.

15) UNIFORM

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

16) CHIEF OF POLICE RECRUITMENT

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



City of Capitola

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

Effective June 27, 2021

Purpose and Intent

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

1) SALARY SCHEDULE

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

2) SEVERANCE PAY

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

3) ADMINISTRATIVE LEAVE ACCRUAL

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

4) PERSONAL HOLIDAYS

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

5) VACATION

- a) Vacation Accrual:

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

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

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

6) SICK LEAVE

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

7) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a) Employees are eligible to enroll in a CalPERS medical plan, Dental and Vision Plan. The City makes a contribution on behalf of each qualified employee (Attachment A).
- b) Cash Out: Employees who can verify to the City's satisfaction that: they have group health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date will be eligible for a cash payment of \$250.00 per month. Employees who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental and vision) coverage. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan).

8) FLEXIBLE SPENDING ACCOUNTS

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

9) RETIREMENT

a) CalPERS Retirement Benefits for Classic Members:

- i) Miscellaneous Classic Employees: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for eligible classic miscellaneous employees in the Unit and the single-highest-year option.

Miscellaneous classic employees will contribute 13.392% of their reportable salary to PERS.

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

Sworn classic employees will contribute 14.974% of their reportable salary to PERS.

b) CalPERS PEPRA Employees:

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

10) HOLIDAYS

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

11) INSURANCE

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

12) VEHICLE USE

The Chief of Police will be provided with a vehicle for commuting to and from work within Santa Cruz County and for business purposes.

13) UNIFORM

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

14) CHIEF OF POLICE RECRUITMENT

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

16) ONE-TIME BONUS

City Manager is authorized to issue to full-time employees covered by this agreement on June 24, 2021, a one-time of \$1500.00 bonus, minus applicable taxes. The one-time bonus shall be paid the first full pay period after approval by the Capitola City Council.

Attachment: Exhibit A – Job Classes and Salary Schedule

DEPARTMENT HEADS AND CHIEF OF POLICE JOB CLASSES AND SALARY SCHEDULE

EFFECTIVE June 27, 2021

Positions covered by Plan

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

- a) COLA: Cost of Living Adjustment shall be as follows
 Effective June 27,2021, the salary range for each classification shall be increased by 2.6%.

Effective the first full pay period of July 2022, the salary range for each classification shall be increased by 2.75%.

Effective the first full pay period of July 2023, the salary range for each classification shall be increased by 2.75%.

- b) Market Salary Adjustment
 Effective June 27,2021, the salary range for the following classifications shall be increased by 1.7%

Director of Public Works
 Director of Finance
 Community Development Director

- c) Removal of the Chief of Police Deferred Compensation
 Effective June 27,2021, the salary range for the Chief of Police classification shall be increased by 8.267% to offset the removal of the 457 Deferred Compensation contribution by the City of Capitola.

Salary Range Effective June 27, 2021, following implementation of the items listed above

POSITION	Minimum	Maximum
Chief of Police	\$ 12,396	\$ 15,808
Department Heads	\$ 11,177	\$ 13,630

Flexible Spending Arrangement Contribution:

The City contribution for full-time regular employees is:

Effective 6/27/2021 Increase of \$50

Employee Only	\$874.00
Employee + 1	\$1,389.00
Employee +2 or more	\$1,801.00

Effective 7/1/2022 Increase of \$25

Employee Only	\$899.00
Employee + 1	\$1,414.00
Employee +2 or more	\$1,826.00

Effective 7/1/2023 Increase of \$25

Employee Only	\$924.00
Employee + 1	\$1,439.00
Employee +2 or more	\$1,851.00

EIGHTH AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

This EIGHTH Amendment to City Manager Employment Agreement (“Eighth Amendment”) is entered into on June 27, 2024 with an effective date of June 27, 2024 (the “Effective Date”) by and between the City of Capitola, a municipal corporation (hereinafter referred to as “City”), and Jamie Goldstein, an individual (hereinafter referred to as “Employee”), and is intended to amend that particular City Manager Employment Agreement (the “Original Agreement”) dated July 12, 2010, as previously amended by that certain First Amendment to City Manager Employment Agreement (“First Amendment”) entered into on July 1, 2012, and that certain Second Amendment to City Manager Employment Agreement (“Second Amendment”) entered into on May 14, 2015, and that certain Third Amendment to City Manager Employment Agreement (“Third Amendment”) entered into on December 8, 2016, and that certain Fourth Amendment to City Manager Employment Agreement (“Fourth Amendment”) entered into on June 28, 2018, and that certain Fifth Amendment to City Manager Employment Agreement (“Fifth Amendment”) entered into on June 28, 2020, and that certain Sixth Amendment to City Manager Employment Agreement (“Sixth Amendment”) entered into on December 10, 2020, and that certain Seventh Amendment to City Manager Employment Agreement (“Seventh Amendment”) entered into on June 24, 2021 (the Original Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, and Seventh Amendment are hereinafter referred to collectively as the “Agreement”).

Now, therefore City and Employee agree as follows:

1. Section 6—Salary of the Original Agreement is hereby amended to read as follows:

Section 6. Salary

A. Effective June 27, 202~~4~~⁴, Employee’s base salary shall be adjusted by ~~2.63~~^{2.753}%. Employee’s base monthly salary shall be increased to ~~\$20,179.~~

B. Effective first full pay period in July 202~~5~~⁵, Employee’s base salary shall be adjusted by ~~2.753~~^{2.753}%. Employee’s base monthly salary shall be increased to ~~\$18,459~~^{\$20,785.}

C. Effective first full pay period in July 202~~6~~⁶, Employee’s base salary shall be adjusted by ~~2.753~~^{2.753}%. Employee’s base monthly salary shall be increased to ~~\$18,659~~^{\$21,408.}

D. If the City tax measure passes in November 2024, the Employee’s base salary shall be adjusted by 3.61%. Such increase shall be effective the first pay period after City Council certification of 2024 election results.

~~E. Upon completion 15 continuous years of service with the City, employee's base pay shall be increased by 5%. If the City tax measure on the November 2024 ballot passes, the following longevity schedule will be implemented:~~

- ~~a. 10 years' continuous service – 5%~~
- ~~b. 15 years' continuous service – additional 3%, which shall be compounded with the 10 year recognition.~~
- ~~c. 20 years' continuous service – additional 2%, which shall be compounded with the 15 year recognition.~~

2. Section 9.C shall hereby be amended to read as follows:

Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement (“Flex Plan”) contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through CalPERS, from the monthly contribution set forth herein, effective January 1, 2024, a \$1574.00 per month contribution will be paid to PERS for what is sometimes referred to as “employer contribution”. This amount is the minimum amount required by CalPERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. The City’s maximum contribution below is inclusive of the required PEMCHA minimum.

Effective Dates	Employee Only	Employee +1	Employee +2
June 27, 2021, the monthly maximum contribution (inclusive of PEMCHA minimum)	\$874	\$1,389	\$1,801
First full pay period in July 2022	\$899	\$1,414	\$1,826
First full pay period in July 2023	\$924	\$1,439	\$1,851
Effective Dates	Employee Only	Employee +1	Employee +2
First full pay period after ratification	\$1,000	\$1,850	\$2,250
First full pay period in July 2025	\$1,050*	\$1,925*	\$2,350*
First Full pay period in July 2026	\$1,100*	\$2,000*	\$2,450*

~~*Contingent on the City tax measure passing in November, 2024.~~

3. Employees who can verify to the City’s satisfaction that: they have group health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date will be eligible for a cash payment of \$250.00 per month. Employees who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental and vision) coverage. (If a cash payment is taken, it is not included in the employee’s compensation for the CalPERS retirement plan).

4. The City reserves the option of adding additional health care plans programs as they may become available. ~~to the cafeteria plan, as they may become available.~~

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

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

Dated: _____

CITY OF CAPITOLA

By: _____

Kristen Brown
City of Capitola Mayor

Dated: _____

EMPLOYEE

By: _____

Jamie Goldstein

Capitola City Council

Agenda Report

Meeting: June 27, 2024

From: Finance Department

Subject: Fiscal Year 2024-2025 Budget and Capital Improvement Program



Recommended Action: 1) Adopt a resolution adopting the Fiscal Year 2024-25 City Budget and Capital Improvement Program; and 2) adopt a resolution adopting the associated Salary Schedule and new job descriptions.

Background: The Proposed Fiscal Year (FY) 2024-25 Budget and Planned FY 2025-26 Budget was presented to the City Council at a special meeting on May 16, 2024, at which time the City Council received input from the Finance Advisory Committee (FAC). At the meeting, the City Council requested additional information which was presented at a second special meeting on May 30, 2024, at which time the City Council reviewed updates to the proposed budget and additional recommendations from the FAC and heard public comments.

At the May 30th special meeting, the City Council discussed allocating \$30,000 to the McGregor Pump Track while continuing to seek additional donations, as well as designating \$5,000 for the Eviction Defense Collaborative, and ultimately directed staff to prepare a resolution to adopt the budget.

Discussion: The Proposed FY 2024-25 Budget estimates the General Fund ending balance on June 30, 2025, of \$642,000 which includes a target fund balance of \$500,000, \$100,000 designated for the Employee Down Payment Assistance Program, and approximately \$42,000 undesignated. Pursuant to City Council direction and the recommendation of the FAC, staff has allocated \$239,000 of existing general fund resources towards FY 2024-25 City Council Goals and Priorities.

Following City Council direction, the budget includes \$60,000 of Restricted TOT revenue programmed to Early Childhood and Youth Programs (ECYP) within the Community Grant Program and \$22,000 of Restricted TOT funds to the Recreation Division for ECYP enrichment programs and scholarships:

Additional revisions made to the FY 2024-25 Proposed Budget since the May 30th City Council meeting include:

General Fund

- Increased personnel costs \$146,000
 - Concluded labor negotiations
 - Creation of Community Services & Recreation Department (associated job descriptions attached)
- Increased insurance premiums - \$70,000
 - Liability increased \$78,000 from original estimate, due to overall liability insurance market cost increases

- Workers Comp decreased \$8,000 from original estimate
- Proposed Community Services and Recreation Department Formation
 - Increased Grant / Scholarship Revenue - \$36,000 – Soquel Union Elementary School District funding
 - Afterschool program- \$20,000 and Jr. Guard program - \$16,000 – Equity Swim (equal reduction to afterschool registration fees)
 - Increased Jr. Guard contract services expense - \$6,000 – Equity Swim

Wharf Special Revenue Fund

- Increased capital outlay - \$15,000 – temporary structures & fuel storage

The net General Fund impact of the proposed budget revisions is a negative \$206,000. The FY 2024-25 Proposed and FY 2025-26 Planned Budgets remain structurally balanced while maintaining essential city services. However, the five-year budget forecast becomes structurally imbalanced upon the sunset of the Measure F Sales Tax in December 2027.

The resolution necessary to adopt the Fiscal Year 2024-25 Budget includes the above appropriations and adjustments (Exhibit A), a General Fund overview (Exhibit B), and an estimate of FY 2024-25 fund balances (Exhibit C). In addition, the FY 2024-25 Proposed Budget is available on the City's website.

Fiscal Impact: The fiscal impact is shown in the attached General Fund overview and fund balance summary.

Attachments:

1. FY 2024-25 Proposed Budget
2. Proposed resolution adopting FY 2024-25 salary schedule
3. Recreation and Community Services Director & Coordinator Job Descriptions

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADOPTING THE 2024-2025 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

WHEREAS, it is necessary to adopt the 2024-2025 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the Fiscal Year July 1, 2024, through June 30, 2025; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2024-2025 Fiscal Year Budget and Capital Improvement Program is hereby adopted; and

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

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of June 2024, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

Exhibit A

Changes to FY 2024-25 Proposed Budget

FY 2024-25 General Fund Revenues	Amount
Afterschool scholarships	\$ 20,000
Afterschool registration fees	\$ (20,000)
Equity Swim grant	16,000
Total	\$ 16,000

FY 2024-25 General Fund Expenditures	Amount
Personnel costs - citywide	\$ 146,000
Liability Insurance	\$ 78,000
Workers Compensation Insurance	(8,000)
Contract Services - Jr. Guards	6,000
Total	\$ 222,000

FY 2024-25 General Fund Net Impact **(206,000)**

FY 2024-25 Wharf Special Revenue Fund	Amount
Capital outlay - structures	\$ 15,000
Total	\$ 15,000

General Fund Summary

Major Categories	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
Revenues						
Taxes	\$ 14,514,218	\$ 14,709,173	\$ 14,643,970	\$ 14,521,871	\$ 15,106,270	\$ 15,632,013
Licenses and permits	718,935	650,188	664,159	695,854	740,409	743,597
Intergovernmental revenues	1,350,001	351,671	89,700	105,700	136,360	108,353
Charges for services	1,894,868	1,817,637	2,187,937	1,912,013	2,322,127	2,352,127
Fines and forfeitures	588,832	566,907	607,500	648,000	607,500	607,500
Use of money & property	31,722	70,527	198,495	183,200	199,195	199,195
Other revenues	891,204	240,413	115,403	135,953	117,206	119,053
Revenues Totals	\$19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838
Expenditures						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract services	3,018,482	3,336,801	3,483,368	3,483,368	3,493,981	3,387,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund charges	1,196,204	1,444,499	1,617,841	1,617,841	1,523,578	1,715,947
Other financing uses	3,608,343	3,271,324	2,288,788	2,288,788	287,568	287,344
Expenditures Totals	\$18,913,379	\$20,829,427	\$20,119,630	\$20,204,812	\$19,185,566	\$19,708,434
Impact on Fund Balance	\$ 1,076,402	\$ (2,422,912)	\$ (1,612,466)	\$ (2,002,221)	\$43,500	\$53,403
Budgetary Fund Balance	\$ 5,224,050	\$ 2,801,138	\$ 988,672	\$ 598,917	\$ 642,418	\$ 695,821
Designations						
Employee Downpayment					\$ (100,000)	\$ (100,000)
Infrastructure	\$ -	\$ -	\$ -	\$ -		
Revised Budgetary Fund Balance	\$ 5,224,050	\$ 2,601,138	\$ 988,672	\$ 598,917	\$ 542,418	\$ 595,821

	Estimated Balance 7/1/2024	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2025
General Fund	\$ 598,917	\$19,229,066	\$ -	\$ 18,897,998	\$ 287,568	\$ 642,418
Designated Reserves						
Contingency Reserve	\$2,364,346	\$ -	\$ -	-	-	\$ 2,364,346
PERS Contingency Reserve	1,414,275	10,000	-	-	-	1,424,275
Emergency Reserve	1,631,506	-	-	-	-	1,631,506
Donations	-	-	-	-	-	-
Facility Reserve	532,714	-	-	-	-	532,714
Total Designated Reserves	\$ 5,942,840	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,952,840
Debt Service						
Pac Cove Lease Financing	75,204	-	-	-	-	75,204
Pac Cove Park	12	-	87,568	87,568	-	12
Total Debt Service	\$ 75,216	\$ -	\$ 87,568	\$ 87,568	\$ -	\$ 75,216
Capital Improvement Fund	\$ 1,351,312	\$ 1,420,700	\$ -	\$ 2,600,000	\$ -	\$ 172,012
Internal Service Funds						
Stores	\$ 62,676	\$ 27,000	-	\$ 27,000	\$ -	\$ 62,676
Information Technology	177,041	275,000	-	272,000	-	180,041
Equipment Replacement	577,318	65,000	-	140,000	-	502,318
Self-Insurance Liability	179,917	760,036	-	760,036	-	179,917
Workers' Compensation	118,749	403,542	-	403,542	-	118,749
Compensated Absences	330,886	-	200,000	200,000	-	330,886
Total Internal Service Funds	\$ 1,446,587	\$ 1,530,578	\$ 200,000	\$ 1,802,578	\$ -	\$ 1,374,587
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 33,427	\$ 104,000	-	\$ 101,500	-	\$ 35,927
TOT Restricted Revenue	21,296	102,842	-	119,133	-	5,004
SB1 RMRA	300,518	252,161	-	252,161	-	300,518
RTC Streets	60,325	374,000	-	369,000	-	65,325
Gas Tax	273,397	274,160	-	272,000	-	275,557
Wharf	124,018	20,500	-	141,250	-	3,268
General Plan Update and Maint	280,571	114,375	-	209,375	-	185,571
Green Building Education	260,555	15,000	-	57,000	-	218,555
Public Art	155,236	-	-	66,500	-	88,736
Parking Reserve	737	-	-	-	-	737
Technology Fee	94,371	14,500	-	13,250	-	95,621
PEG-Public Education and Govt.	51,341	16,000	-	12,000	-	55,341
Capitola Village/Wharf BIA	33,426	148,600	-	155,900	-	26,126
CDBG Grants	(1,080)	232,335	-	235,530	-	(4,275)
CDBG Program Income	39,199	-	-	10,000	-	29,199
Library	51,569	1,000	-	-	-	52,569
HOME Reuse	780,264	-	-	4,100	-	776,164
Housing Trust	241,690	14,000	-	150,000	-	105,690
PLHA	5,255	171,825	-	171,825	-	5,255
Cap Hsg Succ- Program Income	1,925,511	27,400	-	1,324,025	-	628,886
Total Special Revenue Funds	\$ 4,731,626	\$ 1,882,698	\$ -	\$ 3,664,549	\$ -	\$ 2,949,774
Prelim. Fund Balance - All Funds	\$ 14,146,498	\$ 24,073,042	\$ 287,568	\$ 27,052,693	\$ 287,568	\$ 11,166,846
GF Fund Balance Designation	(100,000)					(100,000)
Total Fund Balance - All Funds	14,046,498					11,066,846



PROPOSED BUDGET

FISCAL YEAR 2024-25



CITY OF CAPITOLA
Capitola, California



CITY COUNCIL

Kristen Brown, Mayor
Yvette Brooks, Vice Mayor
Joe Clarke
Margaux Morgan
Alexander Pedersen

Jamie Goldstein, City Manager

Andy Dally, Chief of Police
Jessica Kahn, Public Works Director
Jim Malberg, Finance Director / Treasurer
Katie Herlihy, Community Development Director
Nikki Bryant, Community Services & Recreation Director (Proposed)
Chloe Woodmansee, Assistant to the City Manager
Julia Gautho, City Clerk

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MISSION STATEMENT

MISSION

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

VISION

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

VALUES

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

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

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TO: City Council

FROM: City Manager

SUBJECT: FY 2024-25 Proposed and FY 2025-26 Planned Budget.

CITY MANAGER'S MESSAGE - STATE OF THE CITY

On behalf of City staff, I am pleased to submit the proposed budget for Fiscal Year (FY) 2024-25. Staff was tasked with developing a budget that continues to deliver the high quality of services the community is accustomed to while also allocating available resources to City Council goals. The result is a balanced budget that maintains the minimum target general fund balance of more than \$500,000 as well as the \$100,000 designated for employee downpayment assistance. The proposed budget projects to end the year with a general fund balance of approximately \$727,400, contingent on the outcome of ongoing labor negotiations, as designated above.

The fund balance in the General Fund is projected to remain positive for the next fiscal year, however, based on known increases related to CalPERS pension costs and current assumptions regarding inflation, the General Fund will become structurally imbalanced in FY 2027-28 upon the sunset of Measure F. The budget provides ample resources to maintain a high level of services for Capitola residents this coming fiscal year. Nevertheless, the City must also remain focused on the long-term budget picture, which not only includes a great deal of uncertainty around general fund revenues but must continue to address increasing pension costs. The erratic revenue data, expiration of Measure F, and increasing pension costs will likely result in very challenging budgetary decisions for several years. In the coming fiscal year staff will continue to closely monitor general fund revenues, paying extra attention to sales and transient occupancy tax performance, and continue to report to the City Council on a regular basis. Additionally, staff will develop options for Council consideration to balance the near- and longer-term budgets as well as focus on the long-term structural budget issues.

During 2023 the City was heavily impacted by major storm events. Those events resulted in approximately \$3.5 million in damage to public infrastructure and significant impacts to private development adjacent to the ocean. In response, the City, State and Federal government declared a state of emergency, which enables the City to utilize Federal Emergency Management Agency (FEMA) and State disaster funding (Cal OES).

Strom damages were categorized into fourteen projects of which FEMA and Cal OES have approved ten for reimbursement totaling \$262,000 with the City responsible for matching funds of \$7,400. To date, we have received \$208,000 with \$54,000 still outstanding.

The remaining four projects and estimated damage amounts include:

- The Wharf - \$1 million – currently under review by FEMA
- Noble Gulch/Soquel Park - \$89,000
- Hoopers Ramp - \$15,000 – seeking mitigation to make ramp more resilient, under review by Cal OES
- Grand Ave. fence - \$7,500 – once all projects are approved, a credit for donated resources will be calculated and applied as City matching funds.

The Capitola Mall remains a major funding source for the City, however long-term national and local trends have put significant pressure on existing brick-and-mortar retailers to remain competitive with internet options. The Mall was purchased in 2016 by Merlone Geier Partners, which also acquired the old Sears building in 2018. In FY 2019-20 the new owners initiated a public process, including a public meeting and regional survey of residents to begin evaluating options to redevelop the Mall.

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

In 2016 voters passed Measure F to extend a temporary quarter percent local sales tax for an additional 10 years. The City is committed to using this funding source to protect the wharf and beach from storms and rising sea levels, maintain police services, and improve sidewalks, parks, and bike safety. Staff anticipates Measure F revenues in FY 2024-25 to slightly increase and the proposed budget continues to implement these commitments.

The first major Measure F projects completed were renovations to the City's jetty and flume in 2020. Improvements to the jetty and rebuilding the flume that conveys water from the seasonal lagoon to the ocean, allows the City to maintain a world-class beach during the summer. The jetty sustained damages during the Jan. 5, 2023, storm which has been repaired and FEMA has approved reimbursement for those repairs.

The Wharf renovation project is the second important focus for the Measure F funding. Capitola's Wharf is a historic icon for the City, allowing countless residents and visitors to experience the Monterey Bay Marine Sanctuary in a unique way. The Wharf renovation project will focus on improving the Wharf's long-term resilience in the face of rising sea levels and powerful winter storms. The City completed environmental review in 2020 and began construction last summer with completion currently targeted for late summer / early fall 2024.

The \$10.5 million wharf project is funded with a \$3.5 million federal grant, \$2.4 million in state grants, \$3.0 million of Measure F funding, \$400,000 of local fund raising, and \$250,000 general fund. In addition, the wharf suffered approximately \$1 million in damages during the Jan. 5, 2023, storm. It is anticipated that those costs will be funded with a combination of insurance and FEMA reimbursements.

BUDGETARY GOALS AND PRINCIPLES

The FY 2024-25 General Fund budget was developed with an emphasis on financial stability and maintaining core programs and services for Capitola residents and visitors. As a first step in developing the Budget, the City Council identified its budget principles as well as key projects and programs for FY 2024-25. Those key projects and programs provide a tool for the City to clearly articulate its priorities to the community and to evaluate performance on an annual basis.

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

Budget Principles

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

Key Projects/Programs - Workplan

The City Council also proposed General fund allocations to the following projects:

Project	Funding
Employee Downpayment Assistance Program	\$ 100,000
Lifeguard Equipment Storage	25,000
PD Facility Improvements	65,000
Crosswalk Daylighting Citywide	10,000
Citywide digital applications	5,000
Employee engagement	6,000
Elections Outreach	4,000
Translation services	5,000
Website updates	7,000
Portable stage for events	7,000
Art & Cultural	13,000
Total	\$ 247,000

Additional FY 2024-25 and ongoing City Council Goals are listed below. Items shaded in gray are not funded or planned for in the FY 2024-25 Proposed Budget.

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
PW	Wharf Resiliency Project	Very High	Funded		In Progress
PW	Jade Street UA Playground Project	Very High			In Design
PW	Community Center Renovation Project	Very High			In Design
PW	Update Climate Action Plan	High		\$50,000	Not Started
PW	Stockton Bridge Debris Mitigation Project	High	Funded		In Progress
PW	Cliff Drive Resiliency Project	High	Funded		In Progress
PW	41st Ave Median imprvmts. (Esplanade Park)	Medium	\$50,000		Not Started
PW	Complete/Additional Peery Bridge Repairs	Medium	Funded		In Progress
PW	2023 FEMA Projects (Stockton Bridge, Noble Gulch, Hooper's Stairs)	Medium	Funded		In Progress
PW	Upper lot eastern access pedestrian path	Medium	Funded		Not Started
PW	Bay Avenue Corridor Traffic Study	Medium	Funded		In Progress
PW	Finish the Park at Rispin Mansion Project	Medium	Funded		Finalizing Contract
PW	41st Ave pavement rehabilitation & multimodal improvements	Medium		1,000,000	Multi-Year Project
PW	Complete Streets Safety Assessments	Medium	Funded		Not Started
PW	Peery Park Bridge Maintenance Project	Medium	TBD		
PW	Storage solutions for Rec - lifeguard equipment	Medium	\$25,000		Not Started
PW	PD facility improvements (lockers, restrooms, meeting area)	Medium	\$65,000		Not Started
PW	Daylighting - Village and elsewhere (parking/pedestrian requirement)	Medium	\$10,000		In Progress
PW	Noble Gulch Pipeline Repairs	Low	Funded		In Progress
PW	Park Ave. traffic calming	Low	Funded		In Progress
PW	2025 Pavement Maintenance Project	Low		\$500,000	In Design
PW	Pump Track Renovation Project	Low	Funded		Not Started
PW	Esplanade Park improvements (moved to 41 st)	Medium	Unfunded (\$50,000)		Not Started
PW	Depot Hill encroachments	Very High	None		Not Started
PW	Storage solutions for Rec – softball shed	Low	\$10,000		Not Started
PW	PD motor shed	Low	\$20,000		Not Started
PW	Village Resiliency Study (circulation and sea level rise)	Very High	\$500,000		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$100,000	\$1,550,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
CD	Wharf Re-Envisioning Plan & public outreach process & temporary structure CDPs	Very High	\$75,000		Not Started
CD	Complete Housing Element	Very High	Funded		In Progress

CD	Update 41st Ave. Visioning Plan	Very High		\$100,000	Not Started
CD	Create a Housing Rehab Grant/Loan Program	Very High		\$225,000	Not Started
CD	Code Update - Housing Element action item	High		\$65,000	Ongoing
CD	Create Homebuyer Assistance Program	High		\$150,000	Not Started
CD	City Hall Phase 2 - goal setting and alternatives analysis	Very High	\$67,000		Not Started
CD	Update tree ordinance	High		\$30,000	Not Started
CD	Historical guidelines	High	\$75,000		Not Started
	Total Potential FY 24/25 Dept Budget Allocation			\$75,000	\$540,000

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
CM	5-Year Strategic Plan Project management	Very High	Funded		Paused until Fall 2024
CM	Employee contract negotiations	Very High			In Progress
CM	Citywide digital applications	High	\$5,000		Not Started
CM	UA Playground fundraising coordination	Medium			In Progress
CM	Risk Management & HR Policy updates	Medium		\$2,000	In Progress
CM	Revenue Tax Measure - Polling Research Project management and public information	Medium	Funded		In Progress
CM	Update Employee Downpayment Assistance Program	Low	Funded		Completed
CM	Employee engagement	Low	\$6,000		Ongoing
CM	Elections outreach	Low	\$4,000		Not Started
CM	Translation services	Low	\$5,000		Not Started
CM	Website updates	Low	\$7,000		Not Started
CM	Technology updates to improve hybrid meetings	Medium		\$25,000	Not Started
CM	Increase public outreach and information services	Medium	Funded		Budgeted annually
CM	Annexation/City Sphere Study	Medium	Funded		In Progress
CM	Memorial plaque program update	High	Unfunded		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$27,000	\$2,000	

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
Rec	Pilot "rapid wedding" event	High			Not Started
Rec	Equity Swim & Public Safety Outreach Program	Medium		\$20,000	Ongoing
Rec	Implementation of Park Use Permit Program	Medium	\$0		Not Started
A&C	Public Art Maintenance: 41st Ave. median art & utility box murals	Medium	\$10,000		
Rec	Purchase of portable stage for events	Low	\$7,000		Not Started
A&C	Banners for streetlights	Low	\$3,000		Not Started

Rec	Lifeguard Equipment (PWC)	Low	\$10,000		Not sta
	Total Potential FY 24/25 Dept Budget Allocation		\$20,000	\$20,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
PD	FLOCK Cameras	High		\$35,000	Not Started
PD	High Surf Thresholds/Response Checklist	Medium			
PD	Electronic/online Police reporting	Medium		\$25,000	Not Started
PD	E-Citations	Medium		\$10,000	Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$0	\$70,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
Finance	Updates to TOT Ordinance & outreach to operators	High	\$0		In Progress
Finance	City banking RFP	Medium	\$0		In Progress
Finance	Implementation of fee study recommendations	Medium	\$0		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$0	\$0	
Total Potential FY 24/25 Budget Allocations			\$222,000	\$2,112,000	

Remaining FY 2023-24 Council Goals

The table below shows the funding allocated to the remaining FY 2023-24 City Council goals:

Project	Funding
LAFCO Sphere Study (\$15,000 match from LAFCO)	\$ 30,000
Long-term strategic plan	50,000
Community Center Renovation	1,650,000
41 st Ave. Medians (transferred from Esplanade Park mid-year)	50,000
Total	\$ 1,780,000

OTHER BUDGETARY HIGHLIGHTS AND PROPOSED CHANGES

While the budget was largely prepared to maintain core services and keep expenditures at the lowest level possible, several changes are identified in this budget.

New Community Services and Recreation Department

Following extensive community engagement, in 2019 the City adopted a comprehensive five-year strategic plan for the Capitola Recreation Division. Scheduled to conclude next Fiscal Year, this strategic roadmap has undergone refinement and adaptation, particularly in response to the challenges posed by the COVID-19 pandemic.

Prior to the implementation of this strategic plan, the Recreation Division's offerings included: Adult Classes, the Junior Guard Program, Camp Capitola, a softball league, and facility rentals. Today, the Division manages these same programs but has significantly expanded its portfolio to include:

- Serving more than 2,000 youth through the Junior Guard, Camp, After School, Parents Night Out and School Break Camps and Equity Swim programs.
- Offering over 135 classes to 1,400 youth and adults three times a year
- Coordinating all public art projects throughout the City and serving as staff to the Art and Cultural Commission.
- Protecting the public with the City's USLA-Certified Lifeguard Service through nearly 7,000 public interactions, including 84 rescues in their first season.
- Providing over \$35,000 in youth scholarship partially funded by Early Childhood and Youth Program funds.
- Maintaining two National Certifications for high quality professional standards in programs.
- Producing over 25 high quality community events annually including the Twilight Concert series, Food Truck Fridays, and single productions such as the Beyond the Flood Benefit Concert.

With these changes, the Division has grown from 3.75 FTE to 5.5 FTE and now supervises over 50 temporary seasonal staff each year. The program revenue remains strong and covers the direct cost of programs. Further the Division now supports numerous equity and accessibility initiatives for the community.

Given the scope and growth of the Division, I am recommending the establishment of the Capitola Community Services and Recreation Department. This proposed change will ensure the sustainability of the current programming by establishing a Director of Community Services and Recreation, developing the proposed organizational chart which delineates a clear chain of command, with program staff reporting to coordinators, who in turn report to the Director.

Furthermore, the integration of the Art & Cultural program Administrative Assistant into the new departmental structure as a Recreation Specialist II aims to centralize operational responsibilities for Art & Cultural events. These structural adjustments are intended to yield long-term benefits by fostering sustainability and efficiency across the Department's program areas. The change will solidify the City's long-term commitment to providing these services to our residents, maintaining public safety on our beaches, and continuing to build community through affordable, intergenerational and fun activities that support safety and personal well-being.

Youth Funding and Business Group Funding

With the passage of Measure J in 2018, Capitola became one of the first cities in the state to establish a children's fund that is supported by a dedicated tax measure. Transient Occupancy Tax (TOT) revenues perform well, and the proposed budget includes an allocation of \$65,000 from the children's fund to support early childhood and youth programming. The budget also includes approximately \$74,000 of funding for the Chamber of Commerce and the Village Business Improvement District, also using the restricted Measure J funding.

General Fund Balance

The general fund balance is estimated to end FY 2023-24 to be slightly below the minimum target of \$500,000. Additionally, both the Contingency and Emergency reserves are projected to be below their target balance amounts. This is primarily due to increased wharf project costs associated with the storm damage sustained in 2023. The FY 2024-24 Proposed Budget returns the general fund to the \$500,000 target balance while maintaining \$100,000 for the employee downpayment assistance program. Staff is still awaiting FEMA's determination of the damage cost reimbursement amount and once those funds are received it is proposed they are used to fund the reserves to their target balance amounts.

Current revenue and expenditure projections show revenues not keeping pace with expenditures, requiring usage of Measure F revenues to structurally balance the budget in the 5-year forecast. Staff will continue to closely monitor revenues, expenditures, and fund balance throughout FY 2024-25 and will report to Council during the mid-year budget report.

PRIOR YEAR ACCOMPLISHMENTS

In FY 2023-24 the City completed several significant projects, which provided residents and visitors with increased recreational and public art opportunities, while continuing to strengthen public safety and community development activities. Some of the City's accomplishments include:

- Implemented a new Council Chambers meeting video and audio system .
- Began city-wide comprehensive fee study.
- Upgraded Radio System to include a second radio channel for emergency operations and for seasonal lifeguard services.
- Upgraded Axon equipment to include Body Cameras, Tasers, and storage infrastructure.
- Conducted multiple bicycle safety and informational presentations at New Brighton Middle School and other locations.
- Introduced an Unmanned Aircraft Systems (UAS) drone program.
- Introduced the Flock Safety Program
- Upgraded Village pay stations with a new payment interface.
- Establish a computerized maintenance management system
- Completed Capitola Road Pavement Rehabilitation Project
- Completed Kennedy Drive Sidewalk Project
- Completed Bay/Hill Intersection Pedestrian Safety Quick Build
- Substantially completed the Wharf Resiliency and Public Access Project
- Substantially completed repairs from the January 2023 storms
- Adopt Housing Element update with a focus on public outreach, public hearings, adoptions, and working toward State of California Department of Housing and Community Development certification.
- Administered CDBG Grant of \$500,000 to provide food and transit services to low-income families through local nonprofits.

- Applied for CDBG Grant of \$3.3 million for renovation of the Jade Street Community Center.
- Implemented a 5-year Contract for a Regional Bikeshare Program with BCycle.
- City operated Lifeguard Service achieved United States Lifesaving Association (USLA) Certification as an Open Water Lifesaving Agency and hosted the California Surf Lifesaving Association (CSLSA) Spring Board of Directors Meeting.
- Recertified Camp Capitola as an American Camp Association (ACA) Accredited program and promoted from a 3-year cycle to a 5-year cycle.
- Expanded the learn to swim program for under resourced youth by doubling attendance for Spring 2024 and successfully enrolled Spring 2023 group in the Junior Guard Summer 2023 program.
- Provided, for the first time, School Break Camps and other Family Support programs.
- Installed 2024 annual exhibition “Little City Under Canvas” – The 150th Anniversary of Camp Capitola - March 2024.
- Installed three rotating exhibits at the Capitola Library.

CONCLUSION

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

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

SUMMARY INFORMATION



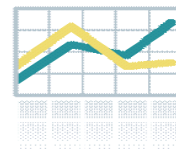
Budget Process Overview

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

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

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

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



Financial Policies

Basis of Accounting

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

Level of Budget Control

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

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

Budget Adjustments

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

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

Financial Committees and Boards

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

Finance Advisory Committee

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

General Fund Summary

The General Fund balance decreased as planned in FY 2023-24 due to implementation of City Council goals. The projected General Fund FY 2023-24 ending budgetary fund balance totals \$600,000. The FY 2024-25 Proposed Budget maintains the General Fund balance at the minimum target of \$500,000 while maintaining \$100,000 for the employee downpayment assistance program.

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

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

General Fund Summary

Major Categories	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
Revenues						
Taxes	\$ 14,514,218	\$ 14,709,173	\$ 14,643,970	\$ 14,521,871	\$ 15,106,270	\$ 15,632,013
Licenses and permits	718,935	650,188	664,159	695,854	740,409	743,597
Intergovernmental revenues	1,350,001	351,671	89,700	105,700	136,360	108,353
Charges for services	1,894,868	1,817,637	2,187,937	1,912,013	2,322,127	2,352,127
Fines and forfeitures	588,832	566,907	607,500	648,000	607,500	607,500
Use of money & property	31,722	70,527	198,495	183,200	199,195	199,195
Other revenues	891,204	240,413	115,403	135,953	117,206	119,053
Revenues Totals	\$19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838
Expenditures						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract services	3,018,482	3,336,801	3,483,368	3,483,368	3,493,981	3,387,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund charges	1,196,204	1,444,499	1,617,841	1,617,841	1,523,578	1,715,947
Other financing uses	3,608,343	3,271,324	2,288,788	2,288,788	287,568	287,344
Expenditures Totals	\$18,913,379	\$20,829,427	\$20,119,630	\$20,204,812	\$19,185,566	\$19,708,434
Impact on Fund Balance	\$ 1,076,402	\$ (2,422,912)	\$ (1,612,466)	\$ (2,002,221)	\$43,500	\$53,403
Budgetary Fund Balance	\$ 5,224,050	\$ 2,801,138	\$ 988,672	\$ 598,917	\$ 642,418	\$ 695,821
Designations						
Employee Downpayment					\$ (100,000)	\$ (100,000)
Infrastructure	\$ -	\$ -	\$ -	\$ -		
Revised Budgetary Fund Balance	\$ 5,224,050	\$ 2,601,138	\$ 988,672	\$ 598,917	\$ 542,418	\$ 595,821

Revenue Summary

	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838
Designated Reserves						
Contingency Reserve	-	131,000	172,000	172,000	-	-
PERS Contingency Reserve	(111,278)	250,000	260,000	260,000	10,000	10,000
Emergency Reserve	-	147,300	250,000	250,000	-	-
Facility Reserve	-	-	-	-	-	-
Total Designated Reserves	\$ (111,278)	\$ 528,300	\$ 682,000	\$ 682,000	\$ 10,000	\$ 10,000
Debt Service						
Pac Cove Lease Financing	165,074	165,066	670,000	670,000	-	-
Pacific Cove Park	88,211	88,002	87,788	87,788	87,568	87,344
Total Debt Service	\$ 253,285	\$ 253,068	\$ 757,788	\$ 757,788	\$ 87,568	\$ 87,344
Capital Improvement Fund	\$ 342,864	\$ 3,766,006	\$ 6,453,203	\$ 4,789,000	\$ 7,177,000	\$ 972,341
Internal Service Funds						
Stores Fund	\$ 20,010	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	201,968	261,570	510,000	509,390	272,000	272,000
Equipment Replacement	461,000	185,000	570,000	710,000	65,000	200,000
Self-Insurance Liability	438,930	955,290	622,136	622,136	760,036	797,228
Workers Compensation	427,680	431,999	447,705	447,705	403,542	423,719
Compensated Absences	220,000	220,000	225,000	225,000	200,000	200,000
Total Internal Service Funds	\$ 1,769,588	\$ 2,080,859	\$ 2,401,841	\$ 2,541,231	\$ 1,727,578	\$ 1,919,947
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 101,541	\$ 107,082	\$ 100,500	\$ 103,044	\$ 104,000	\$ 104,000
TOT Restricted Revenue	99,483	96,497	100,833	100,157	102,842	104,878
Gas Tax	242,995	255,825	284,881	288,502	274,160	263,905
RTC Streets	385,691	381,953	371,000	260,779	374,000	385,000
SB1 RMRA	208,983	227,379	248,500	254,869	252,161	257,204
Wharf	119,189	72,310	-	2,620	20,500	32,500
General Plan Update and Maint	66,975	127,062	194,750	108,294	114,375	50,000
Green Building Education	13,273	13,459	3,000	43,457	15,000	15,000
Public Arts Fee	-	-	5,000	-	-	-
Parking Reserve	100,000	100,000	469,000	469,000	-	-
Technology Fee	17,845	14,659	11,500	14,309	14,500	14,500
PEG-Public Education and Gov.	14,249	13,437	16,000	6,261	16,000	16,000
BIA-Capitola Village-Wharf BIA	105,842	145,789	146,684	146,684	148,600	148,600
CDBG Grants	220,191	168,768	253,335	89,809	232,335	-
CDBG Program Income	171	1,151	250	1,000	-	-
Library	551,180	51,693	1,500	962	1,000	1,000
HOME Reuse	14,051	99,530	-	64,614	-	-
Housing Trust	7,131	50,377	10,000	61,148	14,000	14,000
PLHA	-	-	481,732	105,092	171,825	185,983
Cap Hsg Succ- Program Income	6,502	127,642	40,000	168,122	27,400	7,400
Total Special Revenue Funds	\$ 2,275,294	\$ 2,054,611	\$ 2,738,465	\$ 2,288,722	\$ 1,882,698	\$ 1,599,971
Total Revenues - All Funds	\$ 24,519,533	\$27,089,359	\$31,540,461	\$29,261,332	\$30,113,910	\$24,351,440

Expenditure Summary

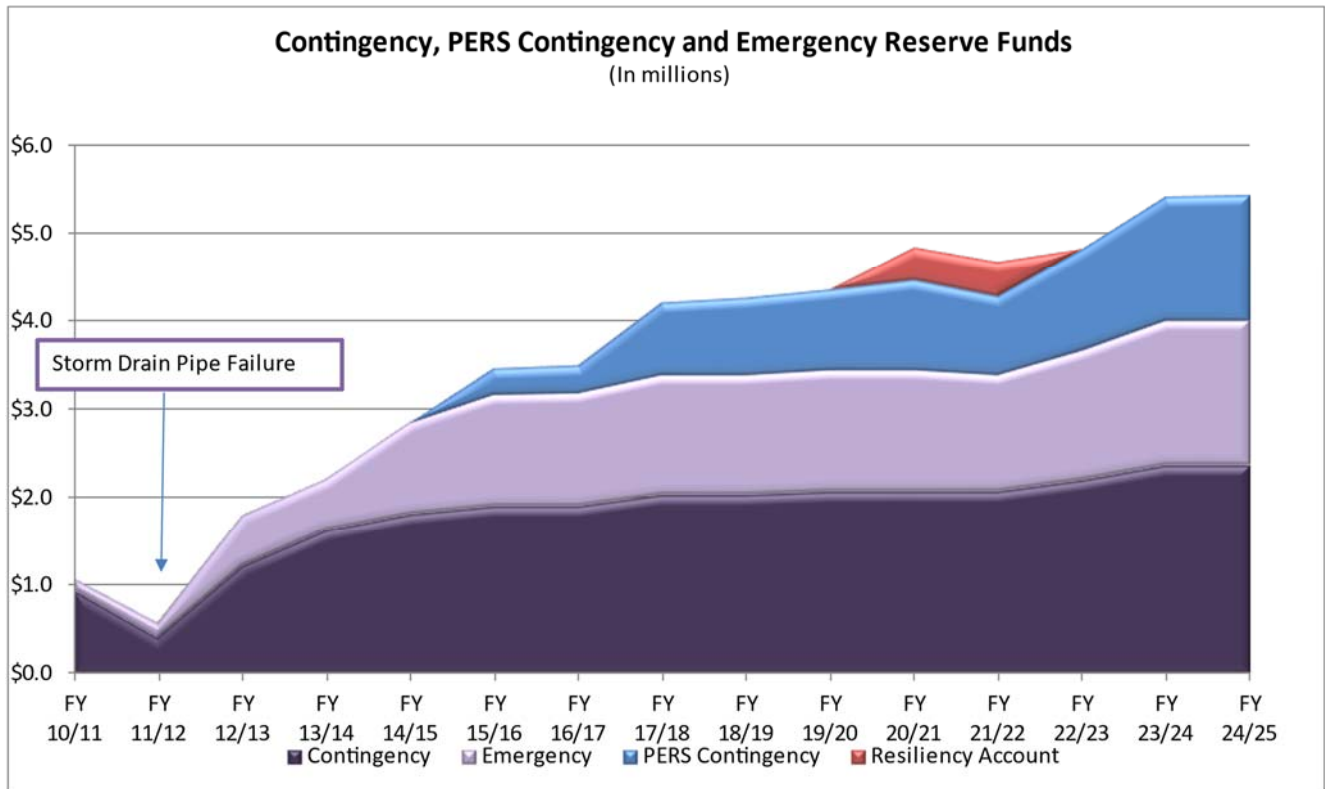
	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 18,913,379	\$ 20,829,427	\$ 20,119,630	\$ 20,204,812	\$ 19,185,566	\$ 19,708,434
Designated Reserves						
Contingency Reserve	-	-	-	-	-	-
PERS Contingency Reserve	-	-	-	-	-	-
Emergency Reserve	60,000	-	80,000	80,000	-	-
Facilities Reserve	90,116	-	-	-	-	-
Total Designated Reserves	\$ 150,116	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -
Debt Service						
Pac Cove Lease Financing	165,066	165,066	725,000	649,940	-	-
Pac Cove Park	88,211	88,002	87,788	87,788	87,568	87,344
Total Debt Service Funds	\$ 253,277	\$ 253,068	\$ 812,788	\$ 737,728	\$ 87,568	\$ 87,344
Capital Improvement Fund	\$ 1,057,024	\$ 1,476,467	\$ 6,863,140	\$ 1,386,500	\$ 12,686,300	\$ 1,190,000
Internal Service Funds						
Stores	\$ 23,690	\$ 29,759	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	174,084	299,723	626,000	650,000	272,000	272,000
Equipment Replacement	178,703	275,161	403,404	1,008,650	140,000	200,000
Self-Insurance Liability	586,251	656,222	622,138	720,406	760,036	797,228
Workers' Compensation	379,401	681,777	447,705	446,257	403,542	423,719
Compensated Absences	372,970	-	225,000	225,000	200,000	200,000
Total Internal Service Funds	\$ 1,715,100	\$ 1,942,641	\$ 2,351,247	\$ 3,077,313	\$ 1,802,578	\$ 1,919,947
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 46,117	\$ 109,954	\$ 221,000	\$ 221,230	\$ 101,500	\$ 101,500
TOT Restricted Revenue	105,167	100,783	151,667	137,333	119,133	105,774
Gas Tax	160,280	149,949	283,350	271,571	272,000	261,900
RTC Streets	96,915	1,129,884	386,345	386,345	369,000	380,000
SB1 RMRA	96,915	253,428	243,500	243,500	252,161	257,204
Wharf	98,523	61,003	17,500	44,796	141,250	31,605
General Plan Update and Maint.	22,493	125,760	401,412	76,130	209,375	45,000
Green Building Education	-	-	21,000	7,710	57,000	7,000
Public Arts Fee	-	5,031	78,000	11,000	66,500	26,000
Parking Reserve	100,000	100,000	469,000	469,000	-	-
Technology Fee	4,375	18,250	13,250	13,250	13,250	13,250
PEG-Public Education and Gov.	34,284	32,159	15,000	-	12,000	12,000
BIA-Capitola Village-Wharf BIA	95,849	140,940	157,500	157,500	155,900	155,900
CDBG Grants	265,954	220,884	273,335	20,000	235,530	20,000
CDBG Program Income	64,907	-	7,500	7,500	10,000	10,000
Library	1,305,325	1,085	-	-	-	-
HOME Reuse	3,200	3,700	64,100	64,100	4,100	4,100
Housing Trust	25,000	25,000	201,000	201,000	150,000	-
PLHA	-	-	256,800	99,837	171,825	185,983
Cap Hsg Succ- Program Income	97,969	92,316	405,807	293,610	1,324,025	74,025
Total Special Revenue Funds	\$ 2,623,272	\$ 2,570,126	\$ 3,667,066	\$ 2,725,413	\$ 3,664,549	\$ 1,691,241
Total Expenditures - All Funds	\$ 24,712,168	\$ 27,071,728	\$ 33,893,871	\$ 28,211,767	\$ 37,426,561	\$ 24,596,966

Emergency, PERS Contingency and Contingency Reserves

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

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

The City was able to navigate the fiscal impacts associated the COVID-19 Pandemic without utilizing reserve funds, however, the atmospheric river storms on Jan. 5, 2023, has caused the City to utilize funds from the Emergency Reserve to make emergency repairs. Additionally, as the City continues to make storm damage repairs the general fund balance has been drawn down and therefore the FY 2024-25 Proposed Budget does not include any general fund transfers into the reserves. As storm damage repair costs are reimbursed through FEMA and Cal OES the City anticipates returning reserves to minimum target balances.



OPEB and PERS Trust Funds

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

OPEB Trust Fund:

Balance 6/30/2023	\$645,733
FY 2022/23 Contributions	67,050
<u>Estimated Interest Earned</u>	<u>5,000</u>
Estimated Balance 6/30/2024	\$717,783
FY 2023/24 Contributions	67,050
<u>Estimated Interest Earned</u>	<u>5,000</u>
Estimated Balance 6/30/2025	\$789,833

PERS Trust Fund:

Balance 6/30/2023	\$1,187,772
Estimated Interest Earned	10,000
<u>FY 2022/23 Contributions</u>	<u>250,000</u>
Estimated Balance 6/30/2023	\$1,447,772
<u>Estimated Interest Earned</u>	<u>10,000</u>
Estimated Balance 6/30/2024	\$1,457,772

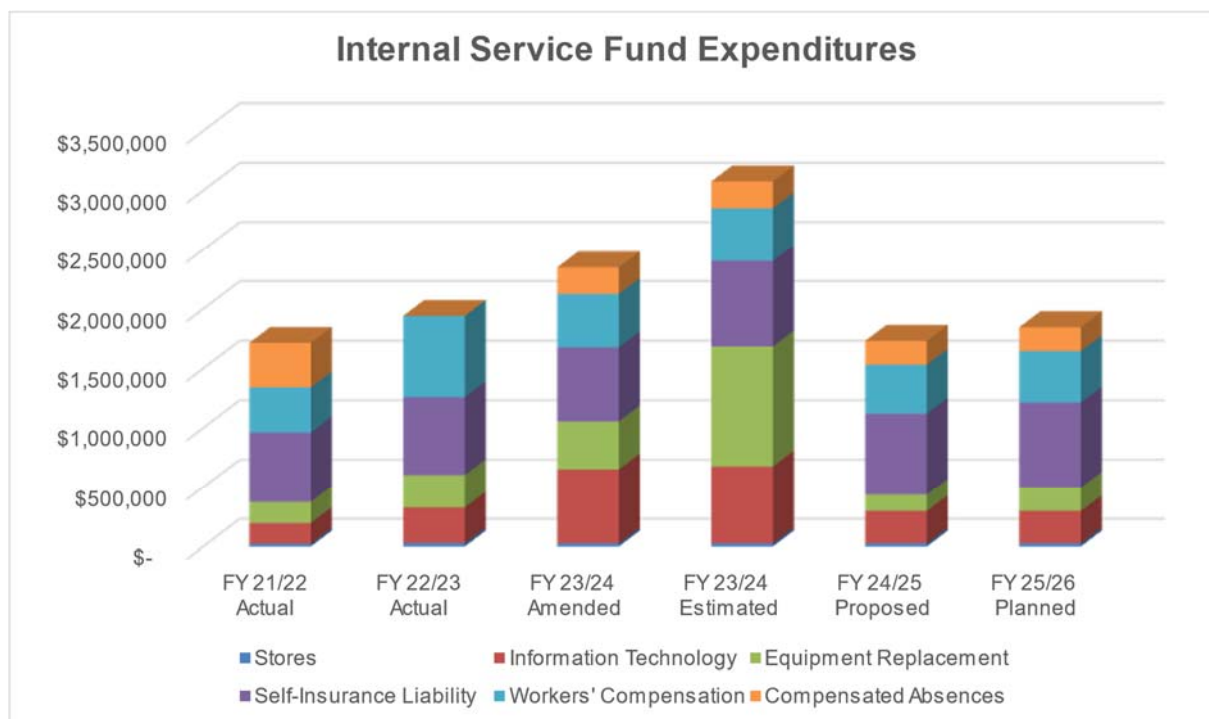
General Fund Resources

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

The following table shows the estimated General Fund available resources:

Estimated Year End Fund Balance	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 598,917	\$ 642,418	\$ 695,821
Designated Reserves			
Emergency	1,631,506	1,631,506	1,631,506
Contingency	2,364,346	2,364,346	2,364,346
PERS Contingency	1,414,275	1,424,275	1,434,275
Facilities Reserve	532,714	532,714	532,714
Internal Service Funds			
Stores	62,676	62,676	62,676
Information Technology	177,041	177,041	177,041
Equipment Replacement	577,318	502,318	502,318
Self-Insurance Liability	179,917	179,917	179,917
Workers' Compensation	118,749	118,749	118,749
Compensated Absences	330,886	330,886	330,886
Total General Fund Resources	\$ 7,988,344	\$ 7,966,845	\$ 8,030,248

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



Fund Balance Summary

	Estimated Balance 7/1/2024	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2025
General Fund	\$ 598,917	\$19,229,066	\$ -	\$ 18,897,998	\$ 287,568	\$ 642,418
Designated Reserves						
Contingency Reserve	\$2,364,346	\$ -	\$ -			\$ 2,364,346
PERS Contingency Reserve	1,414,275	10,000	-	-	-	1,424,275
Emergency Reserve	1,631,506	-	-	-	-	1,631,506
Donations	-	-	-	-	-	-
Facility Reserve	532,714	-	-	-	-	532,714
Total Designated Reserves	\$ 5,942,840	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,952,840
Debt Service						
Pac Cove Lease Financing	75,204	-	-	-	-	75,204
Pac Cove Park	12	-	87,568	87,568	-	12
Total Debt Service	\$ 75,216	\$ -	\$ 87,568	\$ 87,568	\$ -	\$ 75,216
Capital Improvement Fund	\$ 1,351,312	\$ 1,420,700	\$ -	\$ 2,600,000	\$ -	\$ 172,012
Internal Service Funds						
Stores	\$ 62,676	\$ 27,000		\$ 27,000	\$ -	\$ 62,676
Information Technology	177,041	275,000	-	272,000	-	180,041
Equipment Replacement	577,318	65,000	-	140,000	-	502,318
Self-Insurance Liability	179,917	760,036		760,036	-	179,917
Workers' Compensation	118,749	403,542		403,542	-	118,749
Compensated Absences	330,886	-	200,000	200,000	-	330,886
Total Internal Service Funds	\$ 1,446,587	\$ 1,530,578	\$ 200,000	\$ 1,802,578	\$ -	\$ 1,374,587
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 33,427	\$ 104,000		\$ 101,500		\$ 35,927
TOT Restricted Revenue	21,296	102,842		119,133		5,004
SB1 RMRA	300,518	252,161		252,161		300,518
RTC Streets	60,325	374,000		369,000		65,325
Gas Tax	273,397	274,160		272,000		275,557
Wharf	124,018	20,500		141,250		3,268
General Plan Update and Maint	280,571	114,375		209,375		185,571
Green Building Education	260,555	15,000		57,000		218,555
Public Art	155,236	-		66,500		88,736
Parking Reserve	737	-		-	-	737
Technology Fee	94,371	14,500		13,250		95,621
PEG-Public Education and Govt.	51,341	16,000		12,000		55,341
Capitola Village/Wharf BIA	33,426	148,600	-	155,900		26,126
CDBG Grants	(1,080)	232,335		235,530		(4,275)
CDBG Program Income	39,199	-		10,000		29,199
Library	51,569	1,000		-		52,569
HOME Reuse	780,264	-		4,100		776,164
Housing Trust	241,690	14,000		150,000		105,690
PLHA	5,255	171,825		171,825		5,255
Cap Hsg Succ- Program Income	1,925,511	27,400		1,324,025		628,886
Total Special Revenue Funds	\$ 4,731,626	\$ 1,882,698	\$ -	\$ 3,664,549	\$ -	\$ 2,949,774
Prelim. Fund Balance - All Funds	\$ 14,146,498	\$ 24,073,042	\$ 287,568	\$ 27,052,693	\$ 287,568	\$ 11,166,846
GF Fund Balance Designation	(100,000)					(100,000)
Total Fund Balance - All Funds	14,046,498					11,066,846

Fund Balance Summary

	Estimated Balance 7/1/2025	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2026
General Fund	\$ 642,418	\$ 19,761,838	\$ -	\$ 19,421,090	\$ 287,344	\$ 695,821
Designated Reserves						
Contingency Reserve	\$ 2,364,346	\$ -	\$ -		\$ -	\$ 2,364,346
PERS Contingency Reserve	1,424,275	10,000	-	-	-	1,434,275
Emergency Reserve	1,631,506	-	-	-	-	1,631,506
Donations	-	-	-	-	-	-
Facility Reserve	532,714	-	-	-	-	532,714
Total Designated Reserves	\$ 5,952,840	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,962,840
Debt Service						
Pac Cove Lease Financing	75,204	-	-	-	-	75,204
Pac Cove Park	12	-	87,344	87,344	-	12
Total Debt Service	\$ 75,216	\$ -	\$ 87,344	\$ 87,344	\$ -	\$ 75,216
Capital Improvement Fund						
	\$ 172,012	\$ -	\$ -	\$ -	\$ -	\$ 172,012
Internal Service Funds						
Stores	\$ 62,676	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ 62,676
Information Technology	180,041	272,000	-	272,000	-	180,041
Equipment Replacement	502,318	200,000	-	200,000	-	502,318
Self-Insurance Liability	179,917	797,228	-	797,228	-	179,917
Workers' Compensation	118,749	423,719	-	423,719	-	118,749
Compensated Absences	330,886	-	200,000	200,000	-	330,886
Total Internal Service Funds	\$ 1,374,587	\$ 1,719,947	\$ 200,000	\$ 1,919,947	\$ -	\$ 1,374,587
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 35,927	\$ 104,000		\$ 101,500		\$ 38,427
TOT Restricted Revenue	5,004	104,878		105,774		4,109
SB1 RMRA	300,518	257,204		257,204		300,519
RTC Streets	65,325	385,000		380,000		70,325
Gas Tax	275,557	263,905		261,900		277,562
Wharf	3,268	32,500		31,605		4,163
General Plan Update and Maint	185,571	50,000		45,000		190,571
Green Building Education	218,555	15,000		7,000		226,555
Public Art	88,736	-		26,000		62,736
Parking Reserve	737	-		-		737
Technology Fee	95,621	14,500		13,250		96,871
PEG-Public Education and Govt.	55,341	16,000		12,000		59,341
BIA-Capitola Village-Wharf BIA	26,126	148,600		155,900		18,826
CDBG Grants	(4,275)	-		20,000		(24,275)
CDBG Program Income	29,199	-		10,000		19,199
Library	52,569	1,000		-		53,569
HOME Reuse	776,164	-		4,100		772,064
Housing Trust	105,690	14,000				119,690
PLHA	5,255	185,983		185,983		5,255
Cap Hsg Succ- Program Income	628,886	7,400		74,025		562,261
Total Special Revenue Funds	\$ 2,949,774	\$ 1,599,971	\$ -	\$ 1,691,241	\$ -	\$ 2,858,504
Prelim. Fund Balance - All Funds	\$ 11,166,846	\$ 23,091,756	\$ 287,344	\$ 23,119,622	\$ 287,344	\$ 11,138,980
GF Fund Balance Designation	(100,000)				-	(100,000)
Total Fund Balance - All Funds	11,066,846					11,038,980

GENERAL FUND REVENUES

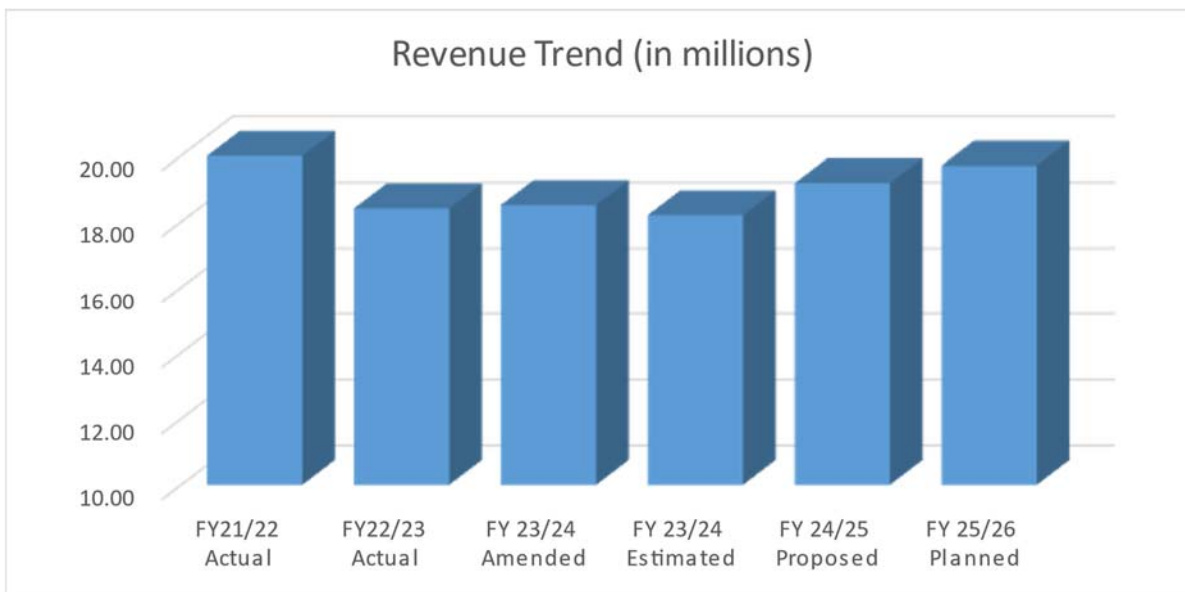


General Fund Revenues

Revenues for the FY 2024-25 General Fund operating budget total \$19.2 million, an increase of approximately \$661,000 or 3.6 percent above FY 2023-24 estimated revenue. Property tax revenues remain strong as assessed values (basis for property tax levies) continue to increase with changes in ownership and an additional 2% CPI increase per Prop 13 provisions. Staff anticipates sales tax revenue to increase around 2.3% over FY 2023-24 and transient occupancy tax to increase about 1% compared to prior year as hotels, motels, and short-term rentals continue strong operations.

A summary of major revenue changes between the FY 2023-24 adopted and FY 2024-25 proposed budgets is listed below:

General Fund Revenues						
	FY21/22	FY22/23	FY 23/24	FY 23/24	FY 24/25	FY 25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Taxes	\$ 14,514,218	\$14,709,173	\$14,643,970	\$14,521,871	\$15,106,270	\$15,632,013
Licenses and permits	718,935	650,188	664,159	695,854	740,409	743,597
Intergovernmental revenues	1,350,001	351,671	89,700	105,700	136,360	108,353
Charges for services	1,894,868	1,817,637	2,187,937	1,912,013	2,322,127	2,352,127
Fines and forfeitures	588,832	566,907	607,500	648,000	607,500	607,500
Use of money & property	31,722	70,527	198,495	183,200	199,195	199,195
Other revenues	891,204	240,413	115,403	135,953	117,206	119,053
General Fund Revenues	\$ 19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838



General Revenue Information

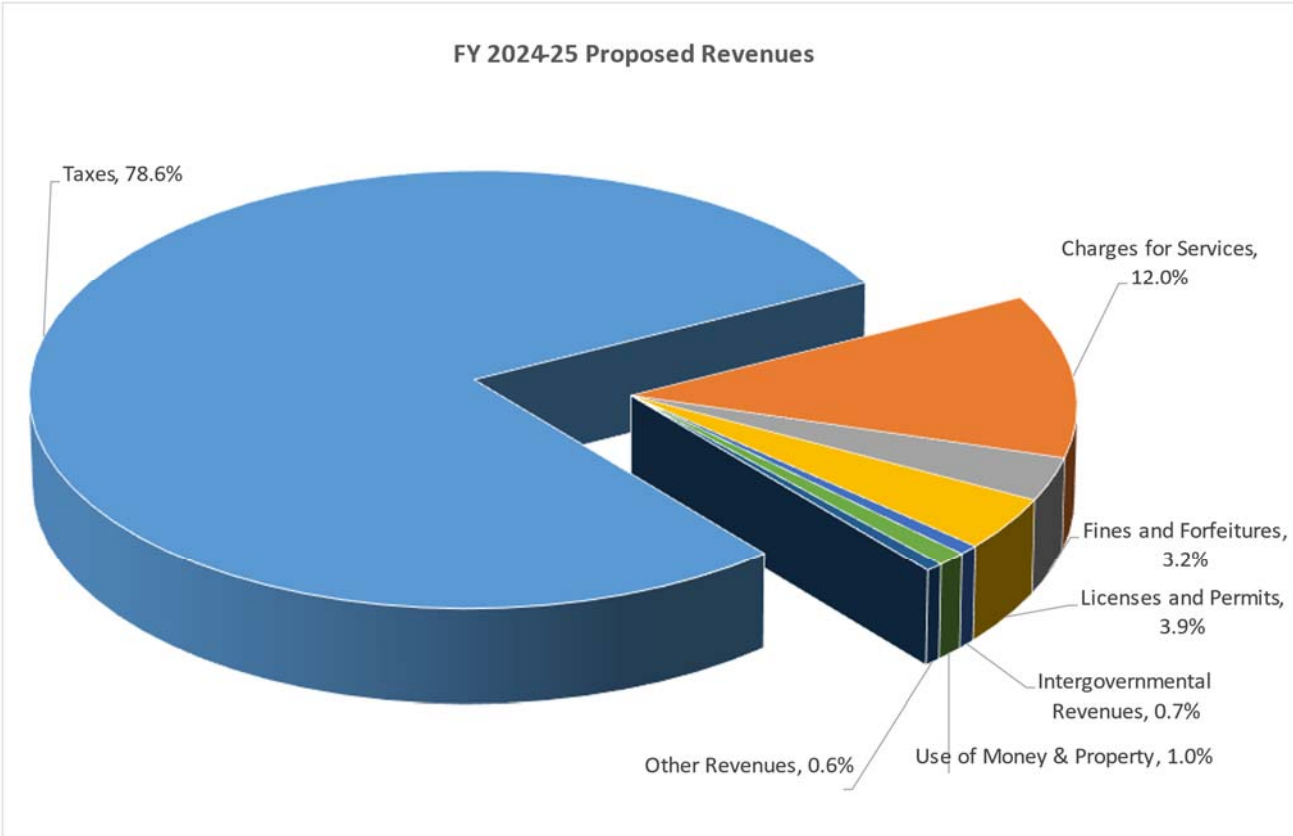
The City does not receive General Fund revenues in equal monthly increments. While the City receives some revenue regularly throughout the fiscal year, some is received quarterly or annually. The variable nature of these revenues results in an uneven cash flow. For example, the City of Capitola's lowest cash balances occur in April and again in mid-December prior to property tax revenue being received. The City developed a cash flow model to assist with on-going cash flow variability and to identify reserve requirements. While monitoring the City's cash flow has always been a priority, the need to identify patterns became more critical during the disaster recovery period when reserves were nearly depleted. In FY 2012-13 the City approved increasing the Contingency Reserve balance from 10 percent to 15 percent to assist in covering potential cash flow deficits.

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

- Sales Tax \$8,508,650
- Transient Occupancy Tax 2,222,000
- Parking Meters 1,165,940
- Parking Fines 497,500
- Property Taxes 3,277,120

\$15,671,210

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



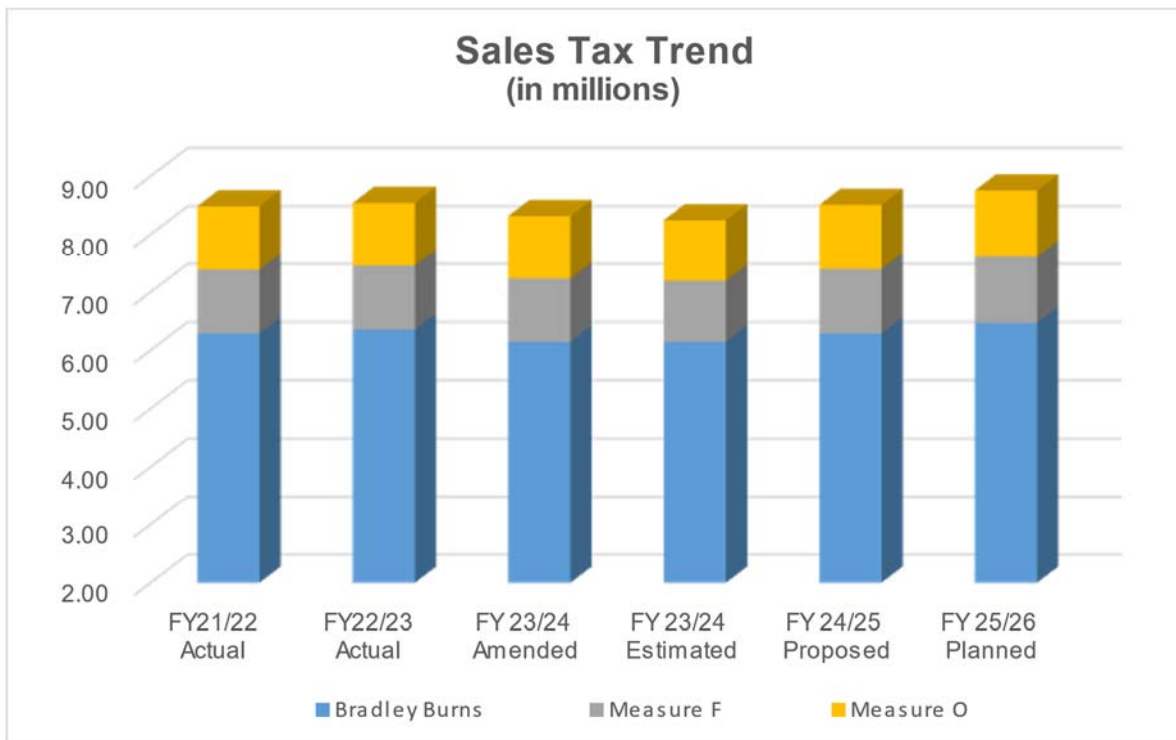
Sales Tax

The City of Capitola sales tax consists of one percent Bradley Burns, a quarter percent Capitola District Tax (Measure F), and a permanent quarter percent Capitola District Tax (Measure O). In FY 2023-24 annual sales tax revenue is estimated to be \$8.2 million, with approximately \$2.1 million in revenues contributed by Measure O, and Measure F.

Sales tax by Geographic Area	
Area	% of Total
41st Ave. Corridor	79.1%
Capitola Village	11.2%
Upper Village	6.9%
Light Industrial Distr.	2.8%
	<u>100.0%</u>

The Finance Department works closely with HdL, the City’s sales tax consultant, on tax recovery, statistics, and projections. Sales tax projections are based on a combination of “most likely” estimates provided by HdL, internal quarter over quarter analyses, and the impact of one-time events. In FY 2024-25, Bradley Burns sales tax revenue is anticipated to increase by approximately 2.3 percent, or \$141,000, above the FY 2023-24 estimated sales tax receipts. The City’s sales tax collections are heavily dependent on the top five generators.

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



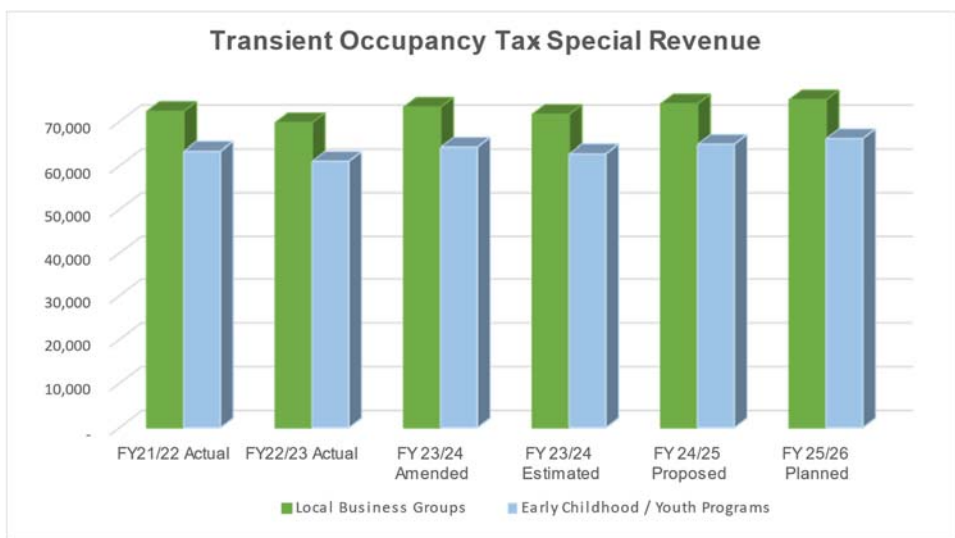
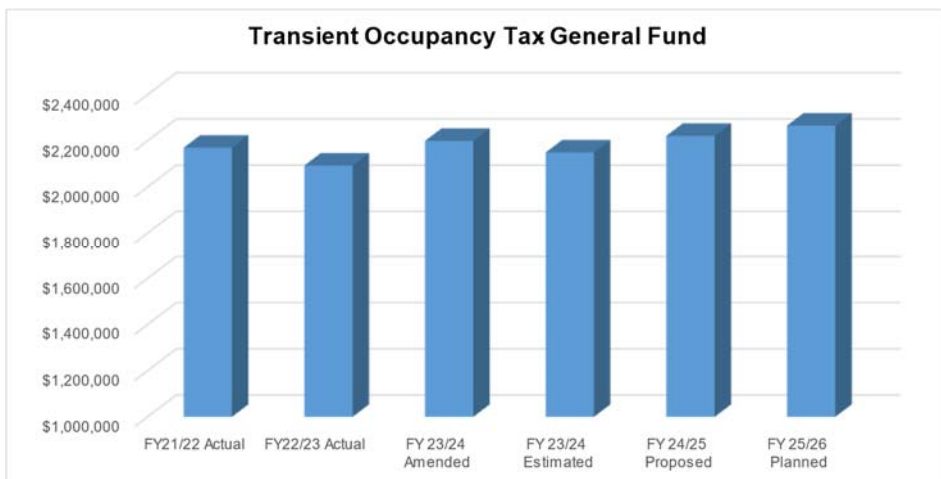
Transient Occupancy Taxes (TOT)

Hotel tax, also known as the Transient Occupancy Tax (TOT), charges rental accommodation of less than 30 days a 12 percent tax of which 0.75% is restricted for local business groups and early childhood and youth programs. In FY 2023-24 TOT tax generally accounts for approximately 11% of General Fund operating revenues. The City's TOT revenues come from the following sources:

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

TOT revenues are anticipated to increase 1% during FY 2024-25. For the last several years, hotels have experienced high occupancy rates leaving little room for increased TOT revenues. As the industry slows down little revenues are expected to continue to grow slightly as has been the case for the last couple of years.

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

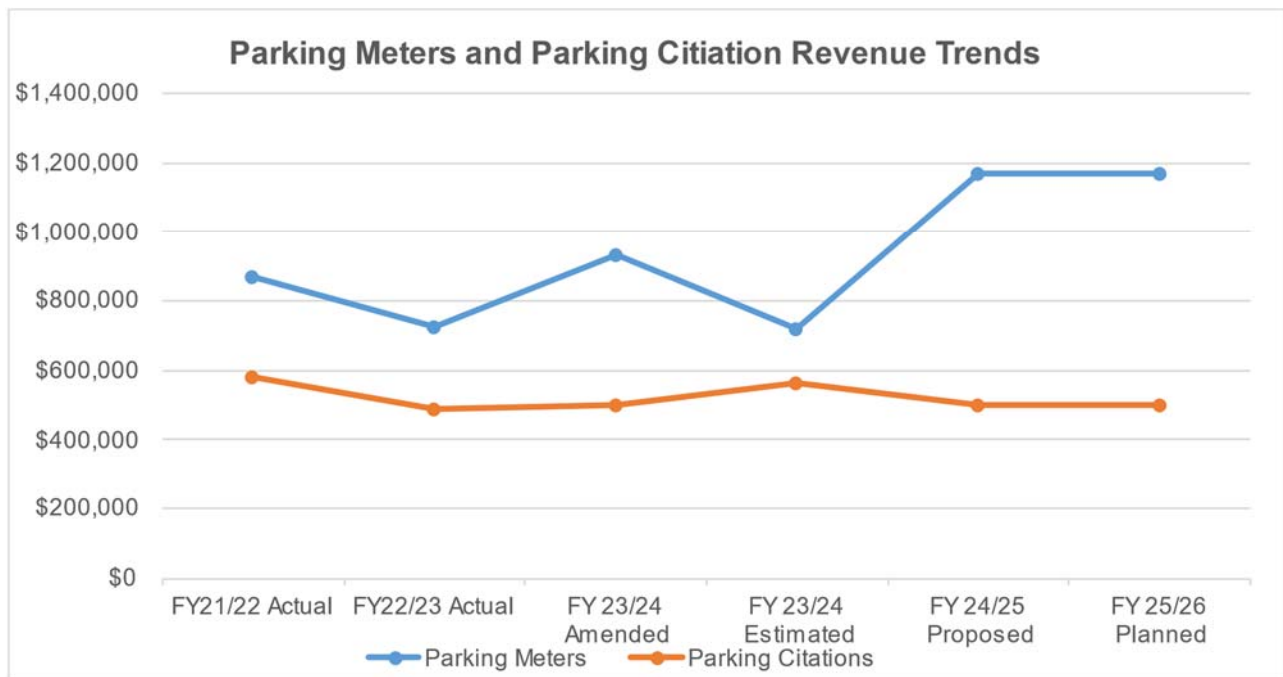


Parking Meters and Parking Fines

In FY 2024-25 parking meter and parking fine revenues are estimated to contribute approximately \$1.7 million to the General Fund. Revenue sources include fees collected from the meters and fines resulting from expired meters and improper parking. Factors affecting these revenues include tourism and seasonal trends. The FY 2024-25 proposed budget reflects a \$233,000 in parking meter revenue as a result of the parking meter rate increase effective Jan. 1, 2023. During the summer, the City offers shuttle bus service from the parking lots to the Village, beach, and Capitola Wharf. Projected revenues for each location are estimated below:

Location	Spaces	FY 24/25 Proposed	Avg. Meter Rev. per Space
Village	180	\$ 765,940	\$ 4,255
Cliff Drive	65	\$ 162,500	\$ 2,500
Pacific Cove - Upper Lot	232	\$ 175,000	\$ 754
Pacific Cove - Lower Lot	226	\$ 62,500	\$ 277

The following chart illustrates parking meter revenue and parking citation revenue trends within the City. Overall, the revenue trend reflects the previously mentioned parking meter rate increase while showing citation revenue remaining flat. In FY 2015/16 the City implemented 3-hour parking in the Village. The change has had a positive impact on meter revenue while decreasing citations.



Property Taxes

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

In FY 2024-25 property tax revenue is estimated to be \$3.3 million, representing a six percent increase over the estimated collection amount from FY 2023-24. The City’s collections are slightly higher than the information from the County Auditor-Controller’s Office due to the increased cost of housing and a robust housing market.

In the FY 2024-25 proposed budget, base property tax revenues are projected to increase approximately six percent. The City based the projection on information from the Auditor-Controller’s Office, historical trends, and a review of the current housing market. A growth factor of six percent of the assessed property valuation was used to estimate FY 2024-25 property tax revenue.

Property taxes are received based on the following distribution schedule:

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

Property Taxes in-lieu-of Vehicle License Fees

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



Revenue Summary

	FY21/22	FY22/23	FY 23/24	FY 23/24	FY 24/25	FY 25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
<u>Taxes</u>						
Property Taxes	\$ 2,782,322	\$ 2,959,208	\$ 3,091,621	\$ 3,091,621	\$ 3,277,120	\$ 3,473,747
Sales Tax- Bradley Burns	6,288,953	6,359,143	6,145,250	6,145,250	6,286,590	6,468,901
Sales Tax- Measure O	1,097,862	1,087,700	1,086,050	1,050,000	1,111,030	1,143,250
Sales Tax- Measure F	1,097,984	1,095,576	1,086,050	1,050,000	1,111,030	1,143,250
Document Transfer Tax	100,861	98,938	100,000	100,000	100,000	100,000
Franchise Tax	634,511	708,276	635,000	635,000	698,500	733,425
Transient Occupancy Tax	2,170,541	2,093,243	2,199,999	2,150,000	2,222,000	2,266,440
Cannabis Retail Tax	341,183	307,089	300,000	300,000	300,000	303,000
Total	\$ 14,514,218	\$ 14,709,173	\$ 14,643,970	\$ 14,521,871	\$ 15,106,270	\$ 15,632,013
<u>Licenses and permits</u>						
Business License	\$ 315,604	\$ 309,349	\$ 312,500	\$ 305,000	\$ 318,750	\$ 321,938
Building Permits	236,659	179,754	180,000	220,000	250,000	250,000
Cannabis Annual License Fee	5,188	5,354	5,000	5,354	5,000	5,000
Encroachment Permits	26,260	37,311	30,000	32,000	30,000	30,000
Special events permit	1,564	9,382	10,000	9,000	10,000	10,000
Entertainment permit	6,594	4,659	4,659	4,000	4,659	4,659
Parking Permits	43,068	42,098	45,500	45,500	45,500	45,500
Planning Permits	83,464	61,705	63,500	75,000	63,500	63,500
Other Permits	533	575	13,000	-	13,000	13,000
Total	\$ 718,935	\$ 650,188	\$ 664,159	\$ 695,854	\$ 740,409	\$ 743,597
<u>Intergovernmental revenues</u>						
Federal and State Grants	\$ 1,343,507	\$ 345,037	\$ 83,000	\$ 100,000	\$ 99,660	\$ 101,653
Gen gov't BIA - Fin. support svcs.	4,200	4,200	4,200	4,200	4,200	4,200
Gen gov't CVC - Fin. support svcs.	2,294	2,434	2,500	1,500	2,500	2,500
Total	\$ 1,350,001	\$ 351,671	\$ 89,700	\$ 105,700	\$ 106,360	\$ 108,353
<u>Charges for Svcs.</u>						
Gen gov't Pay stations-Village	\$ 562,881	\$ 452,741	\$ 612,750	\$ 400,000	\$ 765,940	\$ 765,940
Gen gov't Pay stations-Cliff Dr.	112,522	119,577	130,000	130,000	162,500	162,500
Gen gov't Pay station-upper Pac Cove	139,268	112,445	140,000	140,000	175,000	175,000
Gen gov't Pay stations-lower Pac Cove	56,676	38,089	50,000	50,000	62,500	62,500
Public safety Vehicle release fee	8,118	8,014	7,000	7,000	7,000	7,000
Public safety Police reports	631	667	500	500	500	500
Public safety Booking fees	-	-	250	250	250	250
Public safety DUI collections	5,772	2,133	6,000	3,000	6,000	6,000
Public safety Spec. events - Police Svcs.	4,145	41,141	40,000	40,000	40,000	40,000
Public works BIA - public works Svcs.	3,000	3,000	3,000	3,000	3,000	3,000
Public Works - Special Events	-	4,427	-	4,500	0	0
Public works Stormwater dev. Review	2,224	1,524	2,000	2,000	2,000	2,000
Building fees Building plan check fees	113,353	129,767	100,000	95,000	100,000	100,000
Bldg. Official Reimbursement	105,833	103,761	112,000	112,000	0	0
Comm dev Planning fee - Sr./Assoc plnr cost	11,981	46,479	45,000	40,000	50,000	50,000
Comm Planning fee - assist plnr cost	6,612	-	-	-	0	0
Comm dev Planning fee - director cost	17,544	18,575	10,000	20,000	10,000	10,000
Comm dev Subdivisions	-	-	-	-	0	0
Comm dev Planning plan check fee	10,992	19,708	10,000	7,500	30,000	30,000
Comm dev Planning application fee	1,731	-	-	-	0	0
Comm dev Planning - Gen Plan	-	-	25,000	25,000	25,000	25,000

	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
Comm dev Planning - other fees	10,554	5,159	-	-	2,000	2,000
Comm dev Planning - Code Enforcement	-	-	-	-	-	-
Recr. fees Class fees	199,902	224,903	225,000	225,000	225,000	225,000
Recr. fees Jr. Guard fees	267,803	263,302	309,263	309,263	325,263	325,263
Recr. School Support Program	1,386	-	30,000	-	30,000	30,000
Recr. fees Sports fees	26,185	22,465	19,000	25,000	19,000	19,000
Recr. fees Camp Capitola fees	174,837	150,173	193,240	193,240	193,240	193,240
Recr. Afterschool Program	50,014	48,338	113,174	75,000	113,174	113,174
Recr. Events	904	1,249	4,760	4,760	4,760	4,760
Total	\$ 1,894,868	\$ 1,817,637	\$ 2,187,937	\$ 1,912,013	\$ 2,352,127	\$ 2,352,127
<u>Fines and forfeitures</u>						
Redlight camera enforcement	\$ -	\$ 37,924	\$ 40,000	\$ 25,000	\$ 40,000	\$ 40,000
Parking Citation	580,447	486,207	497,500	563,000	497,500	497,500
General Fines	8,386	42,776	70,000	60,000	70,000	70,000
Total	\$ 588,832	\$ 566,907	\$ 607,500	\$ 648,000	\$ 607,500	\$ 607,500
<u>Use of money & property</u>						
Investment earnings	\$ 12,390	\$ 7,596	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Rents Jade Street facility	6,700	11,081	11,000	10,000	11,000	11,000
Rents Esplanade restaurants	4,930	4,708	5,000	4,500	5,500	5,500
Rents Esplanade - surf trailer	1,785	2,281	1,800	1,700	2,000	2,000
Rents Esplanade bandstand	677	5,789	4,000	4,000	4,000	4,000
Rents Outdoor Dining	5,240	39,072	51,695	38,000	51,695	51,695
Total	\$ 31,722	\$ 70,527	\$ 198,495	\$ 183,200	\$ 199,195	\$ 199,195
<u>Other revenues</u>						
Donations - Recreation	\$ 21,250	\$ 29,250	\$ -	\$ 24,250	\$ -	\$ -
Grants, donations, contrib	1,700	2,600	2,000	2,600	2,000	2,000
Arts-Twilight Concert Sponsors	46,400	13,300	25,000	18,500	25,000	25,000
Arts-Movies at the Beach Sponsor	-	2,500	2,000	-	2,000	2,000
Arts-Art at the Beach Booth Fee	3,660	2,680	2,000	1,000	2,000	2,000
Arts-Sunday Art & Music Sponsors	-	-	-	-	-	-
Museum donations-Box Revenue	2,566	2,062	1,300	2,000	1,300	1,300
Museum Donations-Fundraising	5,819	8,028	3,000	7,000	3,000	3,000
Memorial plaques and benches	17,159	10,751	8,000	8,500	8,000	8,000
Miscellaneous revenues	44,495	169,242	72,103	72,103	73,906	75,753
Interfund Transfer In - Library	748,155	-	-	-	-	-
Total	\$ 891,204	\$ 240,413	\$ 115,403	\$ 135,953	\$ 117,206	\$ 119,053
Grand Totals	\$ 19,989,781	\$ 18,406,515	\$ 18,507,164	\$ 18,202,591	\$ 19,229,066	\$ 19,761,838

GENERAL FUND EXPENDITURES



General Fund Expenditures

The total FY 2024-25 General Fund expenditure budget proposes a decrease of approximately \$1.2 million from the FY 2023-24 Amended Budget as existing resources are programmed towards City Council Goals. Increases have been programed in most major categories as inflation continues to impact City expenditures. Key differences between the two fiscal years include:

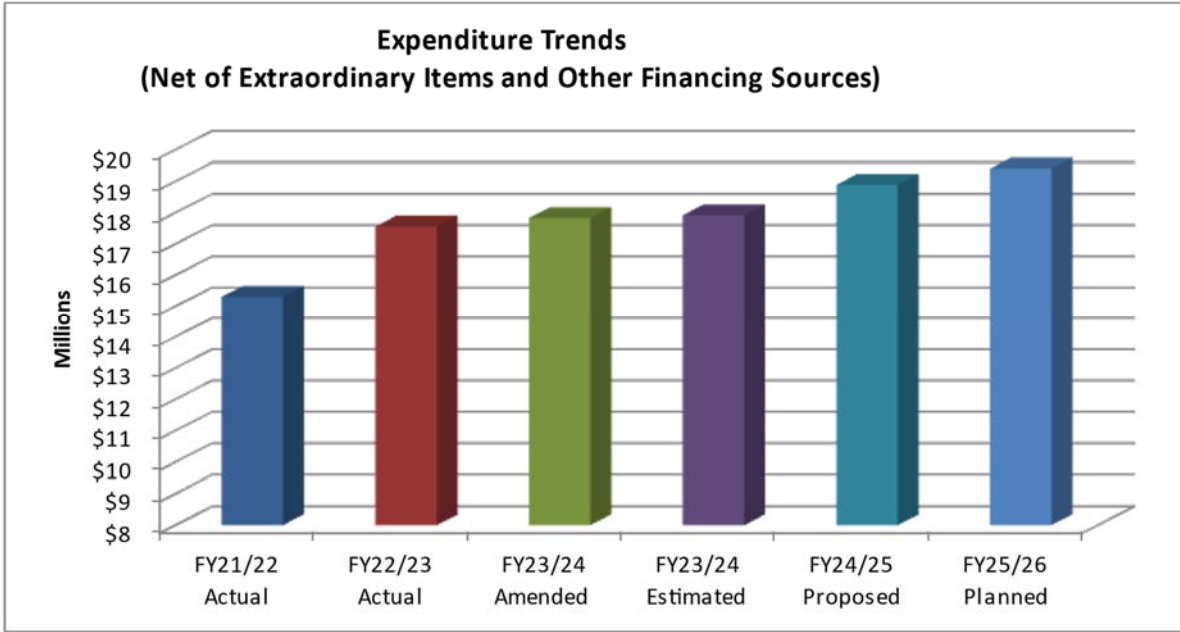
- Total personnel costs (salary and benefits) are estimated to increase \$978,000 from the FY 2023-24 Amended Budget due to significant increases in the annual Cal PERS Unfunded Actuarial Liability payment, cost of living adjustments, increased employee health care contributions, scheduled step increases, and a proposed reorganization of the Recreation Division.
 - Salary costs are estimated to be \$407,000 higher, however labor negotiations between the City and bargaining units are still on going.
 - Salary – Seasonal/Temp increased \$41,000 as summer recreations programs remain at full capacity.
 - Overtime is anticipated to decrease \$92,000 primarily in the Police. This past year was higher than normal due to several felony crime investigations and winter storms.
 - Specialty Pay – increased \$88,000 in part due to more bilingual employees serving the public.
 - Benefits – increased \$533,000, as a result of labor negotiations between the City and labor bargaining units.
- Contract services remained the same as the prior year.

The following chart provides an overview of expenditures for FY 2021-22 to FY 2025-26. A complete description of major changes will follow in the related expenditure detail pages.

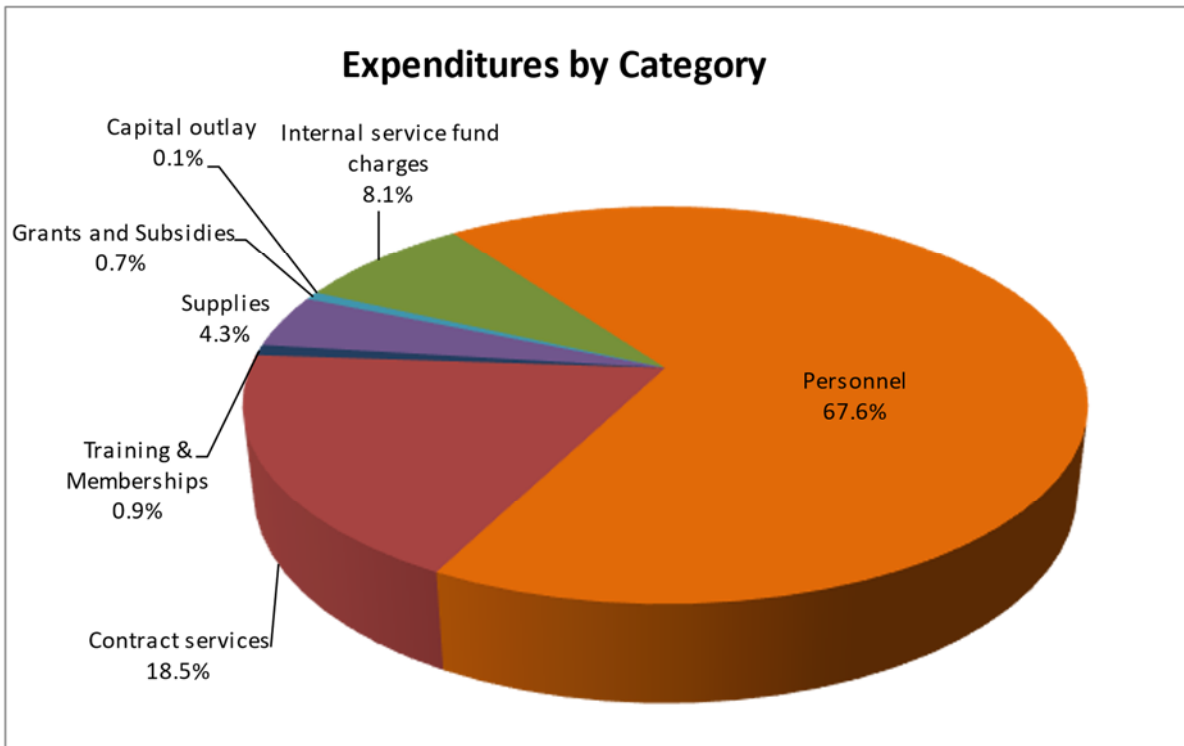
General Fund Expenditures Summary

Major Categories	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract services	3,018,482	3,336,801	3,483,368	3,483,368	3,493,981	3,387,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund	1,196,204	1,444,499	1,617,841	1,617,841	1,523,578	1,715,947
Subtotal	\$15,305,036	\$17,558,103	\$17,830,842	\$17,916,024	\$18,897,998	\$19,421,090
Other financing uses	3,608,343	3,271,324	2,288,788	2,288,788	287,568	287,344
Expenditure Total	\$18,913,379	\$20,829,427	\$20,119,630	\$20,204,812	\$19,185,566	\$19,708,435

The following chart provides an overview of expenditure trends, excluding transfers. Expenditures are trending down as we complete several City Council goals utilizing one-time funding. Item 9 F.



A chart displaying the percentage of expenditures by category is also provided for reference. Personnel costs are estimated to increase \$853,000 from the prior fiscal year causing the ratio of personnel services to total expenditures to increase from 66 percent to 68 percent. Other notable changes were in contract services, which decreased from 21.5 percent to 18.5 percent, and internal service charges, which decreased from 9.4 percent to 7.8 percent.

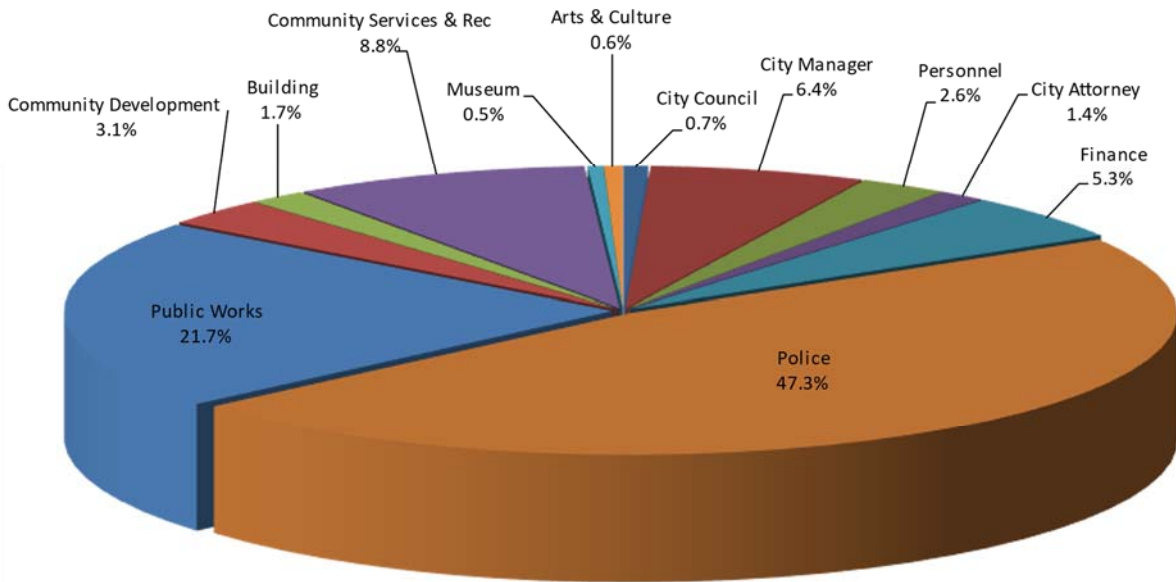


General Fund Department Expenditures

Item 9 F.

Department	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$98,851	\$107,274	\$202,431	\$193,309	\$136,007	\$118,476
City Manager	962,776	1,089,679	1,006,073	1,017,815	1,198,703	1,203,513
Personnel	363,511	362,138	458,273	453,803	483,692	496,860
City Attorney	281,956	371,305	288,000	296,766	270,000	270,000
Finance	780,845	824,038	967,309	937,451	987,445	1,020,696
Community Grants	63,648	110,075	133,425	125,000	125,000	125,000
Police - Law Enforcement	6,836,392	7,417,322	7,564,482	7,606,999	8,137,335	8,422,595
Police - Pkg. Enforcement	657,986	637,952	602,855	554,930	594,734	605,024
Police - Lifeguard Svcs.	88,413	0	0	0	0	0
Police - Animal Services	74,785	81,667	88,973	88,973	140,939	147,984
Public Works - Streets	1,738,211	1,990,454	2,349,613	2,355,700	2,265,311	2,468,697
Public Works-Storm Water	129,179	116,560	204,538	203,538	209,821	212,412
Public Works - Facilities	282,891	322,275	256,143	307,681	409,757	369,793
Public Works - Fleet	325,344	367,213	359,573	364,664	429,389	436,708
Public Works - Parks	458,374	673,019	659,126	712,545	754,746	723,429
Community Development	595,244	507,717	583,645	583,587	590,410	636,509
Building	397,021	511,540	476,365	411,266	321,676	297,134
Community Services & Rec	1,049,529	1,455,657	1,492,206	1,553,642	1,651,146	1,678,339
Museum	66,434	71,824	77,592	82,329	87,651	89,565
Art & Cultural	60,147	62,472	69,644	94,625	104,236	98,357
Subtotal	\$15,311,537	\$17,080,181	\$17,840,266	\$17,944,623	\$18,897,998	\$19,421,091
Transfers & Other	\$3,608,343	\$3,271,324	\$2,288,788	\$2,288,788	\$287,568	\$287,344
Expenditure Total	\$18,919,880	\$20,351,505	\$20,129,054	\$20,233,411	\$19,185,566	\$19,708,435

Expenditures by Department



General Fund Expenditures

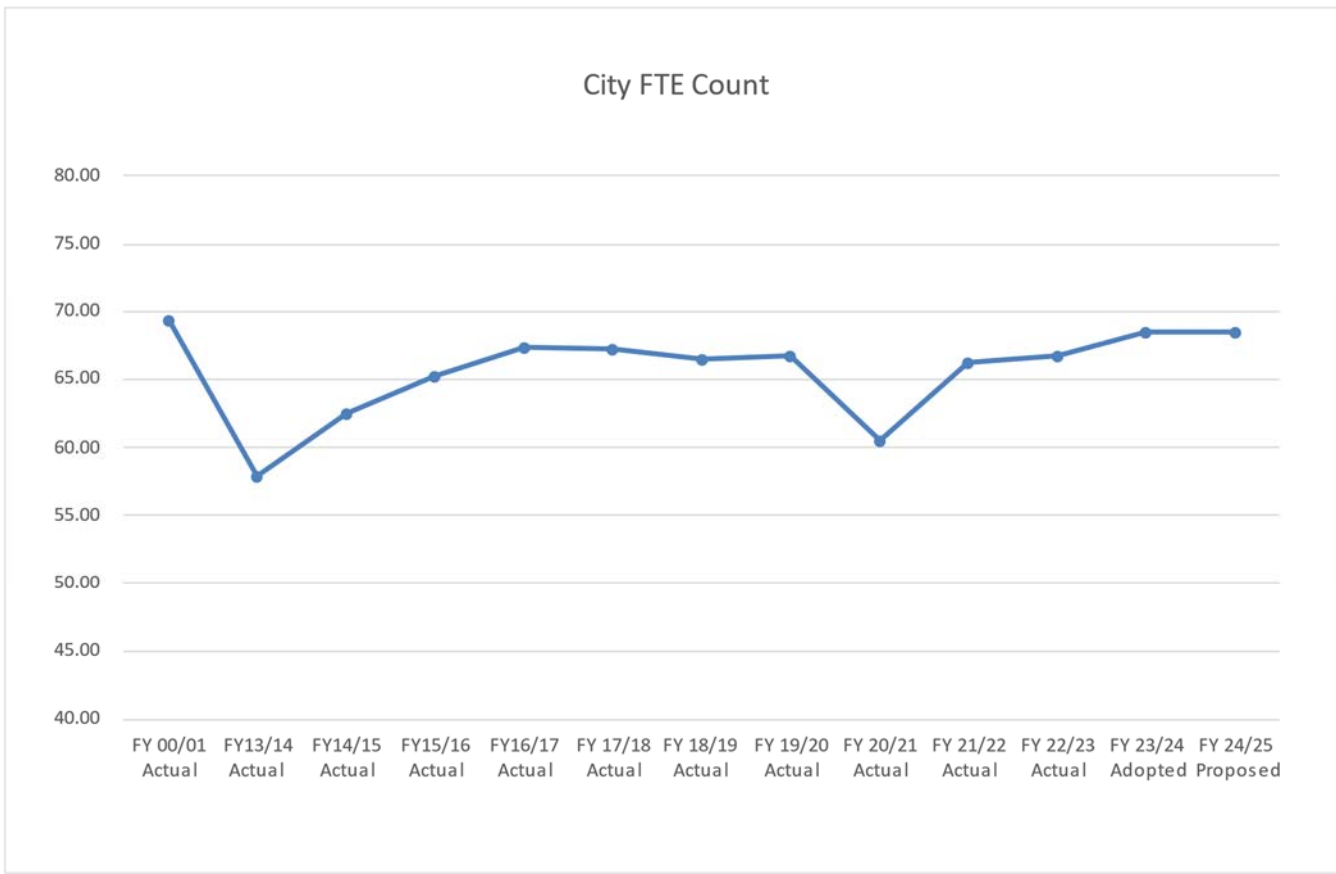
SALARIES & BENEFITS

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

Positions budgeted for in FY 2024-25 include the reorganization of the Recreation Division into the Proposed Community Services and Recreation Department while maintaining 68.5 full-time employees.

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

General Fund	FY 00/01 Actual	FY13/14 Actual	FY14/15 Actual	FY15/16 Actual	FY16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Adopted	FY 24/25 Proposed
Elected													
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Elected - Total FTE's	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Fully Benefited by Dept													
City Attorney	1	-	-	-	-	-	-	-	-	-	-	-	-
Finance	5.25	4.33	3.91	4.50	4.50	4.50	3.75	2.75	2.75	2.75	3.00	4.00	4.00
City Manager	5.50	7.00	6.90	6.00	7.00	6.00	6.00	7.00	5.00	5.50	5.50	6.50	6.50
Museum	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police	31.30	27.59	30.65	31.50	31.65	31.50	30.50	30.50	29.50	30.50	30.50	31.00	31.00
CDD	6.67	3.12	4.50	5.00	5.00	5.00	6.00	6.00	5.00	5.50	5.75	5.00	5.00
Public Works	14.33	12.33	13.00	14.00	15.00	16.00	16.00	15.50	14.00	16.00	16.00	16.00	16.00
Community Services & Rec	4.50	2.75	2.75	3.75	3.75	3.75	3.75	4.50	3.75	5.50	5.50	5.50	5.50
Dept - Total FTEs	69.30	57.87	62.46	65.25	67.40	67.25	66.50	66.75	60.50	66.25	66.75	68.50	68.50
Change from prior year			4.59	2.79	2.15	(0.15)	(0.75)	0.25	(6.25)	5.75	0.50	1.75	-



General Fund Expenditures

SALARIES & BENEFITS

City services are primarily staff delivered; therefore, staffing is the most significant expenditure. The FY 2024-25 proposed budget estimated staffing costs total \$12.6 million. This represents a 7% increase from the prior year's amended budget. This is primarily due to significant increases in the Cal PERS Unfunded Actuarial Liability annual payment, estimated cost of living adjustments, scheduled step increases, and a reorganization of the recreation division.

Staffing by Category	FY21/22 Actual	FY22/23 Actual	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Salary	\$5,747,198	\$6,646,360	\$6,646,360	\$7,053,832	\$7,353,619
Salary Temp	406,359	661,329	661,329	702,134	\$708,759
Overtime	181,832	360,802	360,802	269,000	269,000
Specialty Pay	287,026	265,321	265,321	353,654	368,684
Benefits	3,650,834	3,859,910	3,832,359	4,393,120	\$4,545,226
Total	\$10,273,250	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288

Staffing by Department	FY21/22 Actual	FY22/23 Actual	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$41,650	\$40,689	\$40,689	\$40,689	\$40,689
City Manager	764,298	788,744	795,681	954,730	992,374
Personnel	278,629	374,469	374,469	422,066	434,399
Finance	550,668	617,735	620,985	695,548	723,022
Law Enforcement	5,248,370	5,682,882	5,689,741	6,248,142	6,495,107
Pkg. Enforcement	238,424	222,291	222,291	208,494	216,850
Streets	1,291,950	1,540,503	1,550,503	1,603,273	1,665,852
Storm Water	84,105	59,888	59,888	65,821	68,412
Fleet	106,579	112,513	112,577	169,306	175,543
Parks	191,041	292,010	297,665	341,697	355,095
Planning	394,688	488,539	488,539	514,263	533,636
Building	333,397	418,176	327,627	189,193	196,753
Community Services & Rec	692,415	1,094,949	1,138,749	1,253,020	1,279,472
Museum	42,895	41,870	45,990	43,918	45,589
Art & Cultural	14,651	18,464	21,000	21,578	22,495
Total	\$10,273,249	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288

General Fund Expenditures

Salaries & Benefits - Salary Assumptions

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

<u>Group</u>	<u>Current Agreement</u>	<u>Expiration Date</u>
Assoc. of Capitola Employees/Gen. Govt.	6/23/2024	6/30/2027
Confidential	6/23/2024	6/30/2027
Mid-Management	7/7/2024	6/30/2027
Police Captains	7/7/2024	6/30/2027
Police Officers Association (POA)	6/7/2021	6/30/2027

Overtime

The following table provides the details for the overtime budget. The overtime budget for the Police Department increases this year in anticipation of additional special events.

<u>Overtime</u>	<u>FY21/22</u> <u>Actual</u>	<u>FY22/23</u> <u>Actual</u>	<u>FY23/24</u> <u>Estimated</u>	<u>FY24/25</u> <u>Proposed</u>	<u>FY25/26</u> <u>Planned</u>
City Manager	\$1,399	\$1,000	\$119	\$1,000	\$1,000
Finance	317	0	0	0	0
Police*	247,176	321,802	321,802	230,000	230,000
Public Works	46,625	17,000	29,761	17,000	17,000
Community Development	422	3,000	2,750	3,000	3,000
Community Services & Rec	28,610	18,000	18,500	18,000	18,000
Total	\$324,548	\$360,802	\$372,932	\$269,000	\$269,000
<i>*Funding Sources for Police Overtime</i>					
General Fund	\$206,744	\$240,000	\$240,000	\$185,000	\$185,000
Grant Funded	40,432	81,802	81,802	45,000	45,000
	\$247,176	\$321,802	\$321,802	\$230,000	\$230,000

Specialty Pay

The FY 2024-25 proposed budget includes the following specialty pays in the calculation of staffing costs, which are also included in overtime calculations: education, longevity, bilingual, motorcycle, detective pay, senior officer, canine, and shift differential pay.

<u>Specialty Pay</u>	<u>FY21/22</u> <u>Actual</u>	<u>FY23/24</u> <u>Amended</u>	<u>FY23/24</u> <u>Estimated</u>	<u>FY24/25</u> <u>Proposed</u>	<u>FY25/26</u> <u>Planned</u>
City Manager	\$5,780	\$5,662	\$2,831	\$15,266	\$15,915
Finance	-	-	3,000	4,158	4,334
Police	257,707	235,619	235,619	315,325	328,727
Public Works	20,927	21,405	23,081	16,152	16,838
Community Dev.	177	2,635	1,976	2,838	1,972
Community Services & Rec	2,435	-	-	-	-
Total	\$287,026	\$265,321	\$266,507	\$353,738	\$367,786

Salaries & Benefits – Retirement Assumptions

Benefits – Post Retirement Medical Benefit

The City of Capitola contributes the minimum amount toward retired employees' health insurance premiums in accordance with Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA). This expenditure is accounted for in the City Manager's personnel department budget. Below is a table showing the PEMHCA minimum over the last 10 years.

• January 1, 2015	\$122
• January 1, 2016	\$125
• January 1, 2017	\$128
• January 1, 2018	\$133
• January 1, 2019	\$136
• January 1, 2020	\$139
• January 1, 2021	\$143
• January 1, 2022	\$149
• January 1, 2023	\$151
• January 1, 2024	\$157

Benefits – Public Employee Retirement System (PERS)

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

The City's retirement costs are defined as a percentage of payroll, along with a fixed dollar amount to address the City's Unfunded Actuarial Liability (UAL), which is actuarially determined annually by CalPERS. The UAL in FY 2023-24 was \$2,139,191 and is increasing to \$2,552,124 (19.3%) in FY 2024-25. The most recent CalPERS actuarial reports estimate the UAL through FY 2029-30 at an amount of \$3,505,000 which equates to an increase of approximately 137% over ten years from FY 2019-20.

PERS Rates. The FY 2024-25 PERS total rate for classic safety members is 36.3%, with employees paying 15% and the city 21.3%. Safety PEPRA members are responsible for 13.75% and the city pays 13.76%. For classic miscellaneous members, the total contribution rate is 22.1%, with employees paying 13.4% and the city 8.7%. Miscellaneous PEPRA employees pay 7.75% and the city pays 7.87%.

The FY 2023-24 PERS total rate for classic safety members was 36.1%, with employees paying 15% and the city 21.1%. Safety PEPRA members are responsible for 13.0% and the city pays 14.25%. For classic miscellaneous members, the total contribution rate was 20.0%, with employees paying 13.4% and the city 8.6%. Miscellaneous PEPRA employees pay 6.75% and the city pays 8.7%.

Public Employees' Pension Reform Act (PEPRA). On September 12, 2012, Governor Brown signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA became effective on January 1, 2013, and requires all employees who are not previously members of the PERS reciprocal system to be placed in an alternate retirement plan. The City's PEPRA plan for Safety employees is 2.7% at 57 and 2% at 62 for Miscellaneous employees. This new plan requires that the City and plan members contribute an equivalent share of retirement costs. The rates for public safety and miscellaneous employees are 13.75% and 7.75%, respectively.

Retirement Costs Summary

Item 9 F.

Retirement Costs	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Ret. cost - PERS Safety	\$ 436,575	\$ 435,788	\$ 386,338	\$ 439,677	\$ 458,364
Ret. cost - PERS Safety UAL	1,002,849	1,121,718	1,107,637	1,324,947	1,469,000
Ret. cost - PERS Miscellaneous	281,723	291,538	279,615	292,860	305,306
Ret. cost - PERS Misc UAL	966,725	1,059,922	1,031,554	1,227,177	1,358,000
Ret. cost - Retirement PARS	3,890	5,651	6,169	8,332	8,332
Ret. health OPEB - Retiree health	39,482	44,684	38,750	38,750	38,750
OPEB Trust Fund	60,250	67,048	67,050	67,050	67,050
Total Retirement Costs	\$ 2,791,494	\$ 3,026,349	\$ 2,917,113	\$ 3,398,793	\$ 3,704,802
Total Employee Paid Costs	\$ 1,004,938	\$ 1,089,486	\$ 1,050,161	\$ 1,223,565	\$ 1,333,729
Total City Paid Costs	\$ 2,791,494	\$ 3,026,349	\$ 2,917,113	\$ 3,398,793	\$ 3,704,802
Total Costs Employee and City	\$ 3,796,432	\$ 4,115,835	\$ 3,967,274	\$ 4,622,358	\$ 5,038,530
Unfunded Actuarial Liability-Safety	13,594,061	14,685,285	11,169,617	17,213,533	18,074,210
Unfunded Actuarial Liability-Misc	12,422,127	13,354,880	9,924,040	15,324,728	16,090,964
Unfunded OPEB Liability	1,572,208	1,572,208	1,642,315	1,642,315	1,642,315
Funding Ratio PERS Safety	71.3%	72.40%	77.10%	66.60%	66.60%
Funding Ratio PERS Misc	69.7%	69.70%	77.40%	67.20%	67.20%

General Fund Expenditures - Contract Services (5 pages)

Item 9 F.

Department	Contract Description	FY23/24	FY24/25	FY25/26
		Amended	Proposed	Planned
City Council	Other contract services Legal notices	\$ -	\$ -	\$ -
City Council	Gen/Admin - Community TV	10,000	13,000	13,000
City Council	Gen/Admin Contracts - General	83,000	20,000	2,000
City Council	CS-Gen/Admin Beach Festival	5,000	5,000	5,000
Total		\$ 98,000	\$ 38,000	\$ 20,000
City Manager	Gen/Admin Muni code - Codification Svcs.	\$ 4,000	\$ 4,000	\$ 4,000
City Manager	Gen/Admin Rcrd Mgmt-Doc. Imaging	1,000	4,550	4,550
City Manager	Gen/Admin Records Mgmt-Storage	6,500	8,000	8,000
City Manager	Gen/Admin Newsletter	10,000	6,000	6,000
City Manager	Gen/Admin Public Outreach	-	6,000	-
City Manager	Gen/Admin Council Election	-	29,700	-
City Manager	Gen/Admin Contracts - General	30,000	24,000	24,000
City Manager	Environ. Svcs Garage Sale Day	800	800	800
City Manager	Environ. Svcs SCC-Hzrds Waste Disp Fee	-	-	-
City Manager	Environ. Svcs Recycling Svcs.	7,820	-	-
City Manager	Environ. Svcs JPA-Pollution Control	-	-	-
City Manager	Other Contract services - Legal Notices	1,500	4,000	4,000
City Manager	Mosquito and Vector Control	-	-	-
City Manager	CS-Temp. Staff & Instr. Temporary staff	-	-	-
City Manager	Contract Svcs. Unanticipated Events	10,000	10,000	10,000
Total		\$ 71,620	\$ 97,050	\$ 61,350
Personnel	Legal svcs Labor/Personnel	\$ -	\$ 5,000	\$ 5,000
Personnel	Personnel Svcs Recruitment Svcs.	-	1,000	1,000
Personnel	Personnel Svcs Bkgrnd Invest.	7,000	7,000	7,000
Personnel	Personnel Svcs Medical Exams	3,500	3,500	3,500
Personnel	Personnel Svcs Ed. Reimbrsmnt	10,000	-	-
Personnel	Contract Svcs. Flex-Hlth-Dntl-Vsn Admin	4,000	4,000	4,000
Personnel	Contract Svcs. Employee Training/Risk Mgmt	-	5,000	5,000
Personnel	Contract Svcs. Employee Engagement	-	8,000	8,000
Personnel	CS-Gen/Admin Contracts - general	31,000	1,000	1,000
Total		\$ 55,500	\$ 34,500	\$ 34,500
City Attorney	Gen/Admin Contracts - General	\$ 10,000	\$ -	\$ -
City Attorney	Legal Svcs Legal Svcs. - General	210,000	210,000	210,000
City Attorney	Legal Svcs Special Svcs.	50,000	50,000	50,000
City Attorney	Legal Svcs Rent Control	-	-	-
City Attorney	Legal svcs Labor/Personnel	18,000	10,000	10,000
Total		\$ 288,000	\$ 270,000	\$ 270,000

Department	Contract Description	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Finance	Gen/Admin Contracts - General	\$ 50,000	\$ 3,000	\$ 3,000
Finance	Fin Svcs OPEB Valuation	4,000	1,000	4,000
Finance	Fin Svcs Audit-Annual Financial Audits	54,000	51,000	51,000
Finance	Fin Svcs Audit-Sales Tax	12,000	15,000	15,000
Finance	Fin Svcs State Mandated Claims Svcs	1,750	-	-
Finance	Fin Svcs HdL TOT Fees	20,000	20,000	20,000
Finance	Fin Svcs Credit Card Merchant Fees	4,000	4,000	4,000
Finance	Fin Svcs SCC-Property tax admin fee	12,000	-	-
Finance	Fin Svcs State Admin Fee - Bradley Burns	50,000	50,000	50,000
Finance	Fin Svcs State Admin Fee - Measure D/F	15,000	18,000	18,000
Finance	Fin Svcs State Admin Fee - SB 1186	500	500	500
Finance	Fin Svcs State Admin Fee - Measure O	15,000	18,000	18,000
Finance	Fin Svcs Bank fees	12,000	1,000	1,000
Finance	Fin Svcs St Admin fee	3,000	3,600	3,600
Total		\$ 253,250	\$ 185,100	\$ 188,100
Law Enforcement	Police Svcs SCC-Booking fees	\$ -	\$ 2,500	\$ 2,500
Law Enforcement	Police Svcs SCC-Blood alcohol trust fund	500	500	500
Law Enforcement	Police Svcs SCC-Anti-Crime Team	18,000	18,000	18,000
Law Enforcement	Police Svcs SCC-Sexual assault response prog	24,000	22,000	22,000
Law Enforcement	Other contract services Uniform cleaning services	12,000	12,900	12,900
Law Enforcement	Police Svcs Red light enforcement	20,000	20,000	20,000
Law Enforcement	Police Svcs SCC-Info svcs for SCAN chgs	5,500	7,200	7,200
Law Enforcement	Fin Svcs Collections-booking fees	75	75	75
Law Enforcement	Fin Svcs Collections-DUI cost recovery	1,000	2,000	2,000
Law Enforcement	Prop & equip Comm - local & long distance	8,000	8,000	8,000
Law Enforcement	Prop & equip Comm - T-1 line	39,000	18,000	18,000
Law Enforcement	Prop & equip Comm - mobile phone	30,000	30,000	30,000
Law Enforcement	Police Svcs Hazardous material response - SV	8,900	8,900	8,900
Law Enforcement	Police Svcs Towing service	3,000	4,000	4,000
Law Enforcement	Police Svcs SCCECC JPA-SCRMS	48,924	49,602	49,602
Law Enforcement	Police Svcs SCCECC-911 JPA	615,898	641,322	641,322
Law Enforcement	Prop & equip Property alarm service	1,200	1,500	1,500
Law Enforcement	Prop & equip Property repairs & maintenance	1,000	-	-
Law Enforcement	Prop & equip Equipment repairs & maintenance	10,000	12,000	12,000
Law Enforcement	Rental contracts Equipment and vehicles	3,000	3,000	3,000
Law Enforcement	Other contract services Outside security service	17,000	17,000	17,000
Law Enforcement	CS-Gen/Admin Contracts - general	4,000	4,000	4,000
Total		\$ 870,997	\$ 882,499	\$ 882,499

Department	Contract Description	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Pkg. Enforcement	Police Svcs State of CA-DMV processing fee	\$ 6,000	\$ 6,000	\$ 6,000
Pkg. Enforcement	Police Svcs State of CA-Reg assess	58,000	58,000	58,000
Pkg. Enforcement	Police Svcs State of CA-Immed & Critical nd	20,000	20,000	20,000
Pkg. Enforcement	Police Svcs State of CA-St Court Facilities	10,000	10,000	10,000
Pkg. Enforcement	Police Svcs State of CA-Trial Court Trust Fd	20,000	20,000	20,000
Pkg. Enforcement	Police Svcs SCC-Citation processing	65,000	65,000	65,000
Pkg. Enforcement	Police Svcs SCC-Criminal Justice Fac surchg	11,000	11,000	11,000
Pkg. Enforcement	Police Svcs SCC-Courthouse surcharge	11,000	11,000	11,000
Pkg. Enforcement	Fin Svcs Courier-Cash & Coin	3,500	3,500	3,500
Pkg. Enforcement	Fin Svcs Credit card merchant fees	60,000	60,000	60,000
Pkg. Enforcement	Prop & equip Pay Station Repair & Maintenance	70,000	70,000	70,000
Total		\$ 334,500	\$ 334,500	\$ 334,500
Animal Svcs.	Police Svcs Animal Svcs.	\$ 87,793	\$ 139,497	\$ 146,472
Total		\$ 87,793	\$ 139,497	\$ 146,472
Streets	PW & Trans. Transportation-Beach shuttle svc	\$ 98,107	\$ 80,000	\$ 80,000
Streets	PW & Trans. Soquel Crk monitoring-fish	68,870	45,000	47,000
Streets	Other contract services Legal notices	-	1,500	1,500
Streets	Prop & equip Comm - mobile phone	15,000	15,000	15,000
Streets	Gen/Admin Contracts - general	21,500	30,000	30,000
Streets	PW & Trans. Lagoon grading	15,000	15,000	15,000
Streets	PW & Trans. PW Engineering services	-	-	-
Streets	Prop & equip Eucalyptus maintenance -Park Ave	111,400	95,985	95,985
Streets	Prop & equip Riparian Restoration	19,481	15,000	15,000
Streets	Rental contracts Union Pacific RR yearly	1,000	1,000	1,000
Streets	Temp. Staff & Instr. Temporary staff	85,000	85,000	87,000
Streets	Temp. Staff & Instr. Hope Services	16,000	24,000	24,000
Streets	Prop & equip Esplanade sidewalk cleaning	30,000	30,000	30,000
Streets	Other contract services Unanticipated events	10,000	10,000	10,000
Storm Water	Environmental Svcs Central coast recycling media	5,000	5,000	5,000
Storm Water	Environmental Svcs SCC-Hazardous waste disp	75,000	75,000	75,000
Storm Water	Environmental Svcs Mosquito & vector control	150	-	-
Storm Water	CS-Environmental Svcs Recycling services	7,500	7,500	7,500
Storm Water	CS-Environmental Svcs JPA-Pollution control	5,000	5,000	5,000
Storm Water	PW & Trans. Soquel Crk monitoring-water qual	10,000	5,000	5,000
Storm Water	PW & Trans. CA NPDES-storm water mgmt prog	40,000	40,000	40,000
Storm Water	PW & Trans. Regional Water Mgmt Foundation	500	5,000	5,000
Storm Water	Water Quality Testing and Equipment	-	-	-
Total		\$ 634,508	\$ 589,985	\$ 593,985

Department	Contract Description	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Facilities	PW & Trans. ADA compliance	\$ 15,000	\$ 15,000	\$ 15,000
Facilities	Gen/Admin Contracts - inspections	-	600	600
Facilities	Prop & equip Comm - local & long distance	1,500	2,200	2,200
Facilities	Prop & equip Comm - T-1 line	7,500	7,500	7,500
Facilities	Prop & equip Utility serv - gas & electric	86,000	87,200	112,200
Facilities	Prop & equip Utility serv - sanitation distr	5,500	6,900	7,100
Facilities	Prop & equip Utility serv - water	18,500	8,400	8,400
Facilities	Prop & equip Janitorial services	34,500	42,500	42,500
Facilities	Prop & equip Property alarm service	2,800	2,900	2,900
Facilities	Prop & equip Property repairs & maintenance	25,000	94,500	29,500
Facilities	Prop & equip Equipment repairs & maintenance	19,500	9,000	9,000
Facilities	Rental contracts Equipment and vehicles	5,000	5,000	5,000
Total		\$ 220,800	\$ 281,700	\$ 241,900
Fleet	Prop & Equip Equipment Repair and Maint.	\$ 5,000	\$ 5,000	\$ 5,000
Total		\$ 5,000	\$ 5,000	\$ 5,000
Parks	PW & Trans. Tree Svcs.	\$ 20,000	\$ 20,000	\$ 20,000
Parks	Prop & Equip Utility serv - gas and elec.	5,000	4,500	4,500
Parks	CS-PW & Trans Electrical Services	-	3,000	3,000
Parks	Prop & Equip Utility serv - sanitation distr	21,000	25,000	25,000
Parks	Prop & Equip Utility serv - water	125,000	154,400	159,400
Parks	Prop & Equip Janitorial Svcs.	32,500	37,500	37,500
Parks	Prop & Equip Property Repair and Maint.	8,000	26,000	1,000
Parks	Prop & Equip Equip. Repair and Maint.	8,500	4,000	4,000
Parks	Rental contracts Equipment and vehicles	10,000	8,700	8,700
Parks	Bike Track Maintenance	6,000	-	500
Total		\$ 236,000	\$ 283,100	\$ 263,600
Planning	Plng & Hsg Hsg grant admin & CDD tech	\$ -	\$ -	\$ -
Planning	Contract Svcs. Legal notices	8,000	8,000	\$ 8,000
Planning	Gen/Admin Contracts - General	-	-	\$ -
Planning	CS-Plan Svc Admin Services	25,000	-	\$ 25,000
Total		\$ 33,000	\$ 8,000	\$ 33,000
Building	Bldg Svcs Engineering & Inspections	\$ 10,000	\$ 5,000	\$ 5,000
Building	Bldg Svcs Bldg plan checks - outsourced	15,000	90,000	60,000
Total		\$ 25,000	\$ 95,000	\$ 65,000

Department	Contract Description	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Comm Svcs & Rec	Gen/Admin Contracts - General	\$ 15,500	\$ 26,000	\$ 26,000
Comm Svcs & Rec	CS-IT Contracts Recreation technology system	\$ 15,000	\$ 17,750	\$ 17,750
Comm Svcs & Rec	Fin Svcs Credit card merchant fees	7,000	15,000	15,000
Comm Svcs & Rec	PW & Trans. Transportation-Rec program	1,600	1,600	1,600
Comm Svcs & Rec	Temp. Staff/Instr. Rec contract inst/sports off	113,300	115,200	113,200
Comm Svcs & Rec	Prop & Equip Comm - local & long distance	2,500	-	-
Comm Svcs & Rec	Prop & Equip Comm - T-1 line	12,000	-	-
Comm Svcs & Rec	Prop & Equip Property Repair and Maint.	500	-	-
Comm Svcs & Rec	Rental contracts Equipment and vehicles	-	-	-
Comm Svcs & Rec	Contract Svcs. Events liability insurance	-	500	500
Comm Svcs & Rec	Contract Svcs. Advertising	-	3,000	3,000
Comm Svcs & Rec	Contract Svcs. Mailing Service	23,000	-	-
Comm Svcs & Rec	Contract Svcs. Copying, printing and binding	21,000	15,000	15,000
Comm Svcs & Rec	Contract Svcs. Photography	4,000	8,000	8,000
Total		\$ 215,400	\$ 202,050	\$ 200,050
Museum	Prop & Equip Comm - Local & Long Distance	\$ -	\$ -	\$ -
Museum	Rental contracts Land and Buildings	12,000	12,000	12,000
Museum	Other contract services Museum oral history	1,000	1,000	1,000
Total		\$ 13,000	\$ 13,000	\$ 13,000
Arts & Cultural	Events & Tourism Art at the Beach Coordinator	\$ 3,000	\$ -	\$ -
Arts & Cultural	Events & Tourism Twilight Concert-Sound Engr	10,000	12,000	12,000
Arts & Cultural	Events & Tourism Twilight Concert-Band Costs	15,000	15,000	15,000
Arts & Cultural	Contract Svcs. liability insurance	-	5,000	5,000
Arts & Cultural	Events & Tourism Art in Public Places	3,000	3,000	3,000
Arts & Cultural	Events & Tourism Sunday Art & Music	10,000	-	-
Total		\$ 41,000	\$ 35,000	\$ 35,000
Grand Total		\$3,483,368	\$3,493,981	\$3,387,956

Community Based Social Service Providers

Community Based Social Service Providers are funded by the General Fund and restricted Transient Occupancy Tax (TOT) revenue. Each year a determination is made regarding funds available and allocation. Due to COVID-19 the Community Grant program continues to be funded in FY 2024-25 with a combination of general fund, restricted TOT, and federal grants. The table below shows the general fund and restricted TOT funding while the federal grant funding is highlighted in the Community Development Block Grant Special Revenue funds.

AGENCY	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Community Services				\$ -	\$ -
Advocacy, Inc.	0		10,000	10,000	10,000
Blue Circle	0		5,000	5,000	5,000
Cabrillo College Stroke and Disability Center	7,779		10,000	10,000	10,000
Central Coast Center for Independent Living	0			0	0
Community Action Board, Inc.	0		10,000	10,000	10,000
Community Bridges	5,522			0	0
Community Bridges - Lift Line				0	0
Community Bridges - Live Oak				0	0
Community Resources				0	0
Community Bridges - Meals on Wheels				0	0
Companion for Life / Lifeline				0	0
Conflict Resolution Program	3,489			0	0
Arts Council of Santa Cruz County	0		2,500	2,500	2,500
Dientes Community Dental Care	1,524			0	0
Diversity Center	0			0	0
Encompass Santa Cruz AIDS Project				0	0
Family Service Agency of Santa Cruz	12,762		7,500	7,500	7,500
Grey Bears, Inc.	0			0	0
Homeless Svcs. Center	0			0	0
Hospice Caring Project	0		3,000	3,000	3,000
MidCounty Senior Center			7,500	7,500	7,500
Monarch Services Servidios Monarca			7,500	7,500	7,500
Monterey Bay National Marine Sanctuary	0		5,000	5,000	5,000
NAMI Santa Cruz County	0		12,000	12,000	12,000
Native Animal Rescue	1,303			0	0
Second Harvest Food Bank	0			0	0
Senior Citizens Legal Services	0			0	0
Senior Network Services	2,782		7,500	7,500	7,500
Srs Council - SCC/San Benito Co.	0		10,000	10,000	10,000
Survivors' Healing Center				0	0
United Way	5,000		7,500	7,500	7,500
United Way - 2-1-1 Help Line				0	0
Vista Center for the Blind	0		5,000	5,000	5,000
Volunteer Center of Santa Cruz County	3,489		7,500	7,500	7,500
Women Care				0	0
Cabrillo College Foundation	0			0	0
Community Grants-Unassigned		101,650		0	0
	\$ 43,650	\$ 101,650	\$ 117,500	\$ 117,500	\$ 117,500

AGENCY	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25 Planned
Children/Youth Services (General Fund)					
Big Brothers/Big sisters		\$0	\$0	-	-
Campus Kids Connection - After School				-	-
Community Bridges - Child Development Division				-	-
Court-Appointed Special Advocates		-	-	-	-
Encompass Youth Services Counseling				-	-
Families in Transition - Santa Cruz Co.				-	-
O'Neill Sea Odyssey		-	-	-	-
Parents Center, Inc.	-	-	7,500	7,500	7,500
Toddler Care Center		-	-	-	-
United Way - Community Assessment Project				-	-
Childcare Center Fee Grant				-	-
	\$0	\$0	\$7,500	\$7,500	\$7,500
General Fund Total	\$ 43,650	\$ 101,650	\$ 125,000	\$ 125,000	\$ 125,000

Early Childhood / Youth Services (TOT Children's Fund)					
Early Childhood & Youth Services			\$ -	\$ -	\$ -
Big Brothers/Big sisters	0	6,000	7,500	7,500	7,500
Community Bridges - Child Development Division	1,004			0	0
Diversity Center SC County	0	0	7,500	7,500	7,500
Court-Appointed Special Advocates			7,500	7,500	7,500
Encompass Youth Services Counseling	0			0	0
O'Neill Sea Odyssey	0		10,000	10,000	10,000
Monterey Bay National Marine Sancturary	0	0	7,500	7,500	7,500
Parents Center, Inc.	0	7,400		0	0
Toddler Care Center	0			0	0
United Way - Community Assessment Project	0	5,000		0	0
Santa Cruz Museum of Discovery	0	10,000	12,500	12,500	12,500
Casa of Santa Cruz	0	10,000		0	0
Boys and Girls Club of Santa Cruz County	0	10,000	7,500	7,500	7,500
Childcare Center Fee Grant				0	0
Recreation Programming	0	19,332		0	0
TOT Youth Funding Total	\$1,004	\$67,732	\$60,000	\$60,000	\$60,000
Estimated Children's Fund Revenue	\$45,401	\$62,049	\$60,000	\$64,000	\$60,000
Remaining Funds	\$44,397	-\$5,683	\$0	\$4,000	\$0
Total Social Service Program Funding	\$44,654	\$169,382	\$185,000	\$185,000	\$185,000

GENERAL FUND EXPENDITURES

SUPPLIES

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

Supplies	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$754	\$5,354	\$8,000	\$7,000	\$7,500	\$7,500
City Manager	5,856	13,857	12,500	17,443	9,000	9,000
Finance	2,400	4,105	4,600	4,500	4,600	4,600
Police Department	140,964	96,595	99,800	133,100	101,800	101,800
Public Works	453,235	539,117	429,600	500,391	533,750	507,700
Community Development	860	1,586	2,100	1,100	5,100	2,100
Community Services & Rec	46,995	83,801	55,575	65,398	91,800	90,800
Museum	10,118	13,718	14,800	18,250	21,500	21,500
Arts & Culture	10,766	9,978	5,000	32,445	42,000	35,000
Total	\$671,950	\$768,110	\$631,975	\$779,626	\$817,050	\$780,000

TRAINING AND MEMBERSHIPS

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

	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$24,495	\$21,502	\$38,761	\$30,639	\$31,650	\$31,650
City Manager	13,409	5,035	20,950	9,463	15,000	15,000
Finance	1,185	1,441	4,600	4,592	7,500	7,500
Police	52,741	56,831	73,200	73,200	73,200	73,200
Public Works	1,830	2,661	5,000	3,572	6,000	6,000
Community Development	2,601	10,435	17,700	3,150	17,700	17,700
Community Services & Rec	5,033	15,264	17,725	18,234	13,900	14,150
Museum	207	151	1,000	1,167	1,700	1,700
Total	\$101,501	\$113,320	\$178,936	\$144,018	\$166,650	\$166,900

INTERNAL SERVICES

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

The FY 2024-25 proposed budget provides funding for increased insurance premiums as well as equipment purchases for equipment funded in prior years.

Internal Services	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Stores	\$ 20,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	197,900	257,502	271,000	271,000	268,000	268,000
Equipment Replacement	100,000	105,000	250,000	250,000	65,000	200,000
Self-Insurance Liability	450,624	622,998	622,136	622,136	760,036	797,228
Workers' Compensation	427,680	431,999	447,705	447,705	403,542	423,719
Total	\$ 1,196,204	\$ 1,444,499	\$ 1,617,841	\$ 1,617,841	\$ 1,523,578	\$ 1,715,947

GENERAL FUND TRANSFERS

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

General Fund Transfers	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Contingency Reserves	\$ -	\$ 131,000	\$ 172,000	\$ 172,000	\$ -	\$ -
Emergency Reserves	-	147,300	250,000	250,000	-	-
Facilities Fund	-	-	100,000	100,000	-	-
PERS Contingency Reserve	-	250,000	-	-	-	-
CIP Capital Projects	2,810,066	2,205,000	550,000	550,000	-	-
Stores ISF	-	-	-	-	-	-
Information Technology	-	-	235,000	235,000	-	-
Equipment Replacement	350,000	-	200,000	200,000	-	-
Interfund transfer Library fund	-	50,958	-	-	-	-
Compensated Absences	220,000	220,000	225,000	225,000	200,000	200,000
RTC Streets	-	-	-	-	-	-
Gas Tax	-	-	-	-	-	-
Wharf Fund	-	-	-	-	-	-
Parking Reserve	100,000	100,000	469,000	469,000	-	-
OPEB Trust Fund	-	-	-	-	-	-
Pacific Cove Lease	40,066	40,066	-	-	-	-
Pacific Cove Park	88,211	127,000	87,788	87,788	87,568	87,344
	-	-	-	-	-	-
Total	\$ 3,608,343	\$ 3,271,324	\$ 2,288,788	\$ 2,288,788	\$ 287,568	\$ 287,344

DEPARTMENTAL BUDGETS



CITY COUNCIL

GENERAL GOVERNMENT

DEPARTMENT PURPOSE

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

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

ESTABLISHED PRINCIPLES OF THE CITY

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Balanced budget while using resources for public improvements.
- Provided services, staff, and equipment to ensure public safety and trust.
- Approved projects and programs to maintain and enhance the quality of life in Capitola.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Provide services, staff, and equipment to ensure public safety and trust.
- Develop projects and programs to maintain and enhance the quality of life in Capitola.
- Finalize plans and begin construction for the Capitola Wharf Resiliency and Public Access Project (using Measure F funds)

CITY COUNCIL

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
1000-10-10-000						
Revenues						
General Fund	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
Revenue Total	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
Expenditures						
Personnel	\$ 41,650	\$ 44,053	\$ 40,689	\$ 40,689	\$ 40,689	\$ 40,689
Contract services	19,266	19,953	98,000	98,000	38,000	20,000
Training & Memberships	24,495	21,502	38,761	30,639	31,650	31,650
Supplies	754	5,354	8,000	7,000	7,500	7,500
Internal service fund charges	12,686	16,412	16,981	16,981	18,168	18,637
Expenditure Totals	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Authorized Positions						
Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Vice Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Council Members	3.00	3.00	3.00	3.00	3.00	3.00
FTE Total	5.00	5.00	5.00	5.00	5.00	5.00

CITY ATTORNEY

GENERAL GOVERNMENT

DEPARTMENT PURPOSE

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

KEY CHANGES

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

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

FISCAL YEAR GOALS – 2024-25 and 2025-26

FISCAL POLICY

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

CITY ATTORNEY						
1000-10-16-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000
Revenue Totals	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000
Expenditures						
Outside Legal Services	\$ 2,839	\$ 4,295	\$ 10,000	\$ 2,500	\$ -	\$ -
City Attorney Contract	236,230	265,077	210,000	210,000	210,000	210,000
City Attorney Special Services	42,888	31,084	50,000	60,000	50,000	50,000
City Attorney Rent Control	-	39,409	-	6,266	-	-
City Attorney - Labor & Personnel	-	31,441	18,000	18,000	10,000	10,000
Expenditure Totals	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000

CITY MANAGER SUMMARY

GENERAL GOVERNMENT

MISSION STATEMENT

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

DEPARTMENT PURPOSE

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

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

KEY CHANGES

Recruited and hired new a new City Clerk, Deputy City Clerk, increased HR Analyst to full-time and promoted previous City Clerk to Assistant to the City Manager.

FISCAL YEAR 2023-24 ACCOMPLISHMENTS

- Implemented a new Council Chambers meeting video and audio system .
- Advised and informed the City Council on policy and action matters.
- Worked to improve risk management and reduce potential liability.

FISCAL YEAR GOALS – 2023-24 and 2024-25

FISCAL POLICY

- Evaluate potential revenue ballot measures.
- Work with Capitola Mall to improve the mall facility.
- Continue to work to create a safer work environment and reduce employee injuries.
- Review and prioritize City services.
- Support economic development.
- Seek opportunities to partner with other agencies for greater outcome or savings.

PUBLIC SERVICE

- Encourage and improve citizen participation and communication by increasing the availability of Spanish language city resources; update and improve the City website.
- Ensure programs in place to respond to public and private development projects.
- Continue to improve public meeting access.
- Continue efforts to increase transparency, with the website, public records, and outreach. Continue digitization efforts to improve transparency.
- Use dedicated children's fund for youth programming.

PUBLIC IMPROVEMENT

- Work to develop projects to protect and enhance valuable City resources.; including partnerships with outside agencies, such as the Friends of County Parks and the Capitola Wharf Enhancement Team, to facilitate the development of public spaces like Jade Street Park and the Wharf.
- Open Rispin Park to the public.
- Continue increased street and facility maintenance through use of Measure D resources.

CITY MANAGER SUMMARY

City Manager Summary	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 1,319,692	\$ 1,447,158	\$ 1,460,346	\$ 1,467,618	\$ 1,678,395	\$ 1,696,373
Licenses and permits	6,594	4,659	4,000	4,000	4,000	4,000
Revenue Totals	\$ 1,326,287	\$ 1,451,817	\$ 1,464,346	\$ 1,471,618	\$ 1,682,395	\$ 1,700,373
Expenditures						
Personnel	\$ 1,042,928	\$ 1,100,051	\$ 1,163,213	\$ 1,170,150	\$ 1,376,796	\$ 1,426,773
Contract services	159,350	197,016	127,120	133,999	131,550	95,850
Training & Memberships	13,409	5,035	20,950	9,463	15,000	15,000
Supplies	5,856	13,857	12,500	17,443	9,000	9,000
Internal service fund charges	104,743	135,858	140,563	140,563	150,049	153,750
Expenditure Totals	\$ 1,326,286	\$ 1,451,818	\$ 1,464,346	\$ 1,471,618	\$ 1,682,395	\$ 1,700,373
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	-	-	-	-	-
Human Resources Analyst	-	0.50	1.00	1.00	1.00	1.00
Information System Specialist	1.00	1.00	0.50	0.50	0.50	0.50
Records Coordinator	-	-	-	-	-	-
Receptionist	-	-	1.00	1.00	1.00	1.00
FTE Total	5.00	5.00	6.50	6.50	6.50	6.50

CITY MANAGER ADMINISTRATION

GENERAL GOVERNMENT

MISSION STATEMENT

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

DEPARTMENT PURPOSE

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

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

CITY MANAGER ADMINISTRATION

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-10-11-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 956,182	\$1,085,020	\$1,002,073	\$1,013,815	\$1,194,703	\$1,199,513
Licenses and permits	6,594	4,659	4,000	4,000	4,000	4,000
Revenue Totals	\$ 962,776	\$1,089,679	\$1,006,073	\$1,017,815	\$1,198,703	\$1,203,513
Expenditures						
Personnel	\$ 764,298	\$ 808,164	\$ 788,744	\$ 795,681	\$ 954,730	\$ 992,374
Contract services	90,957	150,719	71,620	88,496	97,050	61,350
Training & Memberships	13,409	3,457	19,250	6,463	13,000	13,000
Supplies	1,835	7,874	2,500	3,215	3,000	3,000
Internal service fund charges	92,276	119,466	123,959	123,959	130,923	133,790
Expenditure Totals	\$ 962,776	\$1,089,679	\$1,006,073	\$1,017,815	\$1,198,703	\$1,203,513
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	0.80	0.80	0.80	0.80	0.80	0.80
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources Analyst						
Executive Assistant	1.00	0.50	-	-	-	0.00
Information System Specialist	1.00	1.00	0.50	0.50	0.50	0.50
Records Coordinator	-	-	-	-	-	-
Receptionist	-	-	1.00	1.00	1.00	1.00
FTE Total	4.30	4.30	4.80	4.80	4.80	4.80

CITY MANAGER PERSONNEL

GENERAL GOVERNMENT

MISSION STATEMENT

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

DEPARTMENT PURPOSE

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

CITY MANAGER PERSONNEL

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-10-12-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Revenue Totals	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Expenditures						
Personnel	\$278,629	\$291,887	\$374,469	\$ 374,469	\$422,066	\$434,399
Contract services	68,393	46,297	55,500	45,503	34,500	34,500
Training & Memberships	-	1,579	1,700	3,000	2,000	2,000
Supplies	4,021	5,984	10,000	14,227	6,000	6,000
Internal service fund charges	12,467	16,392	16,604	16,604	19,126	19,960
Expenditure Totals	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	0.20	0.20	0.20	0.20	0.20	0.20
Human Resources Analyst	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Executive Assistant	0.50	-	-	-	-	0.00
FTE Total	1.20	1.20	1.70	1.70	1.70	1.70

FINANCE

GENERAL GOVERNMENT

MISSION STATEMENT

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

DEPARTMENT PURPOSE

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Continued TOT vacation rental audit and enforcement program.
- Entered 5-year agreement with new CPA firm for annual audits.
- Began city-wide comprehensive fee study.
- Issued RFP for Banking Services.
- Provided analytical support to operations departments.

FISCAL YEAR GOALS – 2024-25 and 2025-26

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

FINANCE

1000-10-17-000	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 447,923	\$ 492,344	\$ 637,309	\$ 604,349	\$ 647,495	\$ 676,859
Licenses & Permits	315,604	309,349	312,500	317,691	318,750	321,938
Intergovernmental	6,494	6,634	6,700	3,529	6,700	6,700
Use of money & property	7,393	12,777	10,800	9,202	11,500	12,200
Other revenue	3,431	2,934	-	2,680	3,000	3,000
Revenue Totals	\$ 780,845	\$ 824,038	\$ 967,309	\$ 937,451	\$ 987,445	\$1,020,696

Expenditures

Personnel	\$ 550,668	\$ 540,947	\$ 617,735	\$ 620,985	\$ 695,548	\$ 723,022
Contract services	161,542	192,920	253,250	220,250	185,100	188,100
Training & Memberships	1,185	1,441	4,600	4,592	7,500	7,500
Supplies	2,400	4,105	4,600	4,500	4,600	4,600
Internal service fund charges	65,049	84,624	87,124	87,124	94,697	97,474
Expenditure Totals	\$ 780,845	\$ 824,038	\$ 967,309	\$ 937,451	\$ 987,445	\$1,020,696

Authorized Positions	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	-	-	0.00
Accountant II	-	-	-	-	-	-
Accountant I	-	-	-	2.00	2.00	2.00
Account Clerk	0.75	-	1.00	-	1.00	1.00
Account Technician	-	1.00	-	-	-	-
FTE Total	2.75	3.00	3.00	3.00	4.00	4.00

POLICE SUMMARY

POLICE

MISSION STATEMENT

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

VISION STATEMENT

The Capitola Police Department is comprised of professional and dedicated members who strive to demonstrate high character, fairness, compassion, and the non-biased delivery of policing services.

CORE VALUES

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

- Human Life - Nothing is more valuable than the preservation of life.
- Loyalty - Simple loyalty to our best convictions
- Honesty - The essence of moral character
- Respect - Our success is measured by how we treat others.
- Integrity - Values, and morals that represent our sincerity and commitment.
- Diversity - We value differences.
- Ethics - Our commitment to principles that govern behavior.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Upgraded Radio System to include a second radio channel for emergency operations and for seasonal lifeguard services.
- Upgraded Axon equipment to include Body Cameras, Tasers, and storage infrastructure.
- Conducted multiple bicycle safety and informational presentations at New Brighton Middle School and other locations.
- Replaced Lidar/Radar units for traffic enforcement efforts.
- Replaced administration vehicle with EV vehicle and explored other hybrid models for fleet replacement.
- Introduced an Unmanned Aircraft Systems (UAS) drone program.
- Introduced ABLE Program
- Introduced the Flock Safety Program

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Purchase two patrol vehicles.
- PD locker room bathroom update/upgrade. (\$75,000 provided by Council)
- Electronic Citations for patrol personnel.
- Develop a program to enable a citizen to file police reports online.
- Examine alternative site for PD backup yellow channel.
- Research upgrades options for infrastructure, to include possible new antenna site and develop short-term plan pending larger County-wide radio project.
- Bicycle and pedestrian safety will remain our traffic goals for 2024/25. Seek grant opportunities to support our traffic goals, including speed and DUI grant opportunities.

POLICE SUMMARY

Police Department Summary	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 6,925,540	\$ 7,371,184	\$ 7,436,863	\$ 7,681,725	\$ 8,042,260	\$ 8,344,850
Licenses and permits	44,907	52,055	55,500	33,341	55,500	55,500
Intergovernmental revenues	58,956	137,649	121,002	62,071	83,000	83,000
Charges for services	23,854	57,309	58,750	50,114	58,750	58,750
Fines and forfeitures	588,832	566,907	607,500	474,720	599,500	599,500
Other revenues	592	292	20,000	1,433	-	-
Revenue Totals	\$ 7,642,681	\$ 8,185,395	\$ 8,299,615	\$ 8,303,403	\$ 8,839,010	\$ 9,141,600

Expenditures

Personnel	\$5,486,794	\$5,925,880	\$5,905,173	\$5,912,032	\$6,456,637	\$6,711,957
Contract services	1,258,011	1,314,010	1,388,290	1,342,723	1,356,496	1,363,471
Training & Memberships	52,741	56,831	73,200	73,200	73,200	73,200
Supplies	140,964	96,595	99,800	133,100	101,800	101,800
Internal service fund charges	709,412	832,037	884,847	884,847	884,877	925,172
Expenditure Totals	\$ 7,647,921	\$ 8,225,354	\$ 8,351,310	\$ 8,345,902	\$ 8,873,010	\$ 9,175,600

Authorized Positions	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00	4.00	4.00
Police Officer	15.00	15.00	15.00	15.00	15.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement Officer	2.00	2.00	3.00	3.00	3.00	3.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Records Technician	1.75	1.75	2.00	2.00	2.00	2.00
Administrative Assistant	0.75	0.75	-	-	-	-
FTE Total	30.50	30.50	31.00	31.00	31.00	31.00

LAW ENFORCEMENT

POLICE

LAW ENFORCEMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-20-20-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 6,699,698	\$ 7,089,319	\$ 7,199,230	\$ 7,382,821	\$ 7,840,087	\$ 8,125,342
Licenses and permits	44,907	52,055	55,500	33,341	55,500	55,500
Intergovernmental revenues	58,956	137,649	121,002	62,071	83,000	83,000
Charges for services	23,854	57,309	58,750	50,114	58,750	58,750
Fines and forfeitures	8,386	80,699	110,000	77,220	100,000	100,000
Other revenues	592	292	20,000	1,433	-	-
Revenue Totals	\$ 6,836,392	\$ 7,417,322	\$ 7,564,482	\$ 7,606,999	\$ 8,137,337	\$ 8,422,592
Expenditure						
Personnel	\$ 5,248,370	\$ 5,676,262	\$ 5,682,882	\$ 5,689,741	\$ 6,248,142	\$ 6,495,107
Contract services	729,425	802,152	870,997	873,355	882,499	882,499
Training & Memberships	52,741	56,831	73,200	73,200	73,200	73,200
Supplies	129,637	91,784	91,000	124,300	93,000	93,000
Internal service fund charges	676,220	790,292	846,403	846,403	840,496	878,786
Expenditure Totals	\$ 6,836,392	\$ 7,417,322	\$ 7,564,482	\$ 7,606,999	\$ 8,137,337	\$ 8,422,592

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Authorized Positions	Actual	Actual	Amended	Estimated	Proposed	Planned
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00	4.00	4.00
Police Officer	15.00	15.00	15.00	15.00	15.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Records Technician	1.75	1.75	2.00	2.00	2.00	2.00
Administrative Assistant	0.75	0.75	-	-	-	-
FTE Total	28.50	28.50	28.00	28.00	28.00	28.00

PARKING ENFORCEMENT

POLICE

DEPARTMENT PURPOSE

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Replaced nine pay stations.
- Upgraded Village pay stations with a new payment interface.
- Purchased hybrid truck for parking enforcement vehicle.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Maintain existing pay stations.
- Begin upgrading pay stations with a new payment interface.
- Explore hybrid vehicle options for parking enforcement vehicles.

PARKING ENFORCEMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-20-21-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 72,300	\$ 111,785	\$ 53,660	\$ 114,931	\$ 61,234	\$ 71,524
Fines and forfeitures	580,447	486,207	497,500	397,500	499,500	499,500
Use of money & property	5,240	39,959	51,695	42,499	34,000	34,000
Revenue Totals	\$ 657,986	\$ 637,952	\$ 602,855	\$ 554,930	\$ 594,734	\$ 605,024
Expenditures						
Personnel	\$ 238,424	\$ 249,618	\$ 222,291	\$ 222,291	\$ 208,494	\$ 216,850
Contract services	380,066	346,699	334,500	286,575	334,500	334,500
Supplies	11,323	4,811	8,800	8,800	8,800	8,800
Internal service fund charges	28,173	36,824	37,264	37,264	42,940	44,874
Expenditure Totals	\$ 657,986	\$ 637,952	\$ 602,855	\$ 554,930	\$ 594,734	\$ 605,024
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Parking Enforcement Officer	2.00	2.00	3.00	3.00	3.00	3.00
FTE Total	2.00	2.00	3.00	3.00	3.00	3.00

ANIMAL SERVICES

POLICE

DEPARTMENT PURPOSE

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

ANIMAL SERVICES

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-20-23-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984
Charges for services	-	-	-	-	-	-
Revenue Totals	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984
Expenditures						
Contract services	\$ 73,855	\$ 80,492	\$ 87,793	\$ 87,793	\$ 139,497	\$146,472
Internal service fund charges	930	1,175	1,180	1,180	1,442	1,512
Expenditure Totals	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984

PUBLIC WORKS SUMMARY

PUBLIC WORKS

MISSION STATEMENT

The Capitola Department of Public Works, through our valued employees, develops, maintains, and operates the City's infrastructure and natural resources and provides environmental stewardship for the benefit of our residents, businesses, and visitors.

DEPARTMENT PURPOSE

Public Works stewards Capitola's public infrastructure. We are dedicated to providing safe, functional and sustainable systems improving the quality of life for the residents, businesses and visitors of the City of Capitola in a responsive and cost-effective manner and in accordance with local, state and federal regulations.

To provide this stewardship, the department has three divisions.

The *Maintenance* Division is responsible for the day-to-day operations, maintenance, and repair of the public infrastructure and facilities including streets and medians, streetlights and traffic signals, street trees, sidewalks and pathways, parks, public buildings, and maintains the City's fleet of vehicles and equipment.

The *Engineering* Division designs and oversees the construction of all capital improvement projects for the City's public infrastructure systems and public buildings/facilities; prepares technical studies/reports; regulates construction activities within the public right-of-way by private entities and utility companies; and maintains infrastructure records. The Engineering Division also works closely with the Community Development Department and Building Division to perform plan review and inspection services of tract/parcel maps for subdivisions and grading and drainage improvements on private property; provides technical support to the Public Works Maintenance Division.

The *Environmental* Division provides environmental support services to Public Works and other City Departments to ensure compliance with federal, state, and local environmental laws, regulations, and policies. The Environmental Division also manages the City's Storm Water Management Program and Solid Waste Franchise Agreement which includes industrial, construction, and municipal activities and operations within the City; staffs the Commission on the Environment.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Establish a computerized maintenance management system
- Completed Capitola Road Pavement Rehabilitation Project
- Completed Kennedy Drive Sidewalk Project
- Completed Bay/Hill Intersection Pedestrian Safety Quick Build
- Substantially completed the Wharf Resiliency and Public Access Project
- Substantially completed repairs from the January 2023 storms

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Compete Park at Rispin Mansion Project
- Complete construction of Community Center Renovation Project
- Complete design and construction of Treasure Cove Playground
- Complete design of Cliff Drive Resiliency Project
- Update City Climate Action Plan
- Continue to move 15 additional funded CIP projects toward completion

PUBLIC WORKS SUMMARY

Public Works Summary	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 2,815,514	\$ 3,412,508	\$ 3,785,993	\$ 3,881,230	\$ 4,025,024	\$ 4,167,039
Licenses and permits	26,260	37,311	30,000	30,000	30,000	30,000
Charges for services	5,224	8,951	5,000	9,818	6,000	6,000
Other revenues	41,039	10,751	8,000	11,445	8,000	8,000
Revenue Totals	\$ 2,933,999	\$ 3,469,521	\$ 3,828,993	\$ 3,944,128	\$ 4,069,024	\$ 4,211,039
Expenditures						
Personnel	\$ 1,673,675	\$ 1,895,349	\$ 2,004,914	\$ 2,020,633	\$ 2,180,098	\$ 2,264,902
Contract services	629,589	869,834	1,096,307	1,127,359	1,159,785	1,104,485
Training & Memberships	1,830	2,661	5,000	3,572	6,000	6,000
Supplies	453,235	539,117	429,600	500,391	533,750	507,700
Internal service fund charges	174,801	162,560	292,172	292,172	189,391	327,953
Expenditure Totals	\$ 2,933,130	\$ 3,469,520	\$ 3,827,993	\$ 3,944,128	\$ 4,069,024	\$ 4,211,040
Authorized Positions						
	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Operations Maint. Supervisor	-	1.00	1.00	1.00	1.00	1.00
Field Supervisor	1.00	-	-	-	-	-
Maintenance Worker I & II	7.50	7.50	8.00	9.00	7.50	7.50
Maintenance Worker III	2.00	2.00	2.00	1.00	2.00	2.00
SR. Mechanic/Mechanic	1.50	1.50	1.00	1.00	1.50	1.50
Development Services Tech	-	1.00	1.00	1.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
FTE Total	15.00	16.00	16.00	16.00	16.00	16.00

STREETS**PUBLIC WORKS****STREETS**

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
1000-30-30-000						
Revenues						
General Fund	\$ 1,629,450	\$ 1,934,965	\$ 2,308,613	\$ 2,301,035	\$ 2,224,311	\$ 2,427,697
Licenses and permits	26,260	37,311	30,000	30,000	30,000	30,000
Intergovernmental revenues	45,963	-	-	11,635	-	-
Charges for services	3,000	7,427	3,000	6,318	3,000	3,000
Other revenues	33,539	10,751	8,000	6,712	8,000	8,000
Revenue Totals	\$ 1,738,211	\$ 1,990,454	\$ 2,349,613	\$ 2,355,700	\$ 2,265,311	\$ 2,468,697
Expenditures						
Personnel	\$ 1,291,950	\$ 1,443,455	\$ 1,540,503	\$ 1,550,503	\$ 1,603,273	\$ 1,665,852
Contract services	214,916	328,463	491,357	490,785	447,485	451,485
Training & Memberships	540	2,661	2,500	3,572	3,000	3,000
Supplies	108,178	121,921	92,500	88,087	103,000	105,000
Internal service fund charges	122,627	93,955	222,753	222,753	108,553	243,361
Expenditure Totals	\$ 1,738,211	\$ 1,990,454	\$ 2,349,613	\$ 2,355,700	\$ 2,265,311	\$ 2,468,697
Authorized Positions						
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Operations Maint. Supervisor	-	1.00	1.00	1.00	1.00	1.00
Field Supervisor	1.00					
Maintenance Worker I & II	5.50	6.00	6.00	7.00	6.50	6.50
Maintenance Worker III	1.00	1.00	1.00	-	-	-
Development Services Tech	-	1.00	1.00	1.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
FTE Total	10.50	12.00	12.00	12.00	11.50	11.50

STORMWATER**PUBLIC WORKS****STORM WATER**

1000-30-30-301	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 126,955	\$ 115,036	\$ 202,538	\$ 200,038	\$ 206,821	\$ 209,412
Charges for services	2,224	1,524	2,000	3,500	3,000	3,000
Revenue Totals	\$ 129,179	\$ 116,560	\$ 204,538	\$ 203,538	\$ 209,821	\$ 212,412
Expenditures						
Personnel	\$ 84,105	\$ 76,831	\$ 59,888	\$ 59,888	\$ 65,821	\$ 68,412
Contract services	45,074	38,025	143,150	143,150	142,500	142,500
Training & Memberships	-	-	-	-	-	-
Supplies	-	1,704	1,500	500	1,500	1,500
Expenditure Totals	\$ 129,179	\$ 116,560	\$ 204,538	\$ 203,538	\$ 209,821	\$ 212,412

FACILITIES**PUBLIC WORKS**

FACILITIES						
1000-30-31-xxx	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$275,391	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793
Other revenues	7,500	-	-	-	-	-
Revenue Totals	\$282,891	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793
Expenditures						
Contract services	\$157,467	\$181,425	\$220,800	\$ 194,119	\$281,700	\$241,900
Supplies	115,448	127,146	21,500	99,719	111,500	110,600
Internal service fund charges	9,975	13,704	13,843	13,843	16,557	17,293
Expenditure Totals	\$282,891	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793

FLEET**PUBLIC WORKS****FLEET**

1000-30-32-000	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenues						
General Fund	\$325,344	\$367,213	\$359,573	\$359,931	\$429,389	\$436,708
Other revenues	-	-	-	4,733	-	-
Revenue Totals	\$325,344	\$367,213	\$359,573	\$364,664	\$429,389	\$436,708
Expenditures						
Personnel	\$106,579	\$112,333	\$112,513	\$112,577	\$169,306	\$175,543
Contract services	8,338	1,068	5,000	11,027	5,000	5,000
Training & Memberships	869	-	1,000	-	500	500
Supplies	195,762	235,393	222,500	222,500	232,500	232,500
Internal service fund	13,796	18,420	18,560	18,560	22,083	23,165
Expenditure Totals	\$325,344	\$367,213	\$359,573	\$364,664	\$429,389	\$436,708
Authorized Positions						
Mechanic/Sr. Mechanic	1.50	1.00	1.00	1.00	1.50	1.50
FTE Total	1.50	1.00	1.00	1.00	1.50	1.50

PARKS

PUBLIC WORKS

MISSION STATEMENT

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

DEPARTMENT PURPOSE

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

KEY CHANGES

Maintaining the status quo.

PARKS

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-30-33-xxx	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Revenue Totals	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Expenditures						
Personnel	\$ 191,041	\$ 262,731	\$ 292,010	\$ 297,665	\$ 341,697	\$ 355,095
Contract services	203,794	320,853	236,000	288,278	283,100	263,600
Training & Memberships	1,290	-	2,500	-	2,500	2,500
Supplies	33,846	52,954	91,600	89,586	85,250	58,100
Internal service fund charges	28,403	36,481	37,016	37,016	42,199	44,134
Expenditure Totals	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Authorized Positions						
Maintenance Worker I & II	3.00	2.00	2.00	2.00	1.00	1.00
Maintenance Worker III	1.00	1.00	1.00	1.00	2.00	2.00
FTE Total	4.00	3.00	3.00	3.00	3.00	3.00

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT

MISSION STATEMENT

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

DEPARTMENT PURPOSE

The CDD administers the City's land use policies and standards adopted by the City Council including Zoning Code (Title 17), Housing and Development Administration (Title 18), General Plan, Housing Element, Local Coastal Program, and other regulations. The Department's key functions include review of development applications, application of CEQA, maintenance of aforementioned regulatory and long-range planning documents, building plan check and inspection services, building and zoning code compliance, and administration of the affordable housing programs. The Department manages grants related to community planning, housing, economic development, and public services through regional, state, and federal opportunities. The Department provides staff support to the City Council, Planning Commission, and the Design and Development Review Committee.

KEY CHANGES

During the past fiscal year, the Department ended the shared Building Official contract with Scotts Valley. Training is a focus in the FY2024-25 within the Building Department.

FISCAL YEAR ACCOMPLISHMENTS – FY 2023-24

- Adopt Housing Element update with a focus on public outreach, public hearings, adoptions, and working toward State of California Department of Housing and Community Development certification.
- Administered CDBG Grant of \$500,000 for to provide food and transit services to low-income families through local nonprofits.
- Applied for CDBG Grant of \$3.3 million for renovation of the Jade Street Community Center.
- Implemented a 5-year Contract for a Regional Bikeshare Program with BCycle.
- Awarded Permanent Local Housing Allocation Grant (\$630,557) and utilized first year of funding toward region homeless efforts.
- Planning approval of a 52 unit 100% affordable housing development at 1098 38th Avenue.
- Building permit for a 36-unit 100% affordable housing development at 4401 Capitola Road.
- 120 planning permit applications submitted July 1, 2023, through May 1, 2024.
- 286 building permit applications submitted July 1, 2023, through May 1, 2024.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Certification of the 6th Cycle Housing Element by State of California Department of Housing and Community Development.
- Issue building permits and begin construction of new hotel at 720 Hill Street and 52-unit affordable housing development at 1098 38th Avenue.
- Oversee construction and occupancy of 36-unit 100% affordable housing development at 4401 Capitola Road.
- Plan for long-term use of the Capitola Wharf with a focus on public engagement, environment, and climate resiliency.
- Initiate economic development strategy study for the 41st Avenue corridor.
- Explore public/private partnership opportunities toward redevelopment of the Capitola Mall.
- Administer grants to support Capitola residents with food services (CDBG) and housing production (PLHA).
- Provide training opportunities for all staff to encourage growth, job satisfaction, and longevity.

COMMUNITY DEVELOPMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Community Development	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 393,543	\$ 454,348	\$ 514,510	\$ 555,161	\$ 381,586	\$ 443,143
Licenses and permits	320,123	241,459	243,500	265,820	313,500	283,500
Charges for services	278,599	323,450	302,000	173,872	217,000	207,000
Fines and forfeitures	-	-	-	-	-	-
Revenue Totals	\$ 992,265	\$1,019,257	\$ 1,060,010	\$ 994,853	\$ 912,086	\$ 933,643
Expenditures						
Personnel	\$ 728,084	\$ 877,933	\$ 906,715	\$ 816,166	\$ 703,456	\$ 730,389
Contract services	204,020	55,157	58,000	98,942	103,000	98,000
Training & Memberships	2,601	10,435	17,700	3,150	17,700	17,700
Supplies	860	1,586	2,100	1,100	5,100	2,100
Internal service charges	56,699	74,146	75,495	75,495	82,829	85,455
Expenditure Totals	\$ 992,264	\$1,019,257	\$ 1,060,010	\$ 994,853	\$ 912,086	\$ 933,643
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Community Dev. Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner	-	-	1.00	1.00	1.00	1.00
Associate Planner	-	1.00	1.00	1.00	1.00	1.00
Assistant Planner	2.00	1.00	-	-	-	-
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	-	-	-	-
Development Services Tech	0.50	0.75	1.00	1.00	1.00	1.00
FTE Total	5.50	5.75	5.00	5.00	5.00	5.00
Officials Positions						
Planning Commissioners	5.00	5.00	5.00	5.00	5.00	5.00
Arch & Site Committee	2.00	2.00	-	-	-	-
Total	7.00	7.00	5.00	5.00	5.00	5.00
Officials Annual Pay						
Planning Commissioners	\$ 9,250	\$ 9,250	\$ 7,500	\$ 7,500	\$ 8,750	\$ 8,750
Arch & Site Committee	6,000	6,000	-	-	-	-
Total	\$ 15,250	\$ 15,250	\$ 7,500	\$ 7,500	\$ 8,750	\$ 8,750

PROPOSED COMMUNITY SERVICES AND RECREATION

CULTURE & LEISURE

MISSION

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

DEPARTMENT PURPOSE

The Proposed Community Services and Recreation Department manages recreation and leisure services offered to residents of Capitola and the broader community as well as the USLA Certified Lifeguard Division which protects beach goers in the Capitola Beach area during from Memorial Day Weekend to the end of October. These services include City-staffed programs such as Junior Lifeguards, Camp Capitola, and community events, as well as over 500 classes offered by contracted instructors. Youth Programs have enrollment of over 2,000 children annually. The Department also manages the Capitola Community Center, Jade Street Park, and Monterey Park.

The Proposed Community Services and Recreation Department represents the City through Lifeguards at the beach, programs offered, class instructors selected, seasonal youth hired and trained, and condition of facilities. The department programs provide job training for young people through the Junior Lifeguard Captains Corps and Camp Capitola Junior Leader Program and provide scholarships for under resourced youth.

KEY CHANGES

Following extensive community engagement, in 2019 the City adopted a comprehensive five-year strategic plan for the Capitola Recreation Division. The division has grown from 3.75 FTE to 5.5 FTE and now supervises over 50 temporary seasonal staff each year. The program revenue remains strong and covers the direct cost of programs. Further the Division now supports numerous equity and accessibility initiatives for the community. Given the scope and growth of the Division and final key initiative of the strategic plan, the establishment of the Capitola Community Services and Recreation Department is proposed for the upcoming budget.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- City operated Lifeguard Service achieved United States Lifesaving Association (USLA) Certification as an Open Water Lifesaving Agency and hosted the California Surf Lifesaving Association (CSLSA) Spring Board of Directors Meeting.
- Recertified Camp Capitola as an American Camp Association (ACA) Accredited program and promoted from a 3-year cycle to a 5-year cycle.
- Expanded the learn to swim program for under resourced youth by doubling attendance for Spring 2024 and successfully enrolled Spring 2023 group in the Junior Guard Summer 2023 program.
- Hosted a community event for JoJo's 80th Birthday in collaboration with other City Departments and community members.
- Provided, for the first time, School Break Camps and other Family Support programs.
- Integrated Art & Cultural and Recreation program staff for efficiency in implementing events.
- Coordinated a County wide public advertising for July IS Park & Rec Month Campaign

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Continue to provide quality recreation services with minimal program interruption during displacement due to the Community Center and Treasure Cove at Jade St Playground remodel
- Implement a Park Space Reservation Permit for small groups to host gatherings such as birthday parties in City Parks.

- Provide programming on the Wharf during the temporary use phase of the project.
- Engage Middle School age youth in ocean safety program during the school year.
- Further develop county recreation agency partnerships to provide regional programs, Park Rx, Family Fun Day and other programs.

PROPOSED COMMUNITY SERVICES AND RECREATION

Recreation Summary 1000-50-50-xxx	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 286,144	\$ 702,322	\$ 586,769	\$ 481,769	\$ 721,196	\$ 748,389
Recreation Classes	\$ 199,902	\$ 224,903	\$ 225,000	\$ 224,945	\$ 200,000	\$ 200,000
Capitola Junior Guards	267,803	272,552	309,263	443,101	354,800	354,800
OST Program	1,386	574	-	-	-	-
Sports	26,185	22,465	19,000	14,435	26,900	26,900
Camp Capitola	181,466	150,173	193,240	229,091	216,867	216,867
Afterschool Program	72,838	68,338	143,174	143,174	121,483	121,483
Events	7,104	3,249	4,760	2,347	7,900	7,900
Total Charges for Svcs.	\$ 756,685	\$ 742,254	\$ 894,437	\$1,057,092	\$ 927,950	\$ 927,950
Jade St. Rentals	\$ 6,700	\$ 11,081	\$ 11,000	\$ 14,781	\$ 2,000	\$ 2,000
Revenue Totals	\$1,049,529	\$1,455,657	\$1,492,206	\$1,553,642	\$1,651,146	\$1,678,339
Expenditures						
Personnel	\$692,415	\$877,308	\$1,094,949	\$1,138,749	\$1,253,020	\$1,279,472
Contract services	241,126	353,537	215,400	222,705	202,050	200,050
Training & Memberships	5,033	15,264	17,725	18,234	13,900	14,150
Supplies	46,995	83,801	55,575	65,398	91,800	90,800
Internal service fund charges	63,960	125,747	108,557	108,557	90,376	93,868
Expenditure Totals	\$1,049,529	\$1,455,657	\$1,492,206	\$1,553,642	\$1,651,146	\$1,678,339
Authorized Positions						
	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Community Svcs. & Culture Director					1.00	1.00
Recreation Division Manager	1.00	1.00	1.00	1.00	-	-
Recreation Coordinator	3.00	3.00	3.00	3.00	3.00	3.00
Customer Svcs./Off. Coord.	1.00	1.00	1.00	1.00	1.00	1.00
Rec. Facilities Custodian	0.50	0.50	0.50	0.50	0.50	0.50
FTE Total	5.50	5.50	5.50	5.50	5.50	5.50
Hourly Allocation						
Beach Lifeguard Captain				-	-	-
Beach Lifeguard/JG Instructor	7,200	7,200	7,536	7,536	12,648	12,648
Jr. Lifeguard Coordinator	1,200	1,200	-	-	-	-
Lifeguard Lieutenant/ JG Asst. Cord.	-	-	400	400	1,296	1,296
Recreation Leader I			3,855	3,855	3,503	3,503
Recreation Leader II	4,800	4,800	3,614	3,614	2,952	2,952
Recreation Coordinator	1,200	1,200	-	-	-	-
Recreation Asst. Coordinator	500	500	1,039	1,039	857	857
Youth Program Coordinator	720	720	-	-	687	687
Youth Program Leader	2,880	2,880	-	-	-	-
Recreation Admin Temps	1,560	1,560	-	-	-	-
Sports Scorekeepers	900	900	900	900	-	-
Recreation Facilities Assistant	-	-	280	280	-	-
Hours Total	20,960	20,960	17,624	17,624	21,943	21,943

MUSEUM

CULTURE & LEISURE

MISSION

The Capitola Historical Museum preserves and promotes the history of Capitola through creating exhibitions, maintaining a collection of historic photographs and artifacts, conducting oral histories, and participating in special events.

DEPARTMENT PURPOSE

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Continued 2023 exhibition “Capitola – Signs of the Times” – July to December 2023.
- Installed 2024 annual exhibition “Little City Under Canvas” – The 150th Anniversary of Camp Capitola - March 2024.
- Installed three rotating exhibits at the Capitola Library.
- Community Involvement:
 - Coordinated museum participation in 2023 Car Show, 2023 Art & Wine Festival (9& 10), 2023 Beach Festival, Plein Air Finale (11/5), and Laura Hecox Day at the Santa Cruz Natural History Museum (1/27). Historic Landmark Committee Blue Plaque Awards (5/11) and Santa Cruz County History Fair (5/18), and the Capitola Car Show (6/8).
 - Co-sponsored the 2024 Santa Cruz County History Fair.
 - Coordinated building of float for the 2023 Beach Festival Lighted Nautical Parade, awarded 3rd place with trophy and check for \$500.
 - Funded video of JoJo Urbancic Birthday Party.
- New Landscape Project; Coordinated with:
 - Eagle Scout candidate Owen Lawson on museum landscape project (January through April);
 - Amah Mutsun Land Trust;
 - Public Works: new ADA walkway to the Bathhouse; fumigation of historic Beach Cottage, painting, and redevising opening of Bathhouse doors; reorienting the museum sign; installing a concrete pad behind the photo-op.
- Public Outreach:
 - Wrote more than 4 articles for various publications including the Capitola-Soquel Times
 - 55 posts on the museum Facebook page; gained 300 new followers from September 2023 to May 2024

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Continue 2024 exhibition “Little City Under Canvas” The 150th Anniversary of Camp Capitola through December 2024
- Continue to recognize the 75th Anniversary of city incorporation and the 100th anniversary of the Venetian Court.
- Develop and install 2025 annual exhibition (theme – fashion – proposed title “The Naughty Surf – 19th-20th Century Resort Fashions in Capitola” by mid-March 2025.
- Continue to participate in annual festivals and history events.
- Write a historical essay on Capitola history – article on Olaf Palm for the MAH History Journal No. 10 in the summer of 2024.
- Initiate proposal for new book, *Capitola – Then & Now* with Arcadia Publishing.

MUSEUM

Capitola Museum 1000-50-51-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 58,049	\$ 61,735	\$ 73,292	\$ 73,339	\$ 77,651	\$ 79,565
Other revenues	8,385	10,089	4,300	8,991	10,000	10,000
Revenue Totals	\$ 66,434	\$ 71,824	\$ 77,592	\$ 82,329	\$ 87,651	\$ 89,565
Expenditures						
Personnel	\$42,895	\$43,210	\$41,870	\$45,990	\$43,918	\$45,589
Contract services	7,983	8,017	13,000	10,000	13,000	13,000
Training & Memberships	207	151	1,000	1,167	1,700	1,700
Supplies	10,118	13,718	14,800	18,250	21,500	21,500
Internal service fund charges	5,231	6,728	6,922	6,922	7,533	7,776
Expenditure Totals	\$ 66,434	\$ 71,824	\$ 77,592	\$ 82,329	\$ 87,651	\$ 89,565
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Authorized Positions	Actual	Actual	Amended	Estimated	Proposed	Planned
Museum Curator	0.50	0.50	0.50	0.50	0.50	0.50
FTE Total	0.50	0.50	0.50	0.50	0.50	0.50

ART & CULTURE

CULTURE & LEISURE

MISSION

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

DEPARTMENT PURPOSE

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

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Summer Twilight Concerts at Esplanade Park.
- Capitola Plein Air Event largest ever.
- Recommended public art project to the City Council.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Evaluate Art in the Park Event.
- Explore new Cultural events for the City.
- Continue to look at public art opportunities.

ART & CULTURE

Art & Cultural Commission 1000-50-52-000	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 8,387	\$ 29,260	\$ 38,644	\$ 39,707	\$ 50,236	\$ 44,357
Other revenues	51,760	21,080	31,000	54,918	54,000	54,000
Revenue Totals	\$ 60,147	\$ 50,340	\$ 69,644	\$ 94,625	\$104,236	\$ 98,357
Expenditures						
Personnel	\$14,651	\$16,152	\$18,464	\$21,000	\$21,578	\$22,495
Contract services	30,760	31,293	41,000	36,000	35,000	35,000
Supplies	10,766	9,978	5,000	32,445	42,000	35,000
Internal service fund charges	3,971	5,049	5,180	5,180	5,658	5,862
Expenditure Totals	\$ 60,147	\$ 62,472	\$ 69,644	\$ 94,625	\$104,236	\$ 98,357

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

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

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

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

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

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

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

STORES FUND

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

SOURCES AND USES						
Fund - 2210	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 69,115	\$ 65,435	\$ 62,676	\$ 62,676	\$ 62,676	\$ 62,676
Revenue						
Other Revenues	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Charges	20,000	27,000	27,000	27,000	27,000	27,000
General Fund Transfers	-	-	-	-	-	-
Revenue Totals	\$20,010	\$27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Expenditures						
Contract Services	\$ 6,866	\$ 6,842	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Supplies	16,825	22,917	20,000	20,000	20,000	20,000
Expenditure Totals	\$23,690	\$29,759	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Fund Balance at 06/30	\$65,435	\$62,676	\$ 62,676	\$ 62,676	\$ 62,676	\$ 62,676

INFORMATION TECHNOLOGY FUND

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

SOURCES AND USES						
Fund - 2211	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 327,920	\$ 355,804	\$ 317,651	\$ 317,651	\$ 177,041	\$ 177,041
Revenue						
Other Revenues	\$ 4,068	\$ 4,068	\$ 4,000	\$ 3,390	\$ 4,000	\$ 4,000
Internal Service Charges	197,900	257,502	271,000	271,000	268,000	268,000
Other Financing Sources	-	-	235,000	235,000	-	-
Revenue Totals	\$201,968	\$261,570	\$ 510,000	\$ 509,390	\$ 272,000	\$ 272,000
Expenditures						
Contract Services	\$ 107,974	\$ 194,690	\$ 201,000	\$ 210,000	\$ 196,000	\$ 196,000
Training & Memberships	-	-	-	-	-	-
Supplies	66,111	83,298	70,000	85,000	76,000	76,000
Capital Outlay	-	21,735	355,000	355,000	-	-
Expenditure Totals	\$174,084	\$299,723	\$ 626,000	\$ 650,000	\$ 272,000	\$ 272,000
Fund Balance at 06/30	\$ 355,804	\$ 317,651	\$ 201,651	\$ 177,041	\$ 177,041	\$ 177,041

Contract services: on-going technology licenses

Supplies: replacement technology equipment

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is designed to provide funding for replacement of City vehicles, including passenger cars, maintenance vehicles, police vehicles and other specialty vehicles. Departments contribute to this replacement fund based on the depreciation costs of existing vehicles. This fund receives revenue from trade-ins and surplus equipment sales. The General Fund charges for services based on the prior year fleet depreciation costs adjusted by the CPI index. The FY 2021-22 depreciation totaled approximately \$210,000 however that is anticipated to approach \$300,000 as we complete previously approved purchases and add the electric street sweeper to the fleet.

During the annual budget process, the Public Works and the Police Department review the current vehicle inventory listing and make recommendations for vehicle acquisitions and replacements, considering on-going maintenance costs. In FY 2021-22, \$300,000 was transferred from the General Fund to assist in restoring the Equipment Fund's balance and to purchase an electric street sweeper. Typically, new street sweepers are financed with gas tax revenues. However, to take advantage of a grant of \$250,000, the General Fund assisted with the purchase of the equipment.

FY 2024-25 CAPITAL OUTLAY

2 PD Patrol vehicles \$ 140,000

FY 2025-26 CAPITAL OUTLAY

Electric / Hybrid Fleet \$ 200,000

SOURCES AND USES						
Fund - 2212	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 683,833	\$ 966,130	\$ 875,969	\$ 875,969	\$ 577,318	\$ 502,318
Revenue						
Other revenues	\$ -	\$ 6,000	\$ 120,000	\$ 260,000	\$ -	\$ -
Internal Service Charges	100,000	105,000	250,000	250,000	65,000	200,000
Other Financing Sources	361,000	74,000	200,000	200,000	-	-
Revenue Totals	461,000	185,000	570,000	710,000	65,000	200,000
Expenditures						
Capital Outlay	\$ 178,703	\$ 275,161	\$ 403,404	\$ 1,008,650	\$ 140,000	\$ 200,000
Expenditure Totals	\$ 178,703	\$ 275,161	\$ 403,404	\$ 1,008,650	\$ 140,000	\$ 200,000
Fund Balance at 06/30	\$ 966,130	\$ 875,969	\$ 1,042,565	\$ 577,318	\$ 502,318	\$ 502,318

SELF-INSURANCE LIABILITY FUND

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

- Excess Insurance Premiums - The City belongs to the Monterey Bay Area Self Insurance Authority (MBASIA) joint powers authority. MBASIA covers all liability expenses, fire, property protection, and general liability claims up to \$10,000 per occurrence.
- Property Insurance – The City receives property insurance through the Public Entity Property Insurance Program and is insured by Lexington. The City's premium is \$100,000.
- Vehicle and Equipment Insurance Coverage - Coverage for vehicles and equipment with a purchase value of \$25,000 or more. The annual premium is \$7,500 with a \$2,000 deductible.
- Unemployment Insurance - The California Employment Development Department (EDD) defines the City as a "State Unemployment Insurance Reimbursement Client." The City does not pay unemployment insurance premiums to the State. When an employee files for and receives unemployment benefits from the State, the City is responsible for that benefit.

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

SOURCES AND USES

Fund - 2213	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 126,440	\$ (20,881)	\$ 278,187	\$ 278,187	\$ 179,917	\$ 179,917
Revenue						
Other Revenue	\$ (11,694)	\$ 82,292	\$ -	\$ -	\$ -	\$ -
Internal Service Charges	450,624	622,998	622,136	622,136	760,036	797,228
Other Financing Sources	-	250,000	-	-	-	-
Revenue Totals	\$ 438,930	\$ 955,290	\$ 622,136	\$ 622,136	\$ 760,036	\$ 797,228
Expenditures						
Contract Services	\$ 586,251	\$ 651,920	\$ 622,138	\$ 720,406	\$ 760,036	\$ 797,228
Other Financing Uses	-	4,302	-	-	-	-
Expenditure Totals	\$ 586,251	\$ 656,222	\$ 622,138	\$ 720,406	\$ 760,036	\$ 797,228
Fund Balance at 06/30	\$ (20,881)	\$ 278,187	\$ 278,185	\$ 179,917	\$ 179,917	\$ 179,917

WORKERS' COMPENSATION FUND

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

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

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

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

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

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

Distribution to General Fund Departments:

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

SOURCES AND USES						
Fund - 2214	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 318,800	\$ 367,079	\$ 117,301	\$ 117,301	\$ 118,749	\$ 118,749
Revenue						
Other Revenue	-	-	-	-	-	-
Internal Service Charges	\$ 427,680	\$ 431,999	\$ 447,705	\$ 447,705	\$ 403,542	\$ 423,719
Revenue Totals	\$ 427,680	\$ 431,999	\$ 447,705	\$ 447,705	\$ 403,542	\$ 423,719
Expenditures						
Contract Services	\$ 379,401	\$ 431,777	\$ 447,705	\$ 446,257	\$ 403,542	\$ 423,719
Other Financing Uses	-	250,000	-	-	-	-
Expenditure Totals	\$ 379,401	\$ 681,777	\$ 447,705	\$ 446,257	\$ 403,542	\$ 423,719
Fund Balance at 06/30	\$ 367,079	\$ 117,301	\$ 117,301	\$ 118,749	\$ 118,749	\$ 118,749

COMPENSATED ABSENCES LIABILITY FUND

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

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

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

Police Captain Cashable Sick Leave: Refer to contract.

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

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

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

SOURCES AND USES

	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Fund - 2216	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 263,856	\$ 110,886	\$ 330,886	\$ 330,886	\$ 330,886	\$330,886
Revenue						
Other financing sources	\$220,000	\$220,000	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Revenue Totals	\$220,000	\$220,000	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Expenditures						
Personnel	\$372,970	\$ -	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Expenditure Totals	\$372,970	\$ -	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Fund Balance at 06/30	\$ 110,886	\$ 330,886	\$ 330,886	\$ 330,886	\$ 330,886	\$ 330,886

SPECIAL REVENUE FUNDS



SPECIAL REVENUE FUNDS

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

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

Road Maintenance and Rehabilitation Act (SB1) (Public Works): Funds received from the state and used for road maintenance, rehabilitation, and critical safety projects on local streets and roads.

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

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

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

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

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

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

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

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

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

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

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

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

Library (City Manager): The new Capitola Branch Library opened in June 2021. The Friends off the Capitola Branch Library raised over \$600,000 of donations for project enhancements with approximately \$50,000 remaining in the Library fund.

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

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

Permanent Local Housing Allocation (PLHA): In 2017, Senate Bill 2 (SB 2) established a \$75 recording fee on real estate documents and created the Permanent Local Housing Allocation Fund (PLHA). PLHA funds are allocated to local governments for eligible housing and homelessness activities and provide a permanent, on-going source of funding for housing-related projects and programs that address the unmet housing needs of communities.

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

SUPPLEMENTAL LAW ENFORCEMENT SERVICES

POLICE

In 1996, California's state legislature (AB 3229) established the Citizens Options for Public Safety (COPS) program, allocating \$100,000,000 annually to local governments for front-line law enforcement. These funds are administered through the Supplemental Law Enforcement Services Fund (SLESF) program. The COPS program received its initial funding in the 1996-1997 California state budget and has been consistently funded since then. Section 30061 (c) (1) of the Government Code outlines the future funding details for the COPS program through SLESF.

SLESF funds are grants, and the legislation requires that each municipality receive annual funds to be used for "front-line law enforcement services." These funds cannot be used to replace existing resources but must be used to enhance them. Eligible expenses include salaries, services, supplies, equipment, and administrative costs.

Furthermore, SLESF funds cannot be redirected to a municipality's general fund but must be exclusively used for front-line law enforcement services. The total award to each recipient entity is based on population size, with a minimum annual award of \$100,000 for all entities. For example, the Capitola Police Department receives an annual award of \$100,000. Fund distributions are made regularly throughout the year.

SOURCES AND USES

Fund - 1300 SLESF	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 99,060	\$ 154,484	\$151,613	\$ 151,613	\$ 33,427	\$ 35,927
Revenue						
Intergovernmental revenues	\$101,325	\$ 103,114	\$100,000	\$ 100,000	\$100,000	\$100,000
Use of money & property	217	3,968	500	3,044	4,000	4,000
Revenue Totals	\$101,541	\$ 107,082	\$100,500	\$ 103,044	\$104,000	\$104,000
Expenditures						
Contract services	\$ 1,352	1,344	\$ 1,000	\$ 1,230	\$ 1,500	\$ 1,500
Supplies	33,765	86,797	35,000	35,000	33,000	33,000
Capital outlay	-	21,813	65,000	65,000	67,000	67,000
Other financing uses	11,000	-	120,000	120,000	-	-
Expenditure Totals	\$ 46,117	\$ 109,954	\$221,000	\$ 221,230	\$101,500	\$101,500
Fund Balance at 06/30	\$154,484	\$ 151,613	\$ 31,113	\$ 33,427	\$ 35,927	\$ 38,427

Contract Services – Utility services – Gas & Electric

Supplies – Front line law enforcement – includes \$5,000 for wellness grant.

Capital Outlay – Flock cameras, online report writing, electronic ticket writing.

RESTRICTED TRANSIENT OCCUPANCY TAX (TOT)

CITY COUNCIL

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

SOURCES AND USES

Fund - 1305	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
TOT Restricted Revenue	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 68,442	\$ 62,758	\$ 58,473	\$ 58,473	\$ 21,296	\$ 5,004
Revenue						
Transient Occupancy Tax	99,483	95,940	100,833	98,542	101,842	103,878
Other revenue	-	557	-	1,615	1,000	1,000
Revenue Totals	\$ 99,483	\$ 96,497	\$100,833	\$100,157	\$ 102,842	\$ 104,878
Expenditures						
ECYP Supplies	\$ 19,332	\$ -	\$ 16,300	\$ 16,300	\$ -	\$ -
ECYP Enrichment	-	-	11,700	11,700	8,600	8,000
ECYP Scholarships	-	-	27,000	13,500	13,500	-
Chamber of Commerce	36,176	34,887	36,667	35,833	37,033	37,774
ECYP Community Grants	49,660	65,895	60,000	60,000	60,000	60,000
Expenditure Totals	\$105,167	\$100,783	\$151,667	\$137,333	\$ 119,133	\$ 105,774
Fund Balance at 06/30	\$ 62,758	\$ 58,473	\$ 7,639	\$ 21,296	\$ 5,004	\$ 4,109
Local Business Groups ⁽¹⁾	\$ 36,176	\$ 34,887	\$ 36,667	\$ 35,833	\$ 37,033	\$ 37,774
Early Childhood/Youth Programs	\$ 63,307	\$ 61,053	\$ 64,167	\$ 62,708	\$ 64,808	\$ 66,104
	\$ 99,483	\$ 95,940	\$100,833	\$ 98,542	\$ 101,842	\$ 103,878

(1) Does NOT include portion paid directly to the BIA (50% of Local Business Groups amount)

ECYP Enrichment

- Field Trips and similar activities

ECYP Scholarships

- Camp & Jr. Guard - \$13,500 (year 2 of two-year \$27,000 program)

Community Grants – Early Childhood & Youth Community Grants - \$60,000

Other financing uses – payment to Capitola-Soquel Chamber of Commerce - \$37,033

- Equal amount distributed directly to Capitola BIA fund.

ROAD MAINTENANCE & REHABILITATION ACT (SB1)**PUBLIC WORKS**

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

SOURCES AND USES

Fund - 1308	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
RMRA SB 1	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 203,131	\$ 315,199	\$ 289,149	\$ 289,149	\$ 300,518	\$ 300,518
Revenue						
Intergovernmental revenues	\$ 202,344	\$ 218,001	\$ 248,500	\$ 248,500	\$ 252,161	\$ 257,204
Other financing sources	6,640	9,378	-	6,369	-	-
Revenue Totals	\$ 208,983	\$ 227,379	\$ 248,500	\$ 254,869	\$ 252,161	\$ 257,204
Expenditures						
Contract services						
Capital outlay	\$ 96,915	\$ 253,428	\$ 243,500	\$ 243,500	\$ 252,161	\$ 257,204
Expenditure Totals	\$ 96,915	\$ 253,428	\$ 243,500	\$ 243,500	\$ 252,161	\$ 257,204
Fund Balance at 06/30	\$ 315,199	\$ 289,149	\$ 294,149	\$ 300,518	\$ 300,518	\$ 300,519

Capital Outlay – Annual pavement management plan.

REGIONAL TRANSPORTATION COMMISSION (RTC) STREETS**PUBLIC WORKS**

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

SOURCES AND USES

Fund - 1309 RTC Streets	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 645,046	\$ 933,823	\$ 185,891	\$ 185,891	\$ 60,325	\$ 65,325
Revenue						
Intergovernmental revenues	\$ 384,195	\$ 368,521	\$ 371,000	\$ 250,682	\$ 369,000	\$ 380,000
Other financing sources	1,497	13,432	-	10,097	5,000	5,000
Revenue Totals	\$ 385,691	\$ 381,953	\$ 371,000	\$ 260,779	\$ 374,000	\$ 385,000
Expenditures						
Contract services	\$ 96,915	\$ 1,129,884	\$ 386,345	\$ 386,345	\$ 369,000	\$ 380,000
Capital outlay	-	-	-	-	-	-
Expenditure Totals	\$ 96,915	\$ 1,129,884	\$ 386,345	\$ 386,345	\$ 369,000	\$ 380,000
Fund Balance at 06/30	\$ 933,823	\$ 185,891	\$ 170,546	\$ 60,325	\$ 65,325	\$ 70,325

Capital Outlay – Annual pavement management plan.

GAS TAX**PUBLIC WORKS**

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

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

SOURCES AND USES

Fund - 1310	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Gas Tax	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 67,875	\$150,590	\$256,466	\$ 256,466	\$273,397	\$275,557
Revenue						
Intergovernmental revenues	\$242,775	\$250,805	\$283,381	\$ 283,381	\$272,660	\$262,405
Use of money & property	220	5,020	1,500	5,121	1,500	1,500
Other revenues	-	-	-	-	-	-
Revenue Totals	\$242,995	\$255,825	\$284,881	\$ 288,502	\$274,160	\$263,905
Expenditures						
Contract Services	\$160,280	\$149,949	\$283,350	\$ 271,571	\$272,000	\$261,900
Debt service	-	-	-	-	-	-
Interfund Transfer	-	-	-	-	-	-
Expenditure Totals	\$160,280	\$149,949	\$283,350	\$ 271,571	\$272,000	\$261,900
Fund Balance at 06/30	\$150,590	\$256,466	\$257,997	\$ 273,397	\$275,557	\$277,562

Contract Services:

- Admin & Engineering - \$50,000
- Streetlights & traffic signals - \$127,000
- Street & sidewalks - \$35,000
- Street painting - \$30,000
- Street sweeper maintenance - \$30,000

WHARF**PUBLIC WORKS**

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

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

SOURCES AND USES						
Fund - 1311	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Wharf	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$134,220	\$154,886	\$166,194	\$166,194	\$124,018	\$ 3,268
Revenue						
Use of money & property	119,189	72,310	-	2,620	20,500	32,500
Other financing sources	-	-	-	-	-	-
Revenue Totals	\$119,189	\$ 72,310	\$ -	\$ 2,620	\$ 20,500	\$ 32,500
Expenditures						
Contract services	\$ 82,474	\$ 53,189	\$ 17,500	\$ 44,708	\$101,250	\$ 26,605
Supplies	16,049	7,814	-	88	-	5,000
Capital Outlay	-	-	-	-	40,000	-
Expenditure Totals	\$ 98,523	\$ 61,003	\$ 17,500	\$ 44,796	\$141,250	\$ 31,605
Fund Balance at 06/30	\$154,886	\$166,194	\$148,694	\$124,018	\$ 3,268	\$ 4,163

Contract Services:

- Wharf Revisioning Plan - \$75,000
- Utilities - \$6,750
- Janitorial services - \$7,000
- Property & Equipment repairs & maintenance - \$4,500
- Rentals (portable toilets) - \$8,000

Capital – Buildings & Improvements

- Temporary structures / fuel storage - \$40,000

GENERAL PLAN UPDATE & MAINTENANCE

COMMUNITY DEVELOPMENT

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

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

The City adopted a comprehensive update to the Zoning Code which was certified by the California Coastal Commission in 2021. The City is currently working on the final stage of 6th Cycle Housing Element Update pending certification by the state. The adopted budget provides adequate resources to fund consultant contracts and staff time to finalize the Housing Element efforts and initiate implementation efforts in FY 24/25.

SOURCES AND USES

Fund - 1313	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
General Plan	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$202,623	\$247,105	\$248,407	\$248,407	\$280,571	\$185,571
Revenue						
Intergovernmental revenues	\$ -	\$ 65,000	\$153,750	\$ -	\$ 64,375	\$ -
Charges for services	66,532	55,838	40,000	103,743	50,000	50,000
Use of money & property	444	6,224	1,000	4,551	-	-
Revenue Totals	\$ 66,975	\$127,062	\$194,750	\$108,294	\$114,375	\$ 50,000
Expenditures						
Contract services	\$ 22,443	\$125,614	\$400,912	\$ 76,130	\$209,375	\$ 45,000
Supplies	50	146	500	-	-	-
Expenditure Totals	\$ 22,493	\$125,760	\$401,412	\$ 76,130	\$209,375	\$ 45,000
Fund Balance at 06/30	\$247,105	\$248,407	\$ 41,745	\$280,571	\$185,571	\$190,571

Contract services:

- Ben Noble - \$64,375 – Housing Element
- RRM design – Housing Element - Rollover prior year encumbrance - \$120,000
- City Staff time – Housing Element - \$25,000

GREEN BUILDING

COMMUNITY DEVELOPMENT

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

In recent years, the City has been awarded CDBG grants to fund the City's Local Hazard Mitigation Plan (LHMP), Safety Element of the General Plan Update, and CARES Act funding in response to the pandemic. In 2021, the City was awarded with a \$497,000 CDBG grant for public food assistance and transit including funds for Second Harvest Food Bank (\$119,840), Meals on Wheels/Lift Line (\$299,720), Grey Bears (\$52,950), and administration of the grant. The City has an active application submitted to HCD for \$3.3 million to assist in the rehabilitation of the Jade Street Community Center.

SOURCES AND USES

Fund - 1314	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Green Building	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$198,076	\$211,349	\$224,808	\$224,808	\$260,555	\$218,555
Revenue						
Charges for services	\$ 13,273	\$ 13,459	\$ 3,000	\$ 43,457	\$ 15,000	\$ 15,000
Revenue Totals	\$ 13,273	\$ 13,459	\$ 3,000	\$ 43,457	\$ 15,000	\$ 15,000
Expenditures						
Contract services	\$ -	\$ -	\$ 20,000	\$ 2,710	\$ 55,000	\$ 5,000
Training & Memberships	-	-	-	-	-	-
Supplies	-	-	1,000	5,000	2,000	2,000
Expenditure Totals	\$ -	\$ -	\$ 21,000	\$ 7,710	\$ 57,000	\$ 7,000
Fund Balance at 06/30	\$211,349	\$224,808	\$206,808	\$260,555	\$218,555	\$226,555

Contract services: Update Green Building Code

PUBLIC ART

CITY MANAGER

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

Works in progress

- Cypress Tree Stump Project
- Monterey Ave Railing Project
- Begonia Commemorative Art Project

SOURCES AND USES

Fund - 1315	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Public Art	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$171,267	\$ 171,267	\$166,236	\$166,236	\$155,236	\$ 88,736
Revenue						
Charges for services	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Revenue Totals	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Expenditures						
Personnel	\$ -	\$ -	\$ -			
Contract services		5,031	75,500	10,000	65,500	25,000
Supplies		-	2,500	1,000	1,000	1,000
Expenditure Totals	\$ -	\$ 5,031	\$ 78,000	\$ 11,000	\$ 66,500	\$ 26,000
Fund Balance at 06/30	\$171,267	\$ 166,236	\$ 93,236	\$155,236	\$ 88,736	\$ 62,736

Contract services: Contracts with artists on various projects - \$65,500

PARKING RESERVE

PUBLIC WORKS

In 2009, as part of a parking meter rate increase, the City Council established the Parking Reserve Fund. Revenues deposited into this fund represent 16% of parking meter revenues from the Village area (Parking Meter Zone A1). The fund was established to fund parking improvement projects throughout the Village. As part of the FY 2023-24 City Council Goals this debt was paid off.

SOURCES AND USES

Fund - 1316	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Parking Reserve	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737
Revenue						
Other financing sources	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Revenue Totals	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Expenditures						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	100,000	100,000	469,000	469,000	-	-
Expenditure Totals	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Fund Balance at 06/30	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737

TECHNOLOGY FEE**COMMUNITY DEVELOPMENT**

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

SOURCES AND USES

Fund - 1317 Technology Fee	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 83,433	\$ 96,903	\$ 93,312	\$ 93,312	\$ 94,371	\$ 95,621
Revenue						
Charges for services	\$ 17,845	\$ 14,659	\$ 11,500	\$ 14,309	\$ 14,500	\$ 14,500
Revenue Totals	\$ 17,845	\$ 14,659	\$ 11,500	\$ 14,309	\$ 14,500	\$ 14,500
Expenditures						
Contract services	\$ 4,375	\$ 18,250	\$ 13,250	\$ 13,250	\$ 13,250	\$ 13,250
Supplies	-	-	-	-	-	-
Expenditure Totals	\$ 4,375	\$ 18,250	\$ 13,250	\$ 13,250	\$ 13,250	\$ 13,250
Fund Balance at 06/30	\$ 96,903	\$ 93,312	\$ 91,562	\$ 94,371	\$ 95,621	\$ 96,871

Contract Services:

- iWorQ annual fee – Public Works - \$3,500
- iWorQ annual fee – Community Development - \$9,750

PUBLIC EDUCATION/GOVERNMENT CABLE TV ACCESS (PEG)

CITY MANAGER

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

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

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

SOURCES AND USES

Fund - 1320	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Public Education & Gov't.	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 83,836	\$ 63,802	\$ 45,080	\$ 45,080	\$ 51,341	\$ 55,341
Revenue						
Licenses and permits	\$ 14,085	\$ 11,903	\$ 16,000	\$ 5,400	\$ 15,000	\$ 15,000
Use of money & property	165	1,534	-	860	1,000	1,000
Revenue Totals	\$ 14,249	\$ 13,437	\$ 16,000	\$ 6,261	\$ 16,000	\$ 16,000
Expenditures						
Contract services	\$ -	\$ 14,777	\$ -	\$ -	\$ 12,000	\$ 12,000
Supplies	9,526	-	-	-	-	-
Capital Outlay	24,758	17,382	15,000	-	-	-
Expenditure Totals	\$ 34,284	\$ 32,159	\$ 15,000	\$ -	\$ 12,000	\$ 12,000
Fund Balance at 06/30	\$ 63,802	\$ 45,080	\$ 46,080	\$ 51,341	\$ 55,341	\$ 59,341

Capitola Outlay – Technology upgrades – City Council Chambers

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

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

SOURCES AND USES

Fund - 1321 CVWBIA	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 29,401	\$ 39,394	\$ 44,242	\$ 44,242	\$ 33,426	\$ 26,126
Revenue						
Charges for services	\$ 51,619	\$ 53,384	\$ 53,584	\$53,584	\$ 55,000	\$ 55,000
Use of money & property	15,485	54,177	56,600	56,600	56,600	56,600
Restricted TOT	38,738	38,227	36,500	36,500	37,000	37,000
Revenue Totals	\$105,842	\$145,789	\$146,684	\$146,684	\$148,600	\$ 148,600
Expenditures						
Contract services	\$54,426	\$49,631	\$78,800	\$78,800	\$141,900	\$141,900
Supplies	41,423	91,310	78,700	78,700	14,000	14,000
Expenditure Totals	\$ 95,849	\$140,940	\$157,500	\$157,500	\$155,900	\$ 155,900
Fund Balance at 06/30	\$ 39,394	\$ 44,242	\$ 33,426	\$ 33,426	\$ 26,126	\$ 18,826

Contract services and supplies: Capitola Village & Wharf Business Improvement Area annual report to be submitted to the Capitola City Council in late May or early June.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

COMMUNITY DEVELOPMENT

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

In recent years, the City has been awarded CDBG grants to fund the City's Local Hazard Mitigation Plan (LHMP), Safety Element of the General Plan Update, and CARES Act funding in response to the pandemic. In 2021, the City was awarded with a \$497,000 CDBG grant for public food assistance and transit including funds for Second Harvest Food Bank (\$119,840), Meals on Wheels/Lift Line (\$299,720), Grey Bears (\$52,950), and administration of the grant. The City has an active application submitted to HCD for \$3.3 million to assist in the rehabilitation of the Jade Street Community Center.

SOURCES AND USES						
Fund - 1350	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
CDBG Grants	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 26,990	\$ (18,773)	\$ (70,889)	\$ (70,889)	\$ (1,080)	\$ (4,275)
Revenue						
Intergovernmental revenues	\$ 220,191	\$ 168,768	\$ 253,335	\$ 89,809	\$ 232,335	\$ -
Revenue Totals	\$ 220,191	\$ 168,768	\$ 253,335	\$ 89,809	\$ 232,335	\$ -
Expenditures						
Contract services	\$ 265,954	\$ 192,873	\$ 40,000	\$ 20,000	\$ 35,530	\$ 20,000
Supplies	\$ -					
Grants and subsidies	-	28,012	233,335	-	200,000	-
Expenditure Totals	\$ 265,954	\$ 220,884	\$ 273,335	\$ 20,000	\$ 235,530	\$ 20,000
Fund Balance at 06/30	\$ (18,773)	\$ (70,889)	\$ (90,889)	\$ (1,080)	\$ (4,275)	\$ (24,275)

Contract Services – CDBG Preliminary Award

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME

COMMUNITY DEVELOPMENT

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

If the total amount of Program Income received in any fiscal year is less than \$25,000, the funds received are not subject to Federal CDBG regulations. If the amount exceeds \$25,000, all Program Income received during that fiscal year is restricted to CDBG-approved Federal spending guidelines. Since the FY 2022-23 Program Income had no loan payoffs, there are no funds to reallocate in the current budget cycle. The adopted budget provides adequate resources to fund consultant services to apply for future CDBG grants.

SOURCES AND USES

Fund - 1351	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
CDBG Program Income	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 109,284	\$ 44,548	\$ 45,699	\$ 45,699	\$ 39,199	\$ 29,199
Revenue						
Loan pymt Principle	\$0	\$0	\$0	\$0	\$0	\$0
Use of money & property	171	1,151	250	1,000	0	0
Revenue Totals	\$ 171	\$ 1,151	\$ 250	\$ 1,000	\$ -	\$ -
Expenditures						
Contract services	\$64,907	\$0	\$7,500	\$7,500	\$10,000	\$10,000
Supplies	0	0	0	0	0	0
Expenditure Totals	\$ 64,907	\$ -	\$ 7,500	\$ 7,500	\$ 10,000	\$ 10,000
Available Fund Balance at 06/30	\$ 44,548	\$ 45,699	\$ 38,449	\$ 39,199	\$ 29,199	\$ 19,199

Contract Services – Future applications

LIBRARY

CITY MANAGER

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

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

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

In addition to the funding sources mentioned above, the Friends of the Capitola Branch Library (Friends) conducted a fundraising campaign raising over \$600,000. The funds donated to the Friends were utilized for enhancement projects throughout the Library. The City completed construction of the new Library in June 2021, however, there remains approximately \$50,000 of donated funds that the Friends are evaluating for the best use of those remaining funds.

SOURCES AND USES

Fund - 1360 Library	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 754,145	\$ -	\$ 50,608	\$ 50,608	\$ 51,569	\$ 52,569
Revenue						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources	551,180	51,693	1,500	962	1,000	1,000
Revenue Totals	\$ 551,180	\$ 51,693	\$ 1,500	\$ 962	\$ 1,000	\$ 1,000
Expenditures						
Construction Services	557,170	1,085	-	-	-	-
Supplies	-	-	-	-	-	-
Other financing uses	748,155	-	-	-	-	-
Expenditure Totals	\$1,305,325	\$ 1,085	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ -	\$ 50,608	\$ 52,108	\$ 51,569	\$ 52,569	\$ 53,569

HOME PROGRAM REUSE

COMMUNITY DEVELOPMENT

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

Annual revenue represents principal and interest payments on the 30-year \$238,000 Wharf Road Manor Mobile Homeowners Association Acquisition and Rehabilitation Project loan from 2004 as well as other HOME loan payoffs.

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

The adopted budget provides adequate resources to apply for a larger rehabilitation project for the Dakota Apartments in FY24/25. The 25-unit, 100% affordable housing development is approaching 30 years in age and in need of upgrades for the roof, heating system, and main lobby area. The budget also covers long-term monitoring of the Bay Avenue Senior Apartments.

SOURCES AND USES

Fund - 1370 HOME Reuse	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 673,070	\$ 683,920	\$ 779,750	\$ 779,750	\$ 780,264	\$ 776,164
Revenue						
Use of money & property	\$ 14,051	\$ 99,530	\$ -	\$ 64,614	\$ -	\$ -
Revenue Totals	\$ 14,051	\$ 99,530	\$ -	\$ 64,614	\$ -	\$ -
Expenditures						
Contract services	\$ 3,200	\$ 3,700	\$ 64,100	\$ 64,100	\$ 4,100	\$ 4,100
Other financing uses	-	-	-	-	-	-
Expenditure Totals	\$ 3,200	\$ 3,700	\$ 64,100	\$ 64,100	\$ 4,100	\$ 4,100
Available Fund Balance at 06/30	\$ 683,920	\$ 779,750	\$ 715,650	\$ 780,264	\$ 776,164	\$ 772,064

Contract Services: HOME Program long-term monitoring – Bay Avenue Senior Apartments

HOUSING TRUST

COMMUNITY DEVELOPMENT

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

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

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

The adopted budget provides adequate resources to initiate a new down payment assistance program.

SOURCES AND USES

Fund - 1372 Housing Trust	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$374,034	\$356,165	\$381,542	\$381,542	\$ 241,690	\$ 105,690
Revenue						
Charges for services	\$ 6,391	\$ 41,240	\$ 10,000	\$ 53,818	\$ 10,000	\$ 10,000
Other revenue	740	9,137	-	7,330	4,000	4,000
Revenue Totals	\$ 7,131	\$ 50,377	\$ 10,000	\$ 61,148	\$ 14,000	\$ 14,000
Expenditures						
Contract services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	25,000	25,000	201,000	201,000	150,000	-
Expenditure Totals	\$ 25,000	\$ 25,000	\$201,000	\$201,000	\$ 150,000	\$ -
Available Fund Balance at 06/30	\$356,165	\$381,542	\$190,542	\$241,690	\$ 105,690	\$ 119,690

Contract Services:

- \$25,000 to create program and \$25,000 per household. 5 household's total. \$150,000 in 8-year period
- Down Payment Assistance

PERMANENT LOCAL HOUSING ALLOCATION

COMMUNITY DEVELOPMENT

In 2017, Senate Bill 2 (SB 2) established a \$75 recording fee on real estate documents and created the Permanent Local Housing Allocation Fund (PLHA). PLHA funds are allocated to local governments for eligible housing and homelessness activities and provide a permanent, on-going source of funding for housing-related projects and programs that address the unmet housing needs of communities.

On May 10, 2023, the City of Capitola was awarded \$481,732 in PLHA funds for the first three years of the allocation (2019-2021) and a total five-year estimate of \$630,557. The City anticipates additional funding on an annual basis. The first PLHA activity approved is for predevelopment cost related to affordable housing developments. The second activity is to fund the very low income homeless through an annual contribution of \$35,000 to the Housing for Health Partnership to support year-round emergency shelter operations in Santa Cruz County. A portion of the funding will cover administrative expenses.

The Adopted budget proved adequate resources to support the development of the 52-unit 100% affordable housing development project at 1098 38th Avenue.

SOURCES AND USES

Permanent Local Housing Allocation (PLHA)	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 5,255	\$ 5,255
Revenue						
Intergovernmental revenues	\$ -	\$ -	\$481,732	\$105,092	\$ 171,825	\$ 185,983
Other revenue	-	-	-	-	-	-
Revenue Totals	\$ -	\$ -	\$481,732	\$105,092	\$ 171,825	\$ 185,983
Expenditures						
Contract services	\$ -	\$ -	\$256,800	\$ 99,837	\$ 171,825	\$ 185,983
Other Financing Uses	-	-	-	-	-	-
Expenditure Totals	\$ -	\$ -	\$256,800	\$ 99,837	\$ 171,825	\$ 185,983
Available Fund Balance at 06/30	\$ -	\$ -	\$224,932	\$ 5,255	\$ 5,255	\$ 5,255

Contract services: Affordable housing and homelessness program development and activities.

CAPITOLA HOUSING SUCCESSOR

COMMUNITY DEVELOPMENT

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

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

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

The Adopted budget provides adequate resources to continue supporting security deposit assistance, emergency rental assistance, administration of the City's affordable housing program, and the MidPen loan to help fund the preconstruction for the 52-unit 100% affordable development at 1098 38th Avenue. New to the FY 24/25 will be the creation of a Housing Rehab program for city residents . Staff also anticipates a construction loan to further assist the development at 1098 38th Avenue in FY24/25 following future discussions with the developer and City Council.

SOURCES AND USES						
Fund - 5552	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Capitola Housing	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 2,107,141	\$ 2,015,673	\$2,051,000	\$2,051,000	\$1,925,511	\$ 628,886
Revenue						
Use of money & property	6,502	127,642	40,000	98,122	27,400	7,400
Other revenues	-	-		70,000		
Revenue Totals	\$ 6,502	\$ 127,642	\$ 40,000	\$ 168,122	\$ 27,400	\$ 7,400
Expenditures						
Personnel	\$ -	\$ -	\$ 21,782	\$ -	\$ -	\$ -
Contract Services	59,684	50,955	51,525	34,860	41,525	41,525
Supplies						
Grants and Subsidies	38,285	41,361	332,500	258,750	1,282,500	32,500
Expenditure Totals	\$ 97,969	\$ 92,316	\$ 405,807	\$ 293,610	\$1,324,025	\$ 74,025
Available Fund Balance at 06/30	\$ 2,015,673	\$ 2,051,000	\$1,685,193	\$1,925,511	\$ 628,886	\$ 562,261

Contract Services:

- \$25,000 to create program and \$25,000 per household. 5 household's total. \$150,000 in 8-year period - Down Payment Assistance
- MidPen funding – preconstruction - \$1,000,000

RESERVES



RESERVES

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

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

PERS Contingency Reserve (Finance Department): The City Council established the PERS Contingency Reserve Fund in FY 2015/16. The Council discussed possible uses of a General Fund positive ending balance and wanted to set aside funds for future PERS increases. In FY 2022-13 an additional \$500,000 was deposited into the Trust to add to the previously deposited \$800,000.

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

EMERGENCY RESERVES

The City of Capitola adopted an Emergency Reserve Policy as part of the City's Financial Management Policies. This reserve protects against significant one-time costs that arise from major unpredictable emergency events. In FY 2012/13, the City amended the Financial Management Policies to increase the funding level of Emergency Reserves from five to ten percent of the General Fund budgeted expenditures, or approximately \$1.6 million in FY 2024-25.

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

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

In FY 2014/15 and FY 2015/16, \$465,100 and \$213,000, respectively, were budgeted for transfer to the fund to prepare for any unforeseeable emergencies and to meet the new Emergency Reserve targeted levels. As the chart below shows, the reserve balance is currently below the target level for FY 2024-25 in part due to the transfer of \$80,000 for damages from the Jan. 2023 storms. The City anticipates receiving reimbursements from FEMA and Cal OES and plans to fund reserves to target balances once received.

SOURCES AND USES						
Fund - 1020	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,374,206	\$ 1,314,206	\$ 1,461,506	\$ 1,461,506	\$ 1,631,506	\$ 1,631,506
Revenue						
Other Financing Sources	\$ -	\$ 147,300	\$ 250,000	\$ 250,000		
Revenue Totals	\$ -	\$ 147,300	\$ 250,000	\$ 250,000	\$ -	\$ -
Expenditures						
Other Financing Uses	\$ 60,000	\$ -	\$ 80,000	\$ 80,000		\$ -
Expenditure Totals	\$ 60,000	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -
Fund Balance at 06/30	\$ 1,314,206	\$ 1,461,506	\$ 1,631,506	\$ 1,631,506	\$ 1,631,506	\$ 1,631,506
Reserve Target equals 10% of General Fund expenditures excluding transfers and internal service charges						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract Services	3,018,482	3,336,801	3,483,368	3,483,368	3,487,981	3,381,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants	43,650	101,650	125,000	125,000	125,000	125,000
Total GF Expenditures	\$14,108,832	\$16,113,604	\$16,213,001	\$16,298,183	\$17,368,420	\$17,699,144
Target Balance (10%)	\$ 1,410,883	\$ 1,611,360	\$ 1,621,300	\$ 1,629,818	\$ 1,736,842	\$ 1,769,914
Over / (Short) of Target	\$ (96,678)	\$ (149,855)	\$ 10,205	\$ 1,687	\$ (105,336)	\$ (138,409)

CONTINGENCY RESERVES

The City of Capitola adopted a Contingency Reserve Policy as part of the City's Financial Management Policies. This reserve was established to provide a prudent level of financial resources to protect against temporary revenue shortfalls, unanticipated operating costs, and/or to meet short-term cash flow requirements. In FY 2012/13, the City amended the Financial Management Policies to increase the Contingency Reserve target from 10 to 15 percent of General Fund budgeted expenditures, or approximately \$2.6 million in FY 2024-25.

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

In FY 2014/15 and FY 2015/16, a total of \$182,600 and \$89,400 were transferred to the fund to meet the new Contingency Reserve targeted levels. As the chart below shows, the reserve balance is currently estimated to be below the target level for FY 2024-25. The City anticipates receiving reimbursements from FEMA and Cal OES and plans to fund reserves to target balances once received.

SOURCES AND USES

	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Fund - 1010	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 2,061,346	\$ 2,061,346	\$2,192,346	\$2,192,346	\$2,364,346	\$2,364,346
Revenue						
Other Financing Sources	\$ -	\$ 131,000	\$ 172,000	\$ 172,000		
Revenue Totals	\$ -	\$ 131,000	\$ 172,000	\$ 172,000	\$ -	\$ -
Expenditures						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ 2,061,346	\$2,192,346	\$2,364,346	\$2,364,346	\$2,364,346	\$2,364,346
Reserve Target equals 15% of General Fund expenditures excluding transfers and internal service charges						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract Services	3,018,482	3,336,801	3,483,368	3,483,368	3,487,981	3,381,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants	43,650	101,650	125,000	125,000	125,000	125,000
Total GF Expenditures	\$14,108,832	\$16,113,604	\$16,213,001	\$16,298,183	\$17,368,420	\$17,699,144
Target Balance (15%)	\$ 2,116,325	\$ 2,417,041	\$ 2,431,950	\$ 2,444,727	\$ 2,605,263	\$ 2,654,872
Over / (Short) of Target	\$ (54,979)	\$ (224,695)	\$ (67,604)	\$ (80,382)	\$ (240,917)	\$ (290,526)

PERS CONTINGENCY RESERVES

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

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

In December 2016, \$300,000 was invested in a moderately conservative trust fund with Public Agency Retirement Services (PARS). The FY 17/18 budget transferred an additional \$500,000 into the PERS trust fund to offset rising pension costs. During the FY 2022-23 goal setting session the City Council allocated \$500,000 of existing fund balance to the PERS Trust reserve.

SOURCES AND USES						
Fund - 1015	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,015,553	\$ 904,275	\$ 1,154,275	\$ 1,154,275	\$ 1,414,275	\$ 1,424,275
Revenue						
Use of money & property	(111,278)		10,000	10,000	10,000	10,000
Other Financing Sources	-	\$ 250,000	250,000	250,000	-	-
Revenue Totals	\$ (111,278)	\$ 250,000	\$ 260,000	\$ 260,000	\$ 10,000	\$ 10,000
Expenditures						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ 904,275	\$ 1,154,275	\$ 1,414,275	\$ 1,414,275	\$ 1,424,275	\$ 1,434,275

FACILITIES RESERVES

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

The Facilities Reserve is used to fund future facility needs of the City. The Proposed FY 2024-25 Budget does not include any funding for the Facilities Reserve.

SOURCES AND USES

Fund - 1025	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 522,830	\$ 432,714	\$ 432,714	\$ 432,714	\$ 532,714	\$ 532,714
Revenue						
Other Financing Sources	0	0	100,000	100,000	-	-
Revenue Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures						
Contract Services	\$ 90,116				\$ -	\$ -
Other Financing Uses	-	-			-	-
Expenditure Totals	<u>\$ 90,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance at 06/30	\$ 432,714	\$ 432,714	\$ 532,714	\$ 532,714	\$ 532,714	\$ 532,714

MULTI-YEAR ASSETS & OBLIGATIONS



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MULTI-YEAR ASSETS & OBLIGATIONS

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

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

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

CITY/JOINT POWERS AUTHORITY MULTI-YEAR ASSETS & OBLIGATIONS

GENERAL GOVERNMENT

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

City Multi-Year Obligations	Principal balance June 30, 2024	Form of payment	Original Obligation	Other Terms
Current employee compensated absences (a)	\$ 915,544	Accrual	Ongoing	On-going. No interest due. (Refer to Compensated Absence Fund)
Net Pension Liability	\$ 30,056,602	Actuarial	N/A	Pension Liability to CalPERS.
Pacific Cove Lease Financing	\$ -	Financing Lease	20 years	\$2,390,000 loan - 20 year term beginning 9/2012, 3.25% fixed rate through 10 years, then resets to 10 Yr. T-Bill + 1.5%. (PAID OFF FY 2024)
Beach & Village Parking Lot II Lease Financing	\$ 829,917	Tax Exempt Lease	20 years	\$1,372,500 I-Bank loan - 20 year term beginning FY 2013/14, 2.26% interest.
Total City Multi-Year Obligation	\$ 31,802,063			

(a) Compensated absences and Net Pension Liability are as of June 30, 2023.

JPA Bond Obligations	Original Principal	Form of payment	Original Obligation	Other Terms
Santa Cruz Consolidated Emergency Communications Center (SCCECC) JPA Bond	\$ 3,965,000	JPA membership and paid via premiums	22 years	In 2002, SCCECC issued \$5.76 million in lease revenue refunding bonds, which were refinanced in April 2012, at \$3,965,000. Payments are made to Santa Cruz Regional 911 from the Police Department's contracts services budget. The Use Agreement between Capitola and SCCECC is effective through June 15, 2034.

PACIFIC COVE LEASE FINANCING

DEBT SERVICE

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

At the time the loan was issued, there was some uncertainty as to whether the property would be developed for public or private use. This resulted in the City entering into a 20-year taxable lease/sublease agreement at an interest rate of 5.14%. In FY 12/13, the City determined that the site would be converted to a public parking lot, now named Beach & Village Parking Lot II (BVPL II). This public use allows the City to refinance the existing debt at a 3.25% tax-exempt interest rate with a 10-year Treasury Bill reset + 1.5% in year 10. As a result of the refinancing, annual loan payments were reduced by approximately \$28,000, with an estimated nine-year interest savings of approximately \$350,000. In FY 12/13 the City reached a \$1.35 million insurance settlement related to the pipe failure. This resulted in a principal reduction of \$476,200, with a prepayment penalty of \$23,800. During the FY 2023-24 City Council Goal setting the Council allocated \$725,000 to pay off the outstanding balance saving approximately \$150,000 of interest costs over the next several years.

SOURCES AND USES						
Fund - 1420	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 55,135	\$ 55,143	\$ 55,143	\$ 55,143	\$ 75,204	\$ 75,204
Revenue						
Use of money & property	\$ 8		\$ -	\$ -	\$ -	\$ -
Other Financing Sources	165,066	165,066	670,000	670,000	-	-
Revenue Totals	\$ 165,074	\$ 165,066	\$ 670,000	\$ 670,000	\$ -	\$ -
Expenditures						
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	165,066	165,066	725,000	649,940	-	-
Other financing uses	-	-	-	-	-	-
Expenditure Totals	\$ 165,066	\$ 165,066	\$ 725,000	\$ 649,940	\$ -	\$ -
Fund Balance at 06/30	\$ 55,143	\$ 55,143	\$ 143	\$ 75,204	\$ 75,204	\$ 75,204

Pacific Cove Financing Lease Debt Service

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

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

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

This project improved parking capacity for Capitola Village, Capitola Beach, and Capitola Wharf, and is especially helpful during peak seasons. The additional parking spaces are also anticipated to facilitate the development of a hotel. The parking lot contributes about \$44,000 annual revenue to the General Fund and the I-Bank annual debt service of \$87,568 is paid with funds transferred from the General Fund.

SOURCES AND USES						
Fund - 1421	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ (38,986)	\$ (38,986)	\$ 12	\$ 12	\$ 12	\$ 12
Revenue						
Interfund Transfers	\$ 88,211	\$ 127,000	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Other Financing Sources	-	-	-	-	-	-
Revenue Totals	\$ 88,211	\$ 127,000	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Expenditures						
Construction Svcs. & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	88,211	88,002	87,788	87,788	87,568	87,344
Expenditure Totals	\$ 88,211	\$ 88,002	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Fund Balance at 06/30	\$ (38,986)	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12

Beach & Village Parking Lot II Lease Financing Debt Service

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

CAPITAL IMPROVEMENT PROGRAM



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CAPITAL IMPROVEMENT PROGRAM

PUBLIC WORKS

The City of Capitola's Capital Improvement Program oversees planning, design, and construction of the City's improvement projects. The CIP program is broken into facilities, parks, streets, creek enhancement, and neighborhood traffic projects. The projects are prioritized through the collaborative effort of City staff, City Council, and the community. Maintaining the City infrastructure requires long range planning and prioritizing to plan for necessary improvements, funding needs, and funding availability.

The City's facilities include City Hall, Police Station, Corporation Yard, Jade Street Park Community Center, Upper and Lower Pacific Cove Park Parking Lots, Capitola Municipal Wharf, and the Library. Parks include McGregor Park complex (dog, skate, pump track), Monterey Park, Rispin/Peery Park, Cortez Park, Esplanade Park, Nobel Gulch Park, Soquel Creek Park, Library Tot-lot, Hihn Park, and multiple City medians, streetscapes, and public art displays.

The Street system includes 9.3 miles of arterial roads, 3.4 miles of collector roads, and 13.5 miles of local roads. The City utilizes a Pavement Management Program to track pavement conditions and plan maintenance efforts on 112 individual roads.

The City currently has the Wharf Rehabilitation project as well as several other projects including the Community Center and Universal Design playground that will be rolled forward into FY 2024-25.

SOURCES AND USES

Fund - 1200	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Capital Improvement Program	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,472,661	\$ 3,762,200	\$ 5,401,312	\$ 5,401,312	\$ 1,351,312	\$ 172,012
Revenue						
Intergovernmental revenue	\$ 812,774	\$ 27,616	\$ 6,420,700	\$ 5,000,000	\$ 1,420,700	\$ -
Other revenues	(6,834)	890,264		-		-
Other financing sources	2,960,066	2,205,000	2,450,000	2,450,000	-	-
Revenue Totals	\$ 3,766,006	\$ 3,122,880	\$ 8,870,700	\$ 7,450,000	\$ 1,420,700	\$ -
Expenditures						
Contract services	\$ 14,515	\$ 186,348	\$ 1,257,126	\$ 1,000,000	\$ 300,000	\$ -
Construction services	\$ 1,455,818	\$ 1,223,420	\$ 12,843,366	\$ 10,500,000	\$ 2,300,000	
Other financing uses	\$ 6,134	\$ 74,000	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ 1,476,467	\$ 1,483,768	\$ 14,100,492	\$ 11,500,000	\$ 2,600,000	\$ -
Fund Balance at 6/30	\$ 3,762,200	\$ 5,401,312	\$ 171,520	\$ 1,351,312	\$ 172,012	\$ 172,012

RESOLUTION NO. --
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AUTHORIZING AND APPROVING THE FISCAL YEAR 2024/2025
PAY RATES AND RANGES (SALARY SCHEDULE) FOR THE CITY EMPLOYEES

WHEREAS, the City Council establishes the legal current salary range from the salary schedule for each class of position; and

WHEREAS, the California Public Employee's Retirement Law, at Section 570.5 of the California Code of Regulations Title 2, requires the City to publish pay rates and ranges on the City's internet site and the City Council to approve the pay rates and range in its entirety each time a modification is made; and

WHEREAS, the City and the Mid-Management Employees bargaining unit have negotiated in good faith Memoranda of Understanding (MOUs) within the financial authority authorized by the City Council which includes a Cost of Living Adjustment (COLA) beginning the first full pay period after ratification; and

WHEREAS, the attached salary schedule does not go into effect until the MOU is ratified by both the City Council and the employee groups; and

WHEREAS, the City Council has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the Fiscal Year July 1, 2024, through June 30, 2025; and

WHEREAS, the City Council of the City of Capitola adopted the 2024-2025 Fiscal Year Budget which included the creation of the Recreation and Community Services Department and salary adjustments based upon good faith negotiations with various bargaining units;

WHEREAS, a salary resolution is adopted annually by the City Council upon review and recommendation of the City Manager; and

THEREFORE, LET IT BE FURTHER RESOLVED that the City Council of the City of Capitola does hereby:

Authorize and approve City of Capitola pay rates and ranges (Salary Schedule, Exhibit A) for permanent employees from July 7, 2024, through June 30, 2025.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 13th day of June, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

CITY OF CAPITOLA - PROPOSED SALARY SCHEDULE FOR APPROVAL 6-27-2024

Position	Bargaining Unit	Hourly						Monthly						Annual					
		Step A	Step B	Step C	Step D	Step E	Step F	Step A	Step B	Step C	Step D	Step E	Step F	Step A	Step B	Step C	Step D	Step E	Step F
ACCOUNT TECHNICIAN	ACE	\$ 30.46	\$ 31.97	\$ 33.57	\$ 35.25	\$ 37.03	N/A	\$ 5,279.73	\$ 5,541.47	\$ 5,818.80	\$ 6,110.00	\$ 6,418.53	N/A	\$ 63,356.80	\$ 66,497.60	\$ 69,825.60	\$ 73,320.00	\$ 77,022.40	N/A
ACCOUNTANT I	ACE	\$ 36.79	\$ 38.65	\$ 40.57	\$ 42.59	\$ 44.72	N/A	\$ 6,376.93	\$ 6,699.33	\$ 7,032.13	\$ 7,382.27	\$ 7,751.47	N/A	\$ 76,523.20	\$ 80,392.00	\$ 84,385.60	\$ 88,587.20	\$ 93,017.60	N/A
ACCOUNTANT II	ACE	\$ 40.58	\$ 42.60	\$ 44.75	\$ 46.98	\$ 49.31	N/A	\$ 7,033.87	\$ 7,384.00	\$ 7,756.67	\$ 8,143.20	\$ 8,547.07	N/A	\$ 84,406.40	\$ 88,608.00	\$ 93,080.00	\$ 97,718.40	\$ 102,564.80	N/A
ACCOUNTS CLERK	ACE	\$ 27.62	\$ 29.03	\$ 30.46	\$ 31.98	\$ 33.58	N/A	\$ 4,787.47	\$ 5,031.87	\$ 5,279.73	\$ 5,543.20	\$ 5,820.53	N/A	\$ 57,449.60	\$ 60,382.40	\$ 63,356.80	\$ 66,518.40	\$ 69,846.40	N/A
ADMINISTRATIVE RECORDS ANALYST	ACE	\$ 32.51	\$ 34.13	\$ 35.83	\$ 37.62	\$ 39.51	N/A	\$ 5,635.07	\$ 5,915.87	\$ 6,210.53	\$ 6,520.80	\$ 6,848.40	N/A	\$ 67,620.80	\$ 70,990.40	\$ 74,526.40	\$ 78,249.60	\$ 82,180.80	N/A
ASSIST TO CITY MGR	CONFIDENTIAL	\$ 49.96	\$ 52.46	\$ 55.08	\$ 57.84	\$ 60.73	N/A	\$ 8,659.96	\$ 9,092.56	\$ 9,546.71	\$ 10,025.13	\$ 10,526.45	N/A	\$ 103,919.52	\$ 109,110.67	\$ 114,560.52	\$ 120,301.50	\$ 126,317.40	N/A
ASSISTANT PLANNER	ACE	\$ 35.55	\$ 37.29	\$ 39.18	\$ 41.13	\$ 43.18	N/A	\$ 6,162.00	\$ 6,463.60	\$ 6,791.20	\$ 7,129.20	\$ 7,484.53	N/A	\$ 73,944.00	\$ 77,563.20	\$ 81,494.40	\$ 85,550.40	\$ 89,814.40	N/A
ASSOCIATE PLANNER	MID-MANAGEMENT	\$ 40.82	\$ 42.86	\$ 45.00	\$ 47.26	\$ 49.62	N/A	\$ 7,075.29	\$ 7,429.45	\$ 7,800.53	\$ 8,191.14	\$ 8,601.28	N/A	\$ 84,903.50	\$ 89,153.35	\$ 93,606.33	\$ 98,293.70	\$ 103,215.38	N/A
BUILDING INSPECTOR I	ACE	\$ 31.82	\$ 33.43	\$ 35.08	\$ 36.83	\$ 38.69	N/A	\$ 5,515.47	\$ 5,794.53	\$ 6,080.53	\$ 6,383.87	\$ 6,706.27	N/A	\$ 66,185.60	\$ 69,534.40	\$ 72,966.40	\$ 76,606.40	\$ 80,475.20	N/A
BUILDING INSPECTOR II	ACE	\$ 37.13	\$ 38.98	\$ 40.93	\$ 42.98	\$ 45.13	N/A	\$ 6,435.87	\$ 6,756.53	\$ 7,094.53	\$ 7,449.87	\$ 7,822.53	N/A	\$ 77,230.40	\$ 81,078.40	\$ 85,134.40	\$ 89,398.40	\$ 93,870.40	N/A
BUILDING OFFICIAL (CAPITOLA)	MID-MANAGEMENT	\$ 56.13	\$ 58.94	\$ 61.89	\$ 64.98	\$ 68.23	N/A	\$ 9,729.64	\$ 10,217.06	\$ 10,727.84	\$ 11,263.52	\$ 11,827.25	N/A	\$ 116,755.65	\$ 122,604.67	\$ 128,734.04	\$ 135,162.25	\$ 141,926.98	N/A
CITY CLERK	CONFIDENTIAL	\$ 46.14	\$ 48.45	\$ 50.86	\$ 53.41	\$ 56.08	N/A	\$ 7,996.92	\$ 8,397.17	\$ 8,816.29	\$ 9,256.97	\$ 9,720.56	N/A	\$ 95,963.04	\$ 100,766.05	\$ 105,795.45	\$ 111,083.52	\$ 116,646.69	N/A
CIVIL ENGINEER/PROJECT MANAGER	MID-MANAGEMENT	\$ 46.93	\$ 49.28	\$ 51.75	\$ 54.33	\$ 57.05	N/A	\$ 8,135.15	\$ 8,542.69	\$ 8,969.76	\$ 9,417.66	\$ 9,889.00	N/A	\$ 97,621.83	\$ 102,512.30	\$ 107,637.12	\$ 113,011.94	\$ 118,668.02	N/A
COMMUNITY SERVICE OFFICER	POA	\$ 31.61	\$ 33.20	\$ 34.85	\$ 36.59	\$ 38.43	\$ 40.37	\$ 5,479.07	\$ 5,754.67	\$ 6,040.67	\$ 6,342.27	\$ 6,661.20	\$ 6,997.47	\$ 65,748.80	\$ 69,056.00	\$ 72,488.00	\$ 76,107.20	\$ 79,934.40	\$ 83,969.60
CUSTOMER SERVICE - OFFICE COORDINATOR	ACE	\$ 24.15	\$ 25.37	\$ 26.64	\$ 27.96	\$ 29.39	N/A	\$ 4,186.00	\$ 4,397.47	\$ 4,617.60	\$ 4,846.40	\$ 5,094.27	N/A	\$ 50,232.00	\$ 52,769.60	\$ 55,411.20	\$ 58,156.80	\$ 61,131.20	N/A
DEPUTY CITY CLERK	ACE	\$ 29.93	\$ 31.44	\$ 33.00	\$ 34.65	\$ 36.39	N/A	\$ 5,187.87	\$ 5,449.60	\$ 5,720.00	\$ 6,006.00	\$ 6,307.60	N/A	\$ 62,254.40	\$ 65,395.20	\$ 68,640.00	\$ 72,072.00	\$ 75,691.20	N/A
DEVELOPMENT SERVICES TECHNICIAN	ACE	\$ 29.93	\$ 31.44	\$ 33.00	\$ 34.65	\$ 36.39	N/A	\$ 5,187.87	\$ 5,449.60	\$ 5,720.00	\$ 6,006.00	\$ 6,307.60	N/A	\$ 62,254.40	\$ 65,395.20	\$ 68,640.00	\$ 72,072.00	\$ 75,691.20	N/A
ENVIRONMENTAL PROJECTS MANAGER	MID-MANAGEMENT	\$ 43.27	\$ 45.43	\$ 47.70	\$ 50.09	\$ 52.60	N/A	\$ 7,499.81	\$ 7,875.21	\$ 8,268.56	\$ 8,682.61	\$ 9,117.36	N/A	\$ 89,997.70	\$ 94,502.55	\$ 99,222.72	\$ 104,191.32	\$ 109,408.30	N/A
EQUIPMENT OPERATOR	ACE	\$ 28.80	\$ 30.25	\$ 31.75	\$ 33.36	\$ 35.02	N/A	\$ 4,992.00	\$ 5,243.33	\$ 5,503.33	\$ 5,782.40	\$ 6,070.13	N/A	\$ 59,904.00	\$ 62,920.00	\$ 66,040.00	\$ 69,388.00	\$ 72,841.60	N/A
HUMAN RESOURCES ANALYST	CONFIDENTIAL	\$ 36.11	\$ 37.90	\$ 39.81	\$ 41.81	\$ 43.91	N/A	\$ 6,259.07	\$ 6,569.33	\$ 6,900.40	\$ 7,247.07	\$ 7,611.07	N/A	\$ 75,108.80	\$ 78,832.00	\$ 82,804.80	\$ 86,964.80	\$ 91,332.80	N/A
INFORMATION SYSTEMS SPECIALIST	CONFIDENTIAL	\$ 35.64	\$ 37.42	\$ 39.29	\$ 41.25	\$ 43.31	N/A	\$ 6,177.60	\$ 6,486.21	\$ 6,809.65	\$ 7,150.60	\$ 7,507.73	N/A	\$ 74,131.19	\$ 77,834.54	\$ 81,715.74	\$ 85,807.22	\$ 90,092.71	N/A
MAINTENANCE WORKER I	ACE	\$ 20.99	\$ 22.06	\$ 23.15	\$ 24.31	\$ 25.53	N/A	\$ 3,638.27	\$ 3,823.73	\$ 4,012.67	\$ 4,213.73	\$ 4,425.20	N/A	\$ 43,659.20	\$ 45,884.80	\$ 48,152.00	\$ 50,564.80	\$ 53,102.40	N/A
MAINTENANCE WORKER II	ACE	\$ 28.13	\$ 29.51	\$ 31.00	\$ 32.57	\$ 34.21	N/A	\$ 4,875.87	\$ 5,115.07	\$ 5,373.33	\$ 5,645.47	\$ 5,929.73	N/A	\$ 58,510.40	\$ 61,380.80	\$ 64,480.00	\$ 67,745.60	\$ 71,156.80	N/A
MAINTENANCE WORKER III	ACE	\$ 31.00	\$ 32.57	\$ 34.21	\$ 35.93	\$ 37.72	N/A	\$ 5,373.33	\$ 5,645.47	\$ 5,929.73	\$ 6,227.87	\$ 6,538.13	N/A	\$ 64,480.00	\$ 67,745.60	\$ 71,156.80	\$ 74,734.40	\$ 78,457.60	N/A
MECHANIC	ACE	\$ 30.11	\$ 31.61	\$ 33.20	\$ 34.84	\$ 36.61	N/A	\$ 5,219.07	\$ 5,479.07	\$ 5,754.67	\$ 6,038.93	\$ 6,345.73	N/A	\$ 62,628.80	\$ 65,748.80	\$ 69,056.00	\$ 72,467.20	\$ 76,148.80	N/A
MUSEUM CURATOR	ACE	\$ 27.28	\$ 28.66	\$ 30.11	\$ 31.60	\$ 33.18	N/A	\$ 4,728.53	\$ 4,967.73	\$ 5,219.07	\$ 5,477.33	\$ 5,751.20	N/A	\$ 56,742.40	\$ 59,612.80	\$ 62,628.80	\$ 65,728.00	\$ 69,014.40	N/A
OPERATIONS MAINTENANCE SUPERVISOR	MID-MANAGEMENT	\$ 40.16	\$ 42.18	\$ 44.28	\$ 46.48	\$ 48.82	N/A	\$ 6,961.07	\$ 7,311.20	\$ 7,675.20	\$ 8,056.53	\$ 8,462.13	N/A	\$ 83,532.80	\$ 87,734.40	\$ 92,102.40	\$ 96,678.40	\$ 101,545.60	N/A
PARKING ENFORCEMENT OFFICER	ACE	\$ 25.74	\$ 26.98	\$ 28.35	\$ 29.78	\$ 31.26	N/A	\$ 4,461.60	\$ 4,676.53	\$ 4,914.00	\$ 5,161.87	\$ 5,418.48	N/A	\$ 53,539.20	\$ 56,118.40	\$ 58,968.00	\$ 61,942.40	\$ 65,020.80	N/A
POLICE CAPTAIN	POLICE CAPTAINS	\$ 60.50	\$ 63.52	\$ 66.70	\$ 70.04	\$ 73.55	\$ 77.23	\$ 10,486.26	\$ 11,010.96	\$ 11,561.24	\$ 12,140.78	\$ 12,748.48	\$ 13,386.80	\$ 125,835.10	\$ 132,131.49	\$ 138,734.82	\$ 145,689.38	\$ 152,981.78	\$ 160,641.58
POLICE OFFICER TRAINEE	POA	\$ 41.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,217.60	\$ -	\$ -	\$ -	\$ -	\$ 86,611.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POLICE OFFICER	POA	\$ 43.73	\$ 45.92	\$ 48.17	\$ 50.60	\$ 53.14	\$ 55.81	\$ 7,579.87	\$ 7,959.47	\$ 8,349.47	\$ 8,770.67	\$ 9,210.93	\$ 9,673.73	\$ 90,958.40	\$ 95,513.60	\$ 100,193.60	\$ 105,248.00	\$ 110,531.20	\$ 116,084.00
POLICE RECORDS TECHNICIAN	ACE	\$ 26.87	\$ 28.20	\$ 29.62	\$ 31.11	\$ 32.66	N/A	\$ 4,657.47	\$ 4,888.00	\$ 5,134.13	\$ 5,392.40	\$ 5,661.07	N/A	\$ 55,889.60	\$ 58,656.00	\$ 61,609.60	\$ 64,708.80	\$ 67,932.80	N/A
RECORDS MANAGEMENT CLERK	ACE	\$ 26.91	\$ 28.27	\$ 29.71	\$ 31.18	\$ 32.74	N/A	\$ 4,664.40	\$ 4,900.13	\$ 5,149.73	\$ 5,404.53	\$ 5,674.93	N/A	\$ 55,972.80	\$ 58,801.60	\$ 61,796.80	\$ 64,854.40	\$ 68,099.20	N/A
RECORDS MANAGER	POA	\$ 38.43	\$ 40.37	\$ 42.38	\$ 44.49	\$ 46.75	\$ 49.07	\$ 6,661.20	\$ 6,997.47	\$ 7,345.87	\$ 7,711.60	\$ 8,103.33	\$ 8,505.47	\$ 79,934.40	\$ 83,969.60	\$ 88,150.40	\$ 92,539.20	\$ 97,240.00	\$ 102,065.60
RECREATION & COMMUNITY SERVICES ASSISTANT	ACE	\$ 20.87	\$ 21.91	\$ 23.03	\$ 24.15	\$ 25.37	N/A	\$ 3,617.47	\$ 3,797.73	\$ 3,991.87	\$ 4,186.00	\$ 4,397.47	N/A	\$ 43,409.60	\$ 45,572.80	\$ 47,902.40	\$ 50,232.00	\$ 52,769.60	N/A
RECREATION & COMMUNITY SERVICES COORDINATOR	ACE	\$ 31.02	\$ 32.59	\$ 34.23	\$ 35.95	\$ 37.71	N/A	\$ 5,376.80	\$ 5,648.93	\$ 5,933.20	\$ 6,231.33	\$ 6,536.40	N/A	\$ 64,521.60	\$ 67,787.20	\$ 71,198.40	\$ 74,776.00	\$ 78,436.80	N/A
RECREATION DIVISION MANAGER	CONFIDENTIAL	\$ 46.14	\$ 48.45	\$ 50.86	\$ 53.41	\$ 56.08	N/A	\$ 7,996.92	\$ 8,397.17	\$ 8,816.29	\$ 9,256.97	\$ 9,720.56	N/A	\$ 95,963.04	\$ 100,766.05	\$ 105,795.45	\$ 111,083.52	\$ 116,646.69	N/A
RECREATION FACILITY CUSTODIAN	ACE	\$ 20.16	\$ 21.17	\$ 22.23	\$ 23.35	\$ 24.50	N/A	\$ 3,494.40	\$ 3,669.47	\$ 3,853.20	\$ 4,047.33	\$ 4,246.67	N/A	\$ 41,932.80	\$ 44,033.60	\$ 46,236.40	\$ 48,568.00	\$ 50,960.00	N/A
SENIOR ACCOUNTANT	MID-MANAGEMENT	\$ 46.93	\$ 49.28	\$ 51.75	\$ 54.33	\$ 57.05	N/A	\$ 8,135.15	\$ 8,542.69	\$ 8,969.76	\$ 9,417.66	\$ 9,889.00	N/A	\$ 97,621.83	\$ 102,512.30	\$ 107,637.12	\$ 113,011.94	\$ 118,668.02	N/A
SENIOR MECHANIC	MID-MANAGEMENT	\$ 35.45	\$ 37.23	\$ 39.10	\$ 41.05	\$ 43.10	N/A	\$ 6,144.67	\$ 6,453.20	\$ 6,777.33	\$ 7,115.33	\$ 7,470.67	N/A	\$ 73,736.00	\$ 77,438.40	\$ 81,328.00	\$ 85,384.00	\$ 89,648.00	N/A
SENIOR PLANNER	MID-MANAGEMENT	\$ 46.93	\$ 49.28	\$ 51.75	\$ 54.33	\$ 57.05	N/A	\$ 8,135.15	\$ 8,542.69	\$ 8,969.76	\$ 9,417.66	\$ 9,889.00	N/A	\$ 97,621.82	\$ 102,512.30	\$ 107,637.12	\$ 113,011.94	\$ 118,668.02	N/A
POLICE SERGEANT	POA	\$ 53.54	\$ 56.24	\$ 59.05	\$ 61.99	\$ 65.11	\$ 68.35	\$ 9,280.27	\$ 9,748.27	\$ 10,235.33	\$ 10,744.93	\$ 11,285.73	\$ 11,847.33	\$ 111,363.20	\$ 116,979.20	\$ 122,824.00	\$ 128,939.20	\$ 135,428.80	\$ 142,168.00
CITY MANAGER	MANAGEMENT	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$
CHIEF OF POLICE	MANAGEMENT	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$
DEPARTMENT HEADS	MANAGEMENT	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$	RANGE: \$

City of Capitola

RECREATION AND COMMUNITY SERVICES COORDINATOR

Capitola Recreation Community Services Coordinators provides services for the public in the following program areas:

- * Recreation Classes, Facility Permits, Promotions & Events
- * Afterschool Rec Club, Summer Day Camp, Scholarships & Sports
- * Beach Lifeguard Service, Junior Lifeguard Program & Public Safety Outreach

Under direction of the Director of Recreation and Community Services the Community Services & Culture Coordinator plans, organizes, promotes and supervises recreational programs and events within assigned programmatic areas; performs related work as assigned.

Typical Duties

(May include but are not limited to the following based on area of assignment):

- Support the overall Department production of programs and events, when necessary, regardless of specific program area.
- Dependent on specific program area responsibilities supervise Community Services & Cultural Specialist, Facilities Custodian, Recreation Assistants, and/or other hourly employees.
- Develops new programs and events for residents and public. Organize community events within program area.
- Works within individual program budgets; helps to forecast revenues and program costs; monitors expenditures and revenues throughout fiscal year.
- Recruits and hires or contracts with program staff; trains, schedules, directs, evaluates and processes payroll/payments for staff and independent contractors.
- Locates and schedules facilities for programs and events; coordinates logistics with participants, schools, outside agencies/organizations and other City departments as needed.
- Purchases and maintains supplies and equipment for programs and events.
- Receives and responds to questions, suggestions, complaints and problems from the public; resolves problems as appropriate.
- Compiles regular reports on program performance; evaluates program effectiveness in terms of both qualitative and quantitative criteria; prepares written evaluations of program results as required; makes written and verbal recommendations on significant program changes.
- Writes various letters, memos, reports, and proposals as required.
- Develops and implements procedures and policies for programs assigned.

- Conducts informal assessments and surveys to determine recreational needs and interests of the community.
- Supports registration and all front office tasks as needed.
- Manage and support evacuation site/sheltering operations during local or regional emergencies.

In addition to the above, the following duties may also be performed in specific program areas as assigned.

Recreation Classes

- Recruit and vet Class Instructors, to offer the community assorted activities, for youth, adults and seniors.
- Evaluates program proposals submitted by independent contractors, plans and schedules program, facility timing and logistics.
- Monitors class enrolment and success, boost promotion for under enrolled classes; cancel classes; processes credits or refunds.

Facility Permits: Community Center

- Maintain Community Center schedule for public rentals and recreation activities.
- Process applications by rental groups for use of City facilities and issue permits and guidelines.
- Communicates with City Departments regarding general maintenance needs of the facility.

Facility Permits: Parks

- Process applications submitted for Park Use permit for use of City recreation facilities and park spaces and issue permits and guidelines.
- Facilitate necessary insurance for Park Use permit.
- Maintain park schedule for public rentals and recreation activities.

Promotions

- Develop Department's promotional activity for all programs and identify new promotional opportunities.
- Designs promotional and social media campaigns for programs and events; writes and distributes promotional material; works with front office staff to design flyers and other special promotional materials such as t-shirts, posters, buttons, etc.
- Works with other staff to produce seasonal recreation department activity guides.

Events

- Coordinate with City and Recreation Staff to host Capitola's community and Art & Cultural events;
- Supervise the submission of necessary permits and/or additional insurance.
- Recruit and schedule contractors, vendors and volunteers; collect vendor payment and annual paperwork for operation within the City. Submit for contractor payment.

Afterschool Rec Club

- Collaborate with SUESD staff for use of facility to operate afterschool program for elementary and middle school located at New Brighton Middle School.
- Develop and provide family and youth engagement programs to support residents during non-school hours.
- Develop and schedule program enrichment opportunities; evaluate professional operation and contracts with vendors.

Camp Capitola

- Serve as Camp Director for Camp Capitola, a summer day camp program that offers summer recreation activities and field trips to youth.
- Maintain ACA accreditation, participate in educational opportunities related to ACA standards and assure best practices for camp operation are met.
- Develop and schedule program enrichment opportunities; evaluate professional operation and contracts with vendors.

Scholarship

- Collaborate with outside entities for scholarship application review and award analysis.
- Distribute scholarship allocations to participants. Communicate regarding awards. Track fund balance and provide annual reports.

Sports Programs

- Creates schedules for league; communicate expectations with team captains, schedule staff and contractors, purchases equipment and supplies.
- Monitors field conditions; coordinates work and repairs with Public Works; schedules, and if needed, performs field maintenance and preparation.

Beach Lifeguard Services

- Serve as City of Capitola Lifeguard Captain and execute duties as position requires.
- Maintain high professional standards as a USLA Open Water Lifeguard; active involvement in CSLSA as a professional lifeguard and represent Capitola Chapter.
- Maintain USLA Open Water Lifeguard Agency Certification as the City's Lead Instructor. Work with agency partners for annual Academy and EMS response.

Junior Guards

- Organize local competitions, maintain partnerships with local Junior Guard agencies.
- Attend Junior Guards Parents Club meeting and collaborate regarding local and regional competitions and other activities.

Public Safety Outreach

- Coordinate ocean safety program. Secure funding to promote programs.
- Provide training programs to the public, city and other agencies in CPR & First Aid.

WORKING CONDITIONS

Position requires prolonged sitting, standing, walking, reaching, twisting and turning, kneeling, bending, squatting and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in using a computer keyboard. Additionally, the position requires far and near vision when reading and using a computer. Acute hearing is required when providing phone and personal service. Also required: the need to lift, drag and push files, boxes, containers, supplies and field equipment weighing up to 50 pounds; setting up tables and chairs, re-folding and re-stacking tables and chairs, and moving sliding room dividers. For Lifeguard Captain: prolonged sun exposure, running on sand while carrying 20 lbs and swimming in adverse weather and ocean conditions for an extend period of time.

MINIMUM QUALIFICATIONS**Knowledge:**

- Principles and practices of planning, promoting and coordinating recreation and cultural programs.
- Basic techniques of needs assessment and program evaluation.
- Budget development and control.

Skills:

- Strong organizational skills to effectively coordinate program and events.
- Excellent customer service skills.
- Good oral communication and interpersonal skills.
- Ability to handle registration transactions made by check, cash or credit card.
- Good written communications skills to prepare clear and concise reports, proposals, contracts, correspondence, advertising copy and press releases.
- Ability to supervise others in a fair and kind manner, which enables and empowers them to be the best representatives of the department and its goals possible.

Abilities:

- Develop creative and effective promotional materials.
- Effectively utilize computers and relevant software and technology, including online applications, website design and social media.
- Understand, interpret and apply regulations, policies and procedures.
- Research relevant information and data.
- Develop and maintain administrative procedures, records and budgets.
- Effectively hire, train, supervise and evaluate staff.
- Establish and maintain cooperative working relationships with a wide variety of individuals and organizations.
- For Lifeguard Captain:
 - Ability and stamina to perform lifeguard duties
 - Annually complete 500-meter ocean swim in under 10 minutes
 - Adopt effective course of action in emergency situations

- Maintain constant observation of an assigned area for hazardous conditions and take appropriate action to protect the public from those hazards.
- Vision corrected to 20-40.

OTHER REQUIREMENTS

- Willingness to work evenings, weekends, and holidays as needed.
- Operate a vehicle to run errands. Must possess a valid California driver's license and safe driving record.

EDUCATION AND EXPERIENCE

Any combination of education and experience that provides the above knowledge, skills and abilities combined with any required licenses is qualifying. A typical way to obtain the required qualifications is to possess the equivalent of the following: a Bachelor's degree from an accredited college or university in recreation, sociology, public administration, or a related field; and one year of responsible administration experience in coordinating community programs or events, including some supervisory responsibility. USLA Certification or other USLA Standard training and minimum cumulative total of 1,000 hours of employment in no fewer than three seasons as a seasonal open water lifeguard or full-time open water lifeguard.

REASONABLE ACCOMMODATION FOR THE DISABLED

If special accommodations are necessary at any stage of the examination process, please provide City of Capitola with advance notice and every attempt will be made to consider your request.

WORK ELEGIBILITY

Under federal law, the City of Capitola may employ only individuals who are legally able to work in the United States as established by providing documents specified in the Immigration Reform and Control Act of 1986.

- All recreation department potential staff must be fingerprinted.

Effective Date:

COMMUNITY SERVICES AND RECREATION DIRECTOR

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.

Definition

This is a department head classification, responsible for the overall function and success of the Community Services and Recreation Department. Under general direction of the City Manager, plans, organizes, manages, and provides direction and oversight for the City's recreation programs, special events, and City sponsored cultural and leisure programs. Coordinates assigned activities with other City departments, officials, outside agencies, and the public. Fosters cooperative working relationships among City departments and with intergovernmental and regulatory agencies and various public and private groups. Provides highly responsible and complex professional assistance to the City Manager in areas of expertise. Performs other work as required.

This is an at-will classification.

Supervision Received and Exercised

Works under the general guidance and direction of the City Manager. Exercises supervision over all department staff, including but not limited to Community Service and Recreation Coordinators, Community Service and Recreation Assistants, Facility Custodian, part-time staff, temporary/seasonal staff, and volunteers.

Essential Duties and Responsibilities

Essential and other important responsibilities and duties may include, but are not limited to, the following:

- Administrators and manages the Community Services and Recreation Department by setting priorities, distributing workload to staff, and making policy decisions on department functions.
- Determines goals and objectives of Department and motivates staff to meet established goals.
- Plans, organizes, manages, controls, and evaluates with staff, the City's recreational programs including youth programs, adult and youth sports, adult and youth classes, cultural arts, and special events; oversees the Public Art Program; and oversees the City's Lifeguard service.
- Plans, directs and coordinates budgeting functions for the department and implements the department budget for payroll, materials and supplies, Public Art, and Capital Improvement Projects.
- Trains, motivates, and directs department personnel. Evaluates and reviews work for acceptability and conformance with department standards, including program and project priorities and performance evaluations. Works with employees on performance issues; implements City personnel policies and procedures. Works with staff to resolve questions and concerns.
- Manages and participates in the development and administration of the department's annual budget; forecast funds needed for staffing, equipment, materials, and supplies; directs the monitoring of and approves expenditures; directs and implements adjustments, as necessary.
- Provides leadership and direction in the development of short and long-range plans; gathers, interprets, and prepares data for studies, reports and recommendations changes; coordinates department activities with other departments and agencies as needed.

- Represents the department to other City departments, elected officials, and outside agencies. Explains and interprets programs, policies, and activities. Identifies and resolves significant issues within the department.
- Responds to difficult and sensitive public inquiries and complaints. Identifies resolutions and alternative recommendations.
- Determines work procedures, prepares work schedules, and expedites workflow; studies and standardizes procedures to improve efficiency and effectiveness of operations.
- Issues written and oral instructions; assigns duties and examines work for exactness, neatness, and conformance to policies and procedures.
- Represents the Department at Art and Cultural Commission meetings
- Participates in and makes presentations to the City Council and a variety of boards/commissions; attends and participates in professional group meetings; stays abreast of new trends and innovations in the field of Community Services and Recreation
- Assesses community recreation interests and makes recommendations to ensure productive implementation of City recreation programs.
- Monitors changes in laws, regulations, and technology that may affect City or department operation. Implements policy and procedural changes as required.
- Direct the development of grants, corporate sponsorships, donations, and other fundraising programs to support services and programs.
- Prepares, reviews, and presents staff reports, various management and information updates, and reports on special projects as assigned by the City Manager.
- Perform other duties as assigned.

Desired Minimum Qualifications

Education and Experience:

(A) Graduation from a four-year college (A) or university with a degree in recreation or a closely related field.

(B) Six (6) years of progressively responsible experience in the recreation field with at least two years' experience at the management level of progressively responsible recreation supervisory and administration experience including community center programming; or

(C) An equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

Administrative principles and practices, including goal setting, program development, implementation, and evaluation, and supervision of staff, either directly or through subordinate levels of supervision.

Public agency budgetary, contract administration, City-wide administrative practices, and general principles of risk management related to the functions of the assigned area.

Organizational and management practices as applied to the analysis and evaluation of projects, programs, policies, procedures, and operational needs, principles, and practices of municipal government administration.

Principles, procedures, and practices for planning, implementing, and maintaining a variety of recreation and leisure activities and programs through community participation.

Applicable Federal, State, and local laws, rules, regulations, ordinances, and organizational policies and procedures relevant to assigned area of responsibility.

Methods and techniques for the development of presentations, contract negotiations, business correspondence, and information distribution; research and reporting methods, techniques, and procedures.

Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff.

Develop and implement goals, objectives, policies, procedures, work standards, and internal controls for the department and assigned program areas.

Special Requirements

Valid state driver's license or ability to obtain one.

Tools and Equipment Used

Personal computer, including office productivity software and program scheduling software, calculator; copy and fax machine; phone; cash register, automobile.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to walk, sit, and talk or hear. The employee is occasionally required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl.

The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee is occasionally exposed to wet and/or humid conditions, toxic or caustic chemicals.

The noise level in the work environment varies from quiet to moderately loud both in the office and in the field.

Created 6/2024

City Council Approved: 6/27/2024



PROPOSED BUDGET FISCAL YEAR 2024-25



CITY OF CAPITOLA
Capitola, California

Budget Process

Proposed Budget distributed:
May 3rd

FAC Meetings:
May 14th and May 21st

City Council Meetings:
May 16th and May 30th

City Council provided direction
for budget adoption tonight

General Fund & City Council Goals

- Updated ending funding balance
- Proposed & Planned Budget balanced
 - Maintaining estimated balance of \$642,000
 - \$500,000 target fund balance
 - \$100,000 employee downpayment assistance
 - \$42,000 undesignated
- Utilizing \$239,000 of general fund resources for City Council Goals
 - Employee downpayment assistance - \$100,000
 - PD facility improvements - \$65,000
 - Lifeguard equipment storage- \$25,000
 - Crosswalk daylighting - \$10,000

General Fund & City Council Goals

- Utilizing \$239,000 of general fund resources for City Council Goals (cont.)
 - Citywide digital applications - \$5,000
 - Elections outreach - \$4,000
 - Translation services - \$5,000
 - Website updates - \$7,000
 - Portable stage for events - \$7,000
 - Art & Cultural - \$5,000

Proposed FY 2024-25 Capital Improvement Program

Prior Year Appropriations

- 10 Projects
- \$16.6M

Recommended Appropriations

- 1 project
 - \$621k – special revenue (pavement)
- Council Goals
 - 3 Projects FY24-25 \$100k

Not Inclusive of

- Storm Damage Repairs
 - 2 Individual Projects \$400k

Mid-Year Budget Review

- Revenues:
 - Potential sales tax increase related to ballot measure
 - Review performance of other key revenue sources
 - TOT, Cannabis tax, building permits, etc.
- Expenditures:
 - Potential amendments related to ballot measure
 - Review expenditures
 - Tracking on budget
 - Possible cost savings

Summary

General Fund structurally balanced

- FY 2024-25 and FY 2025-26: general fund structurally balanced utilizing Measure F funding
- FY 2027-28: sunset of Measure F Dec. 2027, causes general fund to become imbalanced
- Reserves remain at target levels

General Fund Revenues

- Sales Tax & TOT revenue growth slowing
 - Staff will continue to closely monitor sales tax, TOT, parking, and cannabis business tax revenues

General Fund Expenditures

- Maintaining high service levels
- Continued funding for Community Grant program
 - Combination of general fund and CDBG-CV grant funding

Recommended Action

1. Approve the Resolution adopting Fiscal Year 2024-2025 Operating Budget and Capital Improvement Program
2. Approve the Resolution adopting the associated salary schedule and new job descriptions.

