

City of Capitola

City Council Meeting Agenda

Thursday, January 26, 2023 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

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

Regular Meeting of the Capitola City Council – 6 PM

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

1. Roll Call and Pledge of Allegiance

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

2. Additions and Deletions to the Agenda

3. Presentations

Presentations are limited to eight minutes.

A. 2022 Capitola Police Officer of the Year

4. Report on Closed Session

5. Additional Materials

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

6. Oral Communications by Members of the Public

*Please review the Notice of Remote Access for instructions. 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.** Consider and Approve 1/12/2023 City Council Meeting Minutes
- B.** Approval of City Check Registers Dated November 28, 2022, December 9, 2022, and January 9, 2023.
Recommended Action: Approve check registers.
- C.** Resolution Allowing for the Continuation of Teleconferencing
Recommended Action: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action; and 2) Adopt the proposed resolution authorizing the City Council (along with the Planning Commission and all advisory bodies) to continue to conduct teleconferencing meetings.
- D.** Soquel Creek Water District Use Agreement for Capitola City Council Chambers
Recommended Action: Authorize the City Manager to enter into an agreement with the Soquel Creek Water District in the amount of \$5,000 for use of the City Council Chambers semi-monthly during 2023.
- E.** Recreation Division Staffing Adjustments and Update to Hourly/Seasonal Pay
Recommended Action: 1) Approve adjustments to the Recreation Division staffing; and 2) Adopt the proposed resolution updating the Hourly/Seasonal pay rates.
- F.** FY 2021-22 Audit Report
Recommended Action: Receive Report.
- G.** Letter of Support for Zero Emission Rail Transit & Trail Project
Recommended Action: Authorize Mayor Keiser to sign a letter of support for the Zero Emission Rail Transit & Trail Project.

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.** Update on the 2022–2023 Winter Storm Event
Recommended Action: Receive update regarding the 2022-2023 Winter Storm Event.
- B.** “Armed Forces Flag” Request in Accordance with Policy V-18: Outdoor Display of Governmental and Non-Governmental Flags on City Property
Recommended Action: Consider request to fly the “Armed Forces Flag” the week of May 13 through May 20, 2023, in accordance with Policy V-18: Outdoor Display of Governmental and Non-Governmental Flags on City Property and either 1) approve request or 2) deny request.
- C.** Lifeguard Program Update
Recommended Action: Receive report on plans to establish a Capitola Lifeguard Program beginning in summer 2023.

10. Adjournment

Notice of In-Person & Remote Access

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**

To make a remote public comment:

Via Zoom Application: Use participant option to “raise hand”. The moderator will unmute you

Via Zoom phone call: Dial *9 on your phone to “raise your hand”. The moderator will unmute you

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: www.cityofcapitola.org and at Capitola City Hall prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue Capitola. Need more information? Contact the City Clerk’s office at 831-475-7300.

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

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

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

Capitola City Council Agenda Report

Meeting: January 26, 2023

From: City Manager Department

Subject: Consider and Approve 1/12/2023 City Council Meeting Minutes



Recommended Action: Approve minutes from the regular meeting on January 12, 2023.

Background: Attached for Council review and approval are the draft minutes from the regular City Council meeting on January 12, 2023.

Attachments:

1. 1/12/2023

Report Prepared By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager

City of Capitola

City Council Meeting Minutes

Thursday, January 12, 2023 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

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

Closed Session – 5:15 PM

- i. Liability Claims (Gov't Code § 54956.95)
Claimant: Carla Periat
Agency Claimed Against: City of Capitola
- ii. Liability Claims (Gov't Code § 54956.95)
Claimant: Bryan Hoskins
Agency Claimed Against: City of Capitola
- iii. Conference with Labor Negotiations (Gov't Code § 54957.6)
Negotiator: Chloé Woodmansee, Assistant to the City Manager
Employee Organization: Mid-Management

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 Yvette Brooks, Kristen Brown, Joe Clarke, Alexander Pedersen, and Mayor Margaux Keiser.

2. Additions and Deletions to the Agenda

A. Item 9C has been pulled from the January 12, 2023, City Council agenda by staff.

3. Presentations

A. Recreation Division Manager Bryant introduced Kaysie Anderson, Recreation Coordinator: Classes, Promotions and Community Center, to the City Council.

4. Report on Closed Session

The City Council met and discussed three items on the Closed Session agenda and took no reportable action.

5. Additional Materials

A. Public Comments Received for Items 9B, 9C, and 9D.

6. Oral Communications by Members of the Public

Steven Woodside, resident, thanked staff for their efforts during the storm.

7. Staff / City Council Comments

Vice Mayor Brown thanked staff and members of the community for their efforts on Capitola's recovery. She also thanked the Community Foundation and their Steering Committee for their efforts to distribute funds to Capitola for storm recovery.

Mayor Keiser thanked the community for their commitment to Capitola recovery.

8. Consent Items

- A. Consider and Approve City Council Meeting Minutes from the regular City Council meeting on December 8, 2022, and the special City Council meeting on January 6, 2023.
- B. Resolution Allowing for the Continuation of Teleconferencing
Recommended Action: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action; and 2) Adopt the proposed resolution authorizing the City Council (along with the Planning Commission and all advisory bodies) to continue to conduct teleconferencing meetings.
- C. Liability Claims
Recommended Action: Deny Carla Periat and Bryan Hoskins liability claims.

Motion to approve the Consent Calendar made by Council Member Brooks.

Seconded by Vice Mayor Brown.

Voting Yea: Mayor Keiser, Vice Mayor Brown, Council Member Brooks, Council Member Pedersen, Council Member Clarke

9. General Government / Public Hearings

- A. Staff Update on the 2022–2023 Winter Storm Event
Recommended Action: Receive update from staff regarding the 2022-2023 Winter Storm Event.
City Manager Goldstein, Recreation Division Manager Bryant, Police Chief Dally, Public Works Director Kahn, and Community Development Director Herlihy presented the staff report.

Council Member Discussion Included:

Council Member Brooks requested clarification on the evacuation zone, Police Chief Dally clarified that we remain in a "Warning Zone" and the zone has not changed. Council Member Brooks also requested clarification on mutual aid that the City has provided, and Chief Dally responded that Capitola has not received requests for mutual aid besides the use of the Jade Street Shelter for County EOC use. Council Member Brooks thanked Police Captain Ryan and Police staff for their efforts to notify the public via social media and thanked Public Works staff for their efforts.

Vice Mayor Brown requested clarification on potential erosion, specifically about tree damage to the area by Britannia Arms and Swinson. She thanked the City Manager and staff for their efforts.

Council Member Clarke requested clarification on how potential volunteers can submit their information to City staff. He thanked the City Manager, staff, and the community for their efforts to recover from the storm.

Council Member Pedersen inquired about preliminary inspections to the Municipal Wharf, Public Works Director Kahn clarified that the Wharf is inaccessible, and staff has received drone footage. He applauded the community for how they have come together.

Mayor Keiser encouraged residents to continue to stay strong during the coming weather events.

Public Comments:

Susan True, CEO of the Community Foundation, spoke about the grant programs available to Capitola.

Steven Woodside, resident, inquired about damage to the Riverview Pathway.

B. Regional Bikeshare Contract

Recommended Action: Authorize the City Manager to execute a five-year Professional Services Agreement with BCycle for the Regional Bikeshare Program.

Community Development Director Herlihy presented the staff report.

Council Member Discussion Included:

Council Member Brooks inquired about how the public will be able to share issues or concerns and inquired about "bike dumping." Community Development Director Herlihy and BCycle Consultant Oliver Davis explained how these issues are to be addressed.

Council Member Clarke inquired about student cost and docking station location, Community Development Director Herlihy clarified that there will be programs in place for students and lower-income populations to allow for low-cost usage.

Council Member Pedersen inquired about placement of docks on private property and bulk membership to business employees, BCycle Consultant Oliver Davis mentioned that it is something that is planned for. He also inquired about public communications regarding safety, Community Development Director Herlihy clarified that outreach was included in BCycle's proposal. Council Member Pedersen recommended an easy path to report maintenance issues within the BCycle Application.

Public Comments:

Paula Bradley, resident, spoke in favor of the bikeshare program.

Peter Wilk, resident, inquired about helmet usage and City laws and consequences. Chief Dally responded to inform of laws regarding helmet usage.

Motion to authorize the City Manager to execute the Professional Services Agreement with BCycle made by Council Member Brooks.

Seconded by Council Member Pedersen.

Voting Yea: Mayor Keiser, Vice Mayor Brown, Council Member Brooks, Council Member Pedersen, Council Member Clarke

C. Medical Office Building Project at 5940 Soquel Avenue

Recommended Action: Receive report and provide feedback regarding the proposed project mitigation measures for the Medical Office Building Project within the City limits. **(This item was removed from the agenda by staff prior to the meeting.)**

D. City Council Appointments to City Advisory Bodies

Recommended Action: Appoint City Council representatives to remaining County and Regional Boards, and appoint members of the public to the City of Capitola Advisory Bodies.

City Clerk Moss presented the staff report.

Motion to appoint the following as primary and alternate Capitola representatives to County and Multi-Jurisdictional groups made by Council Member Clarke.

Seconded by Vice Mayor Brown.

Voting Yea: Mayor Keiser, Vice Mayor Brown, Council Member Brooks, Council Member Clarke, Council Member Pedersen

- **Advisory Council of the Area Agency on Aging: Jacques Bertrand**

- **Santa Cruz County Sanitation District: Brown, Keiser**
- **Library Financing Authority: Brown, Clarke**
- **Integrated Waste Management Task Force: Public Works Director Kahn, Council Member Pedersen**
- **Library Advisory Commission: Michael Termini**
- **Criminal Justice Council: Council Member Clarke, Vice Mayor Brown**

Motion to appoint the following members of the public to City Advisory Bodies made by Vice Mayor Brown.

Seconded by Council Member Clarke.

Voting Yea: Mayor Keiser, Vice Mayor Brown, Council Member Brooks, Council Member Pedersen, Council Member Clarke

- **Arts and Cultural Commission: All terms will expire in December 2024.**
 - **Reappoint James Wallace**
 - **Reappoint Kelly Mozumder**
 - **Reappoint Roy Johnson**
 - **Appoint Peter Wilk**
- **Commission on the Environment: All terms will expire in December 2024.**
 - **Council Member Brooks: Reappoint Michelle Beritzhoff-Law**
 - **Council Member Clarke: Appoint Anthony Lacenere**
 - **Council Member Pedersen: Reappoint Peter Wilk**
 - **Vice Mayor Brown: Reappoint Jason Shepardson**
- **Finance Advisory Committee: All terms will expire December 2024.**
 - **Mayor Keiser: Reappoint Anthony Rovai**
 - **Council Member Brooks: Appoint Michelle Coffman**
 - **Council Member Clarke: Reappoint Laura Alioto**
- **Historical Museum Board:**
 - **Appoint Enrique Dolmo to a term expiring 6/30/2025**
 - **Appoint Roger Wyant to a term expiring 6/30/2024**

10. Adjournment – Adjourned at 7:50 PM to the next regularly scheduled City Council meeting on January 26, 2023.

ATTEST:

Margaux Keiser, Mayor

Julia Moss, City Clerk

Capitola City Council

Agenda Report

Meeting: January 26, 2023

From: Finance Department

Subject: Approval of City Check Registers Dated November 28, 2022, December 9, 2022, and January 9, 2023.



Recommended Action: Approve check registers.

Account: City Main				
Date	Starting Check #	Ending Check #	Payment Count	Amount
11/28/2022	102189	102269	89	\$ 352,267.51
12/9/2022	102270	102389	125	\$ 1,104,859.52
1/9/2023	102390	102513	138	\$ 747,318.16

The main account check register dated November 10, 2022, ended with check #102188.

Account: Payroll				
Date	Starting Check/EFT #	Ending Check/EFT #	Payment Count	Amount
11/28/2022	5810	5810	95	\$ 190,327.35
12/9/2022	5811	5812	92	\$ 177,082.92
1/9/2023	5813	5816	185	\$ 374,864.82

The payroll account check register dated November 10, 2022, ended with EFT #20815.

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

Check/EFT	Issued to	Dept	Description	Amount
102207	Capitola Self Storage	CM	Museum storage	\$ 10,380.00
102212	Earthworks Paving Contractors Inc	PW	Install street bond on crosswalks	\$ 14,840.00
102213	ECS Imaging Inc	CM	LaserFiche annual renewal & support	\$ 10,140.00
102236	Moffatt & Nichol	PW	Wharf design, permit, construction support	\$ 13,085.75
102241	Pacific Gas & Electric	PW	November utilities	\$ 14,473.05
102266	Wells Fargo	Fin	October credit card charges	\$ 14,501.70
1415	CalPERS Health Insurance	CM	December health insurance	\$ 65,776.60
1416	CalPERS Member Services Division	CM	PERS contributions PPE 11/12/22	\$ 55,775.74
1418	Internal Revenue Service	CM	Federal taxes & Medicare PPE 11/12/22	\$ 31,547.80
102283	Burke Williams & Sorensen	CM	October attorney services	\$ 24,107.50
102286	City of Santa Cruz	Rec	Lifeguard services 2022 final payment	\$ 70,619.00

102325	McKim Corporation	PW	Clares St traffic calming	\$ 619,210.12
102329	Motorola Solutions	PD	Quarterly cloud storage & APX6000 Radios	\$ 18,289.51
102341	Santa Cruz County Anti Crime Team	PD	FY22/23 Operational Expense contribution	\$ 17,993.00
102343	Santa Cruz County Sheriff	PD	SART Agency Contribution	\$ 12,486.00
102358	Triad Electric Inc	PW	City Hall & PD backup generator installation	\$ 106,400.00
1423	CalPERS Member Services Division	CM	PERS contributions PPE 11/26/22	\$ 56,187.30
1424	Employment Development Department	CM	State Taxes PPE 11/26/22	\$ 10,556.77
1425	Internal Revenue Service	CM	Federal taxes & Medicare PPE 11/26/22	\$ 34,903.78
102394	All Traffic Solutions	PW	Speed alert radar message sign	\$ 11,858.64
102407	CA Department of Transportation	PW	July – September signals & lighting	\$ 10,637.66
102429	Flyers Energy LLC	PW	Fuel	\$ 10,978.11
102439	Kimley Horn & Associates Inc	PW	Park Ave traffic calming, 41 st Ave & Capitola Rd intersection analysis, Bay Ave / Hill St intersection analysis	\$ 10,765.80
102450	Moffatt & Nichol	PW	Wharf design, permit, construction support	\$ 10,392.00
102456	Pacific Gas & Electric	PW	December utilities	\$ 17,990.20
102466	Santa Cruz County Auditor-Controller	Fin	October citation processing	\$ 17,596.50
102467	Santa Cruz County Auditor-Controller	Fin	November citation processing	\$ 13,617.50
102472	Santa Cruz Regional 911	PD	FY22/23 Third Quarter Operating Contribution	\$ 139,539.75
102480	SZS Consulting Group	PW	ADA transition plan & self evaluation phase 1 & 2	\$ 11,096.00
102483	The Cleaning Machine	PW / Fin	Village sidewalk cleaning	\$ 13,800.00
102501	Wells Fargo Bank	Fin	November credit card charges	\$ 10,328.42
1428	CalPERS Health Insurance	CM	January health insurance	\$ 67,335.97
1429	CalPERS Member Services Division	CM	PERS contributions PPE 12/10/22	\$ 55,749.97
1431	Internal Revenue Service	CM	Federal taxes & Medicare PPE 12/10/22	\$ 31,904.51
1434	VOYA Financial	CM	457 contribution employee final pay 12/16/22	\$ 18,611.34
1437	CalPERS Member Services Division	CM	PERS contributions PPE 12/24/22	\$ 54,837.52
1438	Employment Development Department	CM	State taxes PPE 12/24/22	\$ 12,132.73

1439	Internal Revenue Service	CM	Federal taxes & Medicare PPE 12/24/22	\$ 40,451.69
5814	Employee	CM	Final pay 12/29/22	\$ 15,152.64

Attachments:

1. 11-28-22 Check Register
2. 12-9-22 Check Register
3. 1-9-23 Check Register

Report Prepared By: Leda Laidlaw-Hunter, Accountant I

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

Approved By: Jamie Goldstein, City Manager

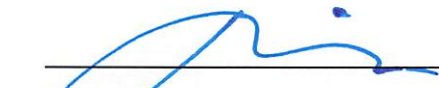
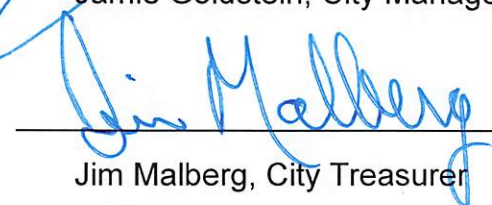
City main account checks dated December 9, 2022, numbered 102270 to 102389 totaling \$995,141.63, five EFTs totaling \$109,717.89, two payroll checks numbered 5811 to 5812 totaling \$427.50, and 90 payroll EFTs totaling \$176,655.42, for a grand total of \$1,281,942.44, have been reviewed and authorized for distribution by the City Manager.

As of December 9, 2022, the unaudited cash balance is \$6,344,618.56.

**CASH POSITION - CITY OF CAPITOLA
December 9, 2022**

	12/9/2022
1000 General Fund	\$ (1,418,580.52)
1001 Payroll Payables	\$ 45,125.42
1010 Contingency Reserve Fund	\$ 2,061,345.66
1025 Facilities Reserve Fund	\$ 432,714.09
1200 Capital Improvement Fund	\$ 3,534,746.92
2210 Stores Fund	\$ 62,164.93
2211 Information Technology Fund	\$ 263,759.16
2212 Equipment Replacement	\$ 1,066,379.60
2213 Self-Insurance Liability Fund	\$ (189,001.30)
2214 Workers' Comp. Ins. Fund	\$ 375,078.54
2216 Compensated Absences Fund	\$ 110,886.06
TOTAL UNASSIGNED GENERAL FUNDS	\$ 6,344,618.56

The Emergency Reserve Fund balance is \$1,314,205.54 (not included above).
The PERS Contingency Fund balance is \$904,274.68 (not included above).

 <hr style="border: 0; border-top: 1px solid black;"/> Jamie Goldstein, City Manager	12/12/22 <hr style="border: 0; border-top: 1px solid black;"/> Date
 <hr style="border: 0; border-top: 1px solid black;"/> Jim Malberg, City Treasurer	12/9/22 <hr style="border: 0; border-top: 1px solid black;"/> Date

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102270	12/06/2022			SIMPKINS FAMILY SWIM COMPLEX	\$498.75
	Invoice	Date	Description		Amount
	R1092	04/25/2019	Camp Capitola pool reservations		\$498.75
102271	12/09/2022			ADAMS ASHBY GROUP INC.	\$2,250.00
	Invoice	Date	Description		Amount
	4629	11/10/2022	October CDBG CV2/3 general admin 1350 - CDBG Grants		\$2,250.00
102272	12/09/2022			ADRIENNE HARRELL	\$244.25
	Invoice	Date	Description		Amount
	AH121022	12/10/2022	Instructor payment		\$244.25
102273	12/09/2022			ADT SECURITY SERVICES INC.	\$290.56
	Invoice	Date	Description		Amount
	ADT112922	11/29/2022	Corp. yard & museum ADT monitoring		\$290.56
102274	12/09/2022			ALLIED UNIVERSAL	\$1,192.23
	Invoice	Date	Description		Amount
	13521241	12/01/2022	December 2022 Jade Street Park Foot Patrol		\$379.42
	13521255	12/01/2022	McGregor skate park foot patrol		\$392.06
	13521256	12/01/2022	Esplanade park foot patrol		\$420.75
102275	12/09/2022			AMAZON CAPITAL SERVICES	\$2,128.43
	Invoice	Date	Description		Amount
	1Y7J-FHJ7-1R9X	11/16/2022	HDMI to VGA adapter		\$8.70
	1PWN-GG1F-69Y3	11/21/2022	USB C to HDMI adapter		\$18.51
	1P1K-3VCN-PP9F	11/28/2022	Printer cable, webcam		\$174.82
	1MCD-G1KX-XR63	11/29/2022	Ink cartridges		\$61.03
	1H1J-QCH1-3NW4	11/30/2022	Floor cable cover, wireless mouse		\$31.59
	1NYH-6913-4H1X	12/01/2022	ASUS monitor (2)		\$334.00
	1KJW-MMY1-LNDN	12/03/2022	APC UPS battery backup & surge protector		\$152.58
	17Q1-37WF-XYNW	12/05/2022	Engine guard protector		\$90.32
	17KX-7K7J-R3YQ	12/04/2022	Work gloves, work boots		\$221.15
	1CNJ-7QDQ-LXLK	12/03/2022	Work boots		\$169.23
	1TFX-6K3Q-TC7W	11/20/2022	Social Media Team Camera		\$866.50
			1000 - General Fund	\$480.70	
			1300 - SLESF - Supl Law Enfc	\$866.50	
			2211 - ISF - Information Technology	\$781.23	
102276	12/09/2022			ARCADIA PUBLISHING	\$268.46
	Invoice	Date	Description		Amount
	23623317	11/29/2022	Museum books		\$268.46

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102277	12/09/2022			ARCHIVES & ARCHITECTURE LLC	\$1,300.00
	Invoice	Date	Description		Amount
	2206	10/20/2022	Historic resource evaluation #22-0153		\$1,300.00
102278	12/09/2022			B & B SMALL ENGINE REPAIR	\$378.07
	Invoice	Date	Description		Amount
	508721	11/17/2022	oil bio gallon, loop runner, samurai blade, saw blade, mix oil		\$273.84
	508723	11/17/2022	Starter cord, handle		\$8.54
	509232	11/29/2022	Trimmer line		\$21.78
	509119	11/28/2022	Cinch trap		\$73.91
102279	12/09/2022			BECKY ADAMS	\$143.00
	Invoice	Date	Description		Amount
	BA121022	12/10/2022	Instructor payment		\$143.00
102280	12/09/2022			BEN NOBLE URBAN AND REGIONAL PLANNING	\$5,160.00
	Invoice	Date	Description		Amount
	1428	11/16/2022	Zoning code clean up & Monarch Cove zone changes		\$5,160.00
			1000 - General Fund	\$ 200.00	
			1313 - General Plan Update & Maint	\$4,960.00	
102281	12/09/2022			BOWMAN & WILLIAMS INC.	\$8,121.50
	Invoice	Date	Description		Amount
	16627	08/10/2022	Rispin/Peery park engineering services		\$1,535.00
	16718	09/13/2022	Rispin/Peery park engineering services		\$4,537.50
	16789	10/06/2022	Rispin/Peery park engineering services		\$2,049.00
			1200 - Capitola Improvement Fund		
102282	12/09/2022			BROWNELLS INC.	\$336.49
	Invoice	Date	Description		Amount
	2022410638326	11/28/2022	Range Supplies		\$336.49
102283	12/09/2022			BURKE WILLIAMS AND SORENSEN LLP	\$24,107.50
	Invoice	Date	Description		Amount
	293576	11/22/2022	October city attorney services		\$16,734.00
	293577	11/22/2022	October planning legal services		\$3,024.00
	293579	11/22/2022	October BHR lawsuit		\$1,681.50
	293580	11/22/2022	October fee issues		\$1,268.50
	293575	11/22/2022	October labor and employment legal services		\$994.50
	293578	11/22/2022	October public works legal services		\$405.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102284	12/09/2022			CALIFORNIA COAST UNIFORM COMPANY	\$5,725.22
	Invoice	Date	Description		Amount
	9895	11/15/2022	584 Uniform		\$202.63
	9896	11/15/2022	524 Tailoring Charges		\$20.00
	9897	11/15/2022	536 Tailoring Charges		\$55.00
	9898	11/15/2022	521 Tailoring Charges		\$24.00
	9899	11/15/2022	484 Tailoring Charges		\$40.00
	9900	11/15/2022	483 Tailoring Charges		\$45.00
	9901	11/16/2022	Uniforms		\$5,338.59
			1000 - General Fund	\$ 386.63	
			1300 - SLESF - Supl Law Enfc	\$5,338.59	
102285	12/09/2022			CAPITOLA PEACE OFFICERS ASSOCIATION	\$940.50
	Invoice	Date	Description		Amount
	POA120222	12/02/2022	POA & gym dues PPE 11/26/22		\$940.50
			1001 - Payroll Payables		
102286	12/09/2022			CITY OF SANTA CRUZ	\$70,619.00
	Invoice	Date	Description		Amount
	043130	11/28/2022	Lifeguard services 2022 final payment		\$70,619.00
102287	12/09/2022			CLEAN BUILDING MAINTENANCE CO.	\$5,576.92
	Invoice	Date	Description		Amount
	31181	11/30/2022	November janitorial services		\$5,576.92
			1000 - General Fund	\$4,787.48	
			1311 - Wharf	\$ 789.44	
102288	12/09/2022			COAST LOCK & SAFE INC.	\$302.08
	Invoice	Date	Description		Amount
	026419	11/15/2022	Deadbolt, cylinder, tag		\$302.08
			1311 - Wharf		
102289	12/09/2022			CODE PUBLISHING COMPANY	\$715.50
	Invoice	Date	Description		Amount
	GC0009248	11/29/2022	Municipal code web update		\$715.50
102290	12/09/2022			COPWARE INC.	\$460.00
	Invoice	Date	Description		Amount
	86123	11/28/2022	California peace officers legal sourcebook site license		\$460.00
			2211 - ISF - Information Technology		
102291	12/09/2022			CRYSTAL SPRINGS WATER CO.	\$195.75
	Invoice	Date	Description		Amount
	CSW113022	11/30/2022	November drinking water		\$195.75

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102292	12/09/2022			CSG Consultants Inc.	\$163.50
	Invoice	Date	Description		Amount
	B221889	11/01/2022	October building plan review services		\$163.50
102293	12/09/2022			CYNTHIA KASKEY	\$916.50
	Invoice	Date	Description		Amount
	CK120422	12/04/2022	Instructor payment		\$916.50
102294	12/09/2022			D & G SANITATION	\$621.13
	Invoice	Date	Description		Amount
	294836	11/30/2022	Skate park hand wash station, portable toilets		\$621.13
102295	12/09/2022			das Manufacturing Inc.	\$1,042.00
	Invoice	Date	Description		Amount
	4210	11/16/2022	Curb marker, adhesive, back print		\$1,042.00
102296	12/09/2022			DAVID SCOTT COBABE	\$1,696.50
	Invoice	Date	Description		Amount
	DC120422	12/04/2022	Instructor payment		\$1,696.50
102297	12/09/2022			DEPARTMENT OF PESTICIDE REGULATION	\$60.00
	Invoice	Date	Description		Amount
	MKQAC111522	11/15/2022	QAC license renewal for Matta Kotila		\$60.00
102298	12/09/2022			DUDEK	\$637.50
	Invoice	Date	Description		Amount
	2022089557	10/19/2022	Environmental consulting services 4401 Capitola Rd #22-0244		\$637.50
102299	12/09/2022			ELEVATOR SERVICE COMPANY INC.	\$180.00
	Invoice	Date	Description		Amount
	39638	12/01/2022	Quarterly lube and inspection		\$180.00
102300	12/09/2022			Eric Martin	\$132.00
	Invoice	Date	Description		Amount
	EM111422	11/14/2022	Certification renewal		\$132.00
102301	12/09/2022			ESMERALDA GONZALEZ	\$193.02
	Invoice	Date	Description		Amount
	EG120122	12/01/2022	Reimbursement		\$193.02
102302	12/09/2022			EWING IRRIGATION	\$433.10
	Invoice	Date	Description		Amount
	18347851	12/01/2022	Trash gator handles, staking flags, KLG topper, snake bags		\$228.56
	18220171	11/09/2022	Wattle straw bio 9x25		\$122.73
	14480704	11/02/2022	Wattle straw bio 9x25		\$81.81

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102303	12/09/2022			EXCEEDIO	\$8,914.95
	Invoice	Date	Description		Amount
	13314	12/01/2022	December IT services 2211 - ISF - Information Technology		\$8,914.95
102304	12/09/2022			FLYERS ENERGY LLC	\$4,311.99
	Invoice	Date	Description		Amount
	22-694238	11/22/2022	754 gallons gasoline		\$4,050.01
	22-694239	11/22/2022	43 gallons diesel		\$261.98
102305	12/09/2022			GALLS LLC	\$145.08
	Invoice	Date	Description		Amount
	022416818	10/17/2022	518 Boots		\$145.08
102306	12/09/2022			GARDAWORLD	\$376.78
	Invoice	Date	Description		Amount
	10717501	12/01/2022	December 2022 Armored Transportation Service		\$376.78
102307	12/09/2022			GINA ENRIQUEZ	\$3,118.65
	Invoice	Date	Description		Amount
	GE112622	11/26/2022	Instructor payment		\$3,118.65
102308	12/09/2022			HINDERLITER DELLAMAS AND ASSOCIATES	\$1,250.00
	Invoice	Date	Description		Amount
	SIN023003	10/31/2022	TOT and STR admin fees		\$1,250.00
102309	12/09/2022			HO KUK MU SUL CORPORATION	\$101.40
	Invoice	Date	Description		Amount
	HKMSC120422	12/04/2022	Instructor payment		\$101.40
102310	12/09/2022			HOME DEPOT CREDIT SERVICES	\$1,003.13
	Invoice	Date	Description		Amount
	0511398	11/23/2022	Batteries, vinyl tube, utility light, sawzl set, gloves, sand		\$124.30
	7522231	11/16/2022	Extractor set, 3/4" bit		\$47.89
	0627382	11/23/2022	Neem oil, plant food, primer, rust stop		\$35.32
	6630346	10/28/2022	Wall lamp, bulbs, LED trim		\$145.91
	4521061	11/09/2022	Squeegee, Keypad		\$280.50
	1011633	11/22/2022	Vacuum		\$76.27
	6640793	11/07/2022	Knock down knife, ext pole, paint roller, brush, caulk		\$78.72
	2513749	11/01/2022	Lights		\$123.36
	6630343	10/28/2022	Disinfectant spray, cleaner, wet patch, shingles, roof felt		\$90.86

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102311	12/09/2022			HUMBOLDT PETROLEUM LLC	\$34.00
	Invoice	Date	Description		Amount
	INV-058655	11/15/2022	Carwash Closing Date 11/15/2022		\$34.00
102312	12/09/2022			HYDROSCIENCE ENGINEERS INC.	\$2,587.50
	Invoice	Date	Description		Amount
	331019003-2	11/01/2022	Stormwater review services #2002-0224		\$1,365.00
	331019004	12/01/2022	#2022-0224 planning application for 4401 Capitola Rd Apts		\$1,222.50
102313	12/09/2022			JACQUES BERTRAND	\$1,013.40
	Invoice	Date	Description		Amount
	JB090922	12/01/2022	League of CA cities conference reimbursement		\$1,013.40
102314	12/09/2022			JESSE FRANCHI	\$176.96
	Invoice	Date	Description		Amount
	JF120622	12/06/2022	Work boots reimbursement		\$176.96
102315	12/09/2022			JIM MALBERG - PETTY CASH CUSTODIAN	\$432.09
	Invoice	Date	Description		Amount
	PC120722	12/07/2022	Petty cash expenses September - December		\$432.09
			1000 - General Fund	\$382.25	
			2210 - ISF - Stores Fund	\$ 49.84	
102316	12/09/2022			KATHLEEN BROWN	\$117.00
	Invoice	Date	Description		Amount
	KB112622	11/26/2022	Instructor payment		\$117.00
102317	12/09/2022			KATHLEEN SIMPSON	\$116.04
	Invoice	Date	Description		Amount
	KS121022	12/10/2022	Instructor payment		\$116.04
102318	12/09/2022			KBA Document Solutions LLC	\$514.93
	Invoice	Date	Description		Amount
	55Y1325243	11/22/2022	City Hall copier usage charges		\$496.28
	55Y1326346	11/29/2022	Monthly copier usage charges		\$18.65
			2211 - ISF - Information Technology		
102319	12/09/2022			KING'S PAINT AND PAPER INC.	\$256.28
	Invoice	Date	Description		Amount
	A0328791	11/09/2022	Paint, pail liners, brushes, stain		\$181.64
	A0328834	11/10/2022	Painting supplies		\$74.64

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102320	12/09/2022			LAURA ALIOTO	\$1,537.50
	Invoice	Date	Description		Amount
	LA120422	12/04/2022	Instructor payment		\$955.50
	LA121022	12/10/2022	Instructor payment		\$312.00
	LA2022NOV	11/30/2022	Instructor payment		\$270.00
102321	12/09/2022			LINDE GAS & EQUIPMENT INC.	\$245.15
	Invoice	Date	Description		Amount
	32557705	11/22/2022	Acetylene rental		\$245.15
102322	12/09/2022			LLOYD'S TIRE AND AUTO	\$1,125.61
	Invoice	Date	Description		Amount
	212928	11/30/2022	Tires & service		\$866.36
	212863	11/23/2022	Tire service		\$259.25
102323	12/09/2022			MARIN CONSULTING ASSOCIATES	\$250.00
	Invoice	Date	Description		Amount
	13921	10/25/2022	522 Leadership Training		\$250.00
102324	12/09/2022			MARY MCGLENN CAHALEN	\$1,200.00
	Invoice	Date	Description		Amount
	MMC112222BIA	11/22/2022	Sip and Stroll event 1321 - BIA - Capitola Village-Wharf BIA		\$1,200.00
102325	12/09/2022			McKim Corporation	\$619,210.12
	Invoice	Date	Description		Amount
	20947	10/28/2022	Clares St traffic calming		\$76,439.75
	20954	11/30/2022	Clares St traffic calming 1309 - RTC Streets		\$542,770.37
102326	12/09/2022			MISSION LINEN SUPPLY	\$359.49
	Invoice	Date	Description		Amount
	518281596	11/30/2022	Fleet towels, uniform cleaning		\$34.03
	518232416	11/23/2022	Fleet towels, uniform cleaning		\$34.03
	518232417	11/23/2022	Corp. Yard linen service		\$97.07
	518281597	11/30/2022	Corp. Yard linen service		\$119.36
	518259529	11/28/2022	Community Center mop and mat service		\$75.00
102327	12/09/2022			MISSION PRINTERS	\$395.57
	Invoice	Date	Description		Amount
	63456	11/23/2022	Business cards		\$395.57
102328	12/09/2022			MONTEREY BAY ANALYTICAL SERVICES INC	\$32.00
	Invoice	Date	Description		Amount
	221116_08	11/28/2022	Post breach lagoon water enterococci-enterolert		\$32.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102329	12/09/2022			MOTOROLA SOLUTIONS INC.	\$18,289.51
	Invoice	Date	Description		Amount
	1411001492	10/20/2022	Quarterly cloud storage		\$429.92
	8281490326	10/18/2022	APX6000 Radios		\$17,859.59
			1300 - SLESF - Supl Law Enfc	\$17,859.59	
			2211 - ISF - Information Technology	\$ 429.92	
102330	12/09/2022			NIGEL BELTON	\$190.00
	Invoice	Date	Description		Amount
	2721	11/17/2022	Consulting arborist services #22-0092		\$190.00
102331	12/09/2022			NORTH BAY FORD	\$767.76
	Invoice	Date	Description		Amount
	287009CM	11/07/2022	refund core for GB5Z10346C		(\$75.00)
	287291	11/30/2022	Transmitter TPMS		\$34.56
	287292	11/30/2022	Thermostat seal & assembly, anti-freeze		\$282.85
	287255	11/28/2022	Lamp assembly, rear view mirror		\$270.85
	287218	11/22/2022	Ignition coil, Flashlight, spark plug		\$254.50
102332	12/09/2022			OUTDOOR SUPPLY HARDWARE	\$1,162.83
	Invoice	Date	Description		Amount
	G50999	11/21/2022	Penetrating oil, bench vise		\$215.79
	G51910	11/23/2022	Bucket, sweatshirt, paint, rustoleum, flashlight, tape, shears		\$223.33
	G51493	11/22/2022	bags, cable ties, tie down, brushes, hooks, bucket, fastener		\$224.79
	G54430	11/28/2022	Painters touch		\$17.42
	G47570	11/15/2022	Wood chisels, wrecking bar		\$77.36
	G47537	11/15/2022	Paint, bucket, rust spray, gate hinge, bolt hook, misc supplies		\$120.85
	G47553	11/15/2022	Wheel cutoff, putty knife, saw blade, screw driver		\$46.82
	G48070	11/16/2022	Bolt hook, earphones		\$50.12
	G48229	11/16/2022	Pintles for straps, screw hooks		\$32.66
	G50792	11/21/2022	Rustoleum, paint		\$43.14
	G51455	11/22/2022	Acetone thinner, empty paint can		\$21.23
	G51995	11/23/2022	saw blades		\$43.58
	G52212	11/23/2022	stoprust spray, spray can grip, bolt hook		\$45.74
102333	12/09/2022			PALACE BUSINESS SOLUTIONS	\$261.28
	Invoice	Date	Description		Amount
	665756-0	12/01/2022	Office Supplies		\$159.12
	665362-0	11/30/2022	Calendar, markers, tape		\$53.96
	665478_0	11/30/2022	Business card holder		\$9.92
	664941-0	11/28/2022	Staple removers, letter opener, clock		\$38.28

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102334	12/09/2022			PET PALS DISCOUNT PET SUPPLIES	\$217.98
	Invoice	Date	Description		Amount
	2729466-2	11/04/2022	K-9 Supplies 11/4/2022		\$217.98
102335	12/09/2022			ROBIN H EVEREST	\$702.00
	Invoice	Date	Description		Amount
	RE121022	12/10/2022	Instructor payment		\$702.00
102336	12/09/2022			ROBIN WOODMAN	\$226.00
	Invoice	Date	Description		Amount
	RW111422	11/14/2022	Certification renewal		\$226.00
102337	12/09/2022			RRM DESIGN GROUP	\$2,685.00
	Invoice	Date	Description		Amount
	2757-01-1022	11/08/2022	Capitola Housing Element Update 1313 - General Plan Update & Maint		\$2,685.00
102338	12/09/2022			SAFE LIFE DEFENSE LLC	\$250.67
	Invoice	Date	Description		Amount
	2235818	11/22/2022	Tactical Carrier		\$250.67
102339	12/09/2022			SAN LORENZO LUMBER	\$33.34
	Invoice	Date	Description		Amount
	55-0770764	11/21/2022	Sunglasses		\$33.34
102340	12/09/2022			SANTA CRUZ AUTO PARTS INC.	\$51.93
	Invoice	Date	Description		Amount
	14508-457669	12/01/2022	Gloves, weatherstrip, studs pull		\$51.93
102341	12/09/2022			SANTA CRUZ COUNTY ANTI CRIME TEAM	\$17,993.00
	Invoice	Date	Description		Amount
	2022-23CPD	12/01/2022	FY22/23 Operational Expense Contribution		\$17,993.00
102342	12/09/2022			SANTA CRUZ COUNTY DISTRICT ATTORNEY	\$5,871.00
	Invoice	Date	Description		Amount
	22/23 MDIC-CPD	12/01/2022	FY22/23 MDIC Annual Contribution		\$5,871.00
102343	12/09/2022			SANTA CRUZ COUNTY SHERIFF	\$12,486.00
	Invoice	Date	Description		Amount
	2023-CPD	07/01/2022	SART Agency Contribution		\$12,486.00
102344	12/09/2022			SANTA CRUZ LIVE SCAN INC.	\$60.00
	Invoice	Date	Description		Amount
	2287	12/01/2022	New hire live scan (2)		\$60.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102345	12/09/2022			SANTA CRUZ SENTINEL	\$1,852.80
	Invoice	Date	Description		Amount
	1358579	11/30/2022	November legal notices		\$1,852.80
102346	12/09/2022			SANTA CRUZ WAVES	\$1,500.00
	Invoice	Date	Description		Amount
	9606BIA	12/01/2022	BIA advertising 1321 - BIA - Capitola Village-Wharf BIA		\$1,500.00
102347	12/09/2022			SCOTT NEWTON	\$1,333.09
	Invoice	Date	Description		Amount
	SN120222	12/02/2022	Out of county training reimbursement		\$1,333.09
102348	12/09/2022			SHANTA SHENOY	\$702.00
	Invoice	Date	Description		Amount
	SS121022	12/10/2022	Instructor payment		\$702.00
102349	12/09/2022			SOQUEL CREEK WATER DISTRICT	\$570.71
	Invoice	Date	Description		Amount
	10-16317-0112122	11/21/2022	10-16317-00 420 Capitola Ave. water		\$285.61
	10-16315-0112122	11/21/2022	10-16315-00 504 Beulah Dr. water		\$64.87
	10-16316-0112122	11/21/2022	10-16316-00 426 Capitola Ave. water		\$118.29
	13-10919-0112822	11/28/2022	13-10919-00 2000 Wharf Road water service		\$58.01
	34-18508-0112822	11/28/2022	34-18508-00 1510 McGregor Drive water service		\$43.93
102350	12/09/2022			STAPLES ADVANTAGE	\$66.69
	Invoice	Date	Description		Amount
	3523904742	11/26/2022	Office Supplies		\$66.69
102351	12/09/2022			STATE WATER RESOURCES CONTROL BOARD	\$7,067.00
	Invoice	Date	Description		Amount
	SW-0242759	11/29/2022	Annual permit fee 7/1/22 - 6/30/23		\$7,067.00
102352	12/09/2022			SZS CONSULTING GROUP	\$8,286.00
	Invoice	Date	Description		Amount
	9	11/09/2022	ADA self-evaluation and transition plan phase I		\$6,636.00
	8	11/09/2022	ADA self-evaluation and transition plan phase II 1200 - Capitola Improvement Fund		\$1,650.00
102353	12/09/2022			TARGET SPECIALTY PRODUCTS	\$95.78
	Invoice	Date	Description		Amount
	INVP500981077	11/10/2022	Gloves		\$95.78

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102354	12/09/2022			THE CHRISTMAS LIGHT PROS OF MONTEREY	\$4,550.00
	Invoice	Date	Description		Amount
	3050	11/20/2022	Installation of lights on 28 trees in Village 1321 - BIA - Capitola Village-Wharf BIA		\$4,550.00
102355	12/09/2022			THE HOME DEPOT PRO	\$1,990.60
	Invoice	Date	Description		Amount
	718948433	11/23/2022	Toilet paper		\$292.51
	718047764	11/17/2022	Toilet paper		\$146.26
	718123003	11/18/2022	Janitorial supplies		\$1,404.79
	718273006	11/18/2022	Gloves		\$147.04
102356	12/09/2022			TODD HANSON	\$2,848.52
	Invoice	Date	Description		Amount
	00025	12/01/2022	December BIA marketing, website management, media boost 1321 - BIA - Capitola Village-Wharf BIA		\$2,848.52
102357	12/09/2022			TPX COMMUNICATIONS	\$1,667.10
	Invoice	Date	Description		Amount
	164094146-0	11/23/2022	November phone service		\$1,667.10
			1000 - General Fund	\$899.03	
			2211 - ISF - Information Technology	\$768.07	
102358	12/09/2022			TRIAD ELECTRIC INC.	\$106,400.00
	Invoice	Date	Description		Amount
	11292201	11/29/2022	City Hall & PD backup generator installation 1200 - Capitola Improvement Fund		\$106,400.00
102359	12/09/2022			UPS	\$13.18
	Invoice	Date	Description		Amount
	0000954791472	11/19/2022	PD shipping		\$13.18
102360	12/09/2022			US BANK EQUIPMENT FINANCE	\$315.01
	Invoice	Date	Description		Amount
	488119637	11/28/2022	City Hall copier leases 2210 - ISF - Stores Fund		\$315.01
102361	12/09/2022			US BANK EQUIPMENT FINANCE	\$364.80
	Invoice	Date	Description		Amount
	488007766	11/24/2022	City Hall copier leases 2210 - ISF - Stores Fund		\$364.80

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102362	12/09/2022			US BANK PARS Acct 6746022400	\$206.08
	Invoice	Date	Description		Amount
	PARS120222	12/02/2022	PARS contributions PPE 11/26/22 1001 - Payroll Payables		\$206.08
102363	12/09/2022			WATSON FINE ART CONSERVATION	\$199.80
	Invoice	Date	Description		Amount
	173208	12/07/2022	Framing		\$199.80
102364	12/09/2022			WORKBENCH	\$1,065.00
	Invoice	Date	Description		Amount
	210097-112	10/31/2022	July - October design services		\$1,065.00
102365	12/09/2022			ZEP SALES & SERVICE	\$369.09
	Invoice	Date	Description		Amount
	9008038788	11/21/2022	Graffiti removal supplies		\$369.09
102366	12/09/2022			37th Parallel - Les Wright	\$200.00
	Invoice	Date	Description		Amount
	37P112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102367	12/09/2022			Alfaro Family Vineyards - Mary Kay	\$200.00
	Invoice	Date	Description		Amount
	AFV112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102368	12/09/2022			Bargetto Winery	\$200.00
	Invoice	Date	Description		Amount
	BW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102369	12/09/2022			Big Basin Estate Vineyard and Winery	\$200.00
	Invoice	Date	Description		Amount
	BBEVW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102370	12/09/2022			Campos, Eduardo	\$39.00
	Invoice	Date	Description		Amount
	EC113022	11/30/2022	200146048		\$39.00
102371	12/09/2022			CLOS LACHANCE	\$200.00
	Invoice	Date	Description		Amount
	CL112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102372	12/09/2022			Cottage Creek	\$200.00
	Invoice	Date	Description		Amount
	CC112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102373	12/09/2022			Devon Salter	\$200.00
	Invoice	Date	Description		Amount
	DS112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102374	12/09/2022			Doliviera, Robert	\$36.00
	Invoice	Date	Description		Amount
	RD101822	10/18/2022	200145651		\$36.00
102375	12/09/2022			Doon To the Earth	\$200.00
	Invoice	Date	Description		Amount
	DTTE112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102376	12/09/2022			Durre Waseem	\$1,500.00
	Invoice	Date	Description		Amount
	DW112822	11/28/2022	Plein Air first place winner 1315 - Public Art Fee Fund		\$1,500.00
102377	12/09/2022			Hallcrest Vineyards - John/Lorraine Schumacher	\$400.00
	Invoice	Date	Description		Amount
	HV112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$400.00
102378	12/09/2022			Kristian Matthews	\$800.00
	Invoice	Date	Description		Amount
	KM112822	11/28/2022	Plein Air second place winner 1315 - Public Art Fee Fund		\$800.00
102379	12/09/2022			Left Bend	\$200.00
	Invoice	Date	Description		Amount
	200.00	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102380	12/09/2022			Llama Wines LLC	\$200.00
	Invoice	Date	Description		Amount
	LW112722-1	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102381	12/09/2022			Llama Wines LLC	\$200.00
	Invoice	Date	Description		Amount
	LW112722-2	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102382	12/09/2022			Pelican Ranch Winery - Phil/Peggy Cruz	\$200.00
	Invoice	Date	Description		Amount
	PRW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102383	12/09/2022			Roudon Smith Winery - Al Drewke	\$200.00
	Invoice	Date	Description		Amount
	RSW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102384	12/09/2022			Silver Mountain Vineyards	\$200.00
	Invoice	Date	Description		Amount
	SMV112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102385	12/09/2022			Twelve Stones	\$200.00
	Invoice	Date	Description		Amount
	TS112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102386	12/09/2022			Valley Vista Vineyards - Jacque & Amy Preasesu	\$200.00
	Invoice	Date	Description		Amount
	VVV112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102387	12/09/2022			Wargin Winery	\$200.00
	Invoice	Date	Description		Amount
	WW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102388	12/09/2022			Windy Oaks Winery	\$200.00
	Invoice	Date	Description		Amount
	WOW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00
102389	12/09/2022			Wright Station Vineyard & Winery	\$200.00
	Invoice	Date	Description		Amount
	WSVW112722	11/27/2022	Sip and Stroll participation fee 1321 - BIA - Capitola Village-Wharf BIA		\$200.00

City Checks Issued December 9, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
Check Totals:					\$995,141.63
EFT					
1423	12/05/2022			CalPERS Member Services Division	\$56,187.30
	Invoice	Date	Description		Amount
	1002253987-90	12/02/2022	PERS contributions PPE 11/26/22		\$56,187.30
			1000 - General Fund	(\$ 0.34)	
			1001 - Payroll Payables	\$56,187.64	
1424	12/09/2022			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$10,556.77
	Invoice	Date	Description		Amount
	0-764-155-104	12/02/2022	State taxes PPE 11/26/22		\$10,556.77
			1001 - Payroll Payables		
1425	12/09/2022			INTERNAL REVENUE SERVICE	\$34,903.78
	Invoice	Date	Description		Amount
	51301923	12/02/2022	Federal taxes & Medicare PPE 11/26/22		\$34,903.78
			1001 - Payroll Payables		
1426	12/05/2022			STATE DISBURSEMENT UNIT	\$1,575.68
	Invoice	Date	Description		Amount
	42111043	12/02/2022	Employee garnishments PPE 11/26/22		\$1,575.68
			1001 - Payroll Payables		
1427	12/05/2022			VOYA FINANCIAL	\$6,494.36
	Invoice	Date	Description		Amount
	VOYA120222	12/02/2022	Employee 457 contributions PPE 11/26/22		\$6,494.36
			1001 - Payroll Payables		
EFT Totals:					\$109,717.89
Main City Totals					
				Count	Total
Checks				120	\$995,141.63
EFTs				5	\$109,717.89
All				125	\$1,104,859.52
Payroll Totals					
Checks				2	\$427.50
EFTs				90	\$176,655.42
All				92	\$177,082.92
Grand Totals:					
Checks				122	\$995,569.13
EFTs				95	\$286,373.31
All				217	\$1,281,942.44

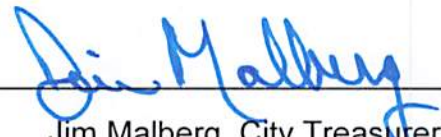
City main account checks dated January 9, 2023, numbered 102390 to 102513 totaling \$440,084.70, 14 EFTs totaling \$307,233.46, four payroll checks numbered 5813 to 5816 totaling \$17,250.17, and 181 payroll EFTs totaling \$357,614.65, for a grand total of \$1,122,182.98, have been reviewed and authorized for distribution by the City Manager.

As of January 9, 2023, the unaudited cash balance is \$7,222,943.83.

CASH POSITION - CITY OF CAPITOLA
January 9, 2023

	1/9/2023
General Fund	\$ (442,033.18)
Payroll Payables	\$ 6,700.41
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ 3,504,909.22
Stores Fund	\$ 60,474.43
Information Technology Fund	\$ 247,348.94
Equipment Replacement	\$ 1,054,520.96
Self-Insurance Liability Fund	\$ (189,001.30)
Workers' Comp. Ins. Fund	\$ 375,078.54
Compensated Absences Fund	\$ 110,886.06
TOTAL UNASSIGNED GENERAL FUNDS	\$ 7,222,943.83

The Emergency Reserve Fund balance is \$1,314,205.54 (not included above).
The PERS Contingency Fund balance is \$904,274.68 (not included above).

 <hr style="border: 0; border-top: 1px solid black;"/> Jamie Goldstein, City Manager	1/13/23 <hr style="border: 0; border-top: 1px solid black;"/> Date
 <hr style="border: 0; border-top: 1px solid black;"/> Jim Malberg, City Treasurer	1/12/23 <hr style="border: 0; border-top: 1px solid black;"/> Date

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102390	01/09/2023			ABC SUPPLY CO INC - MBA 742	\$272.51
	Invoice	Date	Description		Amount
	43951791	12/27/2022	Rubber coating 1311 - Wharf		\$272.51
102391	01/09/2023			ADAMS ASHBY GROUP INC.	\$1,750.00
	Invoice	Date	Description		Amount
	4648	12/01/2022	November CDBG CV2-3 general admin		\$750.00
	4649	12/01/2022	November CDBG CV1 general admin 1350 - CDBG Grants		\$1,000.00
102392	01/09/2023			AFLAC	\$1,950.06
	Invoice	Date	Description		Amount
	092422	12/30/2022	December supplemental insurance 1001 - Payroll Payables		\$1,950.06
102393	01/09/2023			ALEXANDER PEDERSEN	\$250.00
	Invoice	Date	Description		Amount
	AP121622	12/16/2022	Digital reading device reimbursement		\$250.00
102394	01/09/2023			ALL TRAFFIC SOLUTIONS	\$11,858.64
	Invoice	Date	Description		Amount
	SIN034800	11/15/2022	Speed alert radar message sign 2212 - ISF - Equipment Replacement		\$11,858.64
102395	01/09/2023			ALLIED UNIVERSAL	\$392.06
	Invoice	Date	Description		Amount
	13126996	09/01/2022	McGregor skate park foot patrol		\$392.06
102396	01/09/2023			ALVAREZ TECHNOLOGY GROUP INC	\$192.50
	Invoice	Date	Description		Amount
	66103	12/16/2022	January antivirus 2211 - ISF - Information Tech		\$192.50
102397	01/09/2023			AMAZON CAPITAL SERVICES	\$1,474.02
	Invoice	Date	Description		Amount
	1D7D-C9Q6-31WX	12/08/2022	Social Media Team Camera Accessories		\$52.64
	1FH6-D7P6-PWFL	12/04/2022	Key Storage Lock Box		\$67.55
	1LHN-HVM3-3CML	12/07/2022	Office Supplies		\$26.10
	1TNF-7XV6-9DKR	12/07/2022	Office Supplies		\$20.70
	1V3M-4PNC-VVVV	12/04/2022	Wellness Project Supplies		\$311.38
	1F3T-J7RT-RLXH	12/11/2022	Standing desk		\$752.09
	1R9X-FD4Y-1VCK	12/07/2022	Kitchen essentials kit, vacuum cleaner, hot plate		\$166.06
	1RK6-F13Q-TRVL	12/18/2022	Air filter		\$77.50
			1000 - General Fund	\$1,110.00	
			1300 - SLESF - Supl Law Encf	\$ 364.02	
102398	01/09/2023			APTOS LANDSCAPE SUPPLY INC.	\$200.52
	Invoice	Date	Description		Amount
	594065	12/08/2022	Sod mix, beach pebbles		\$141.66
	594003	12/07/2022	Sod mix		\$58.86
102399	01/09/2023			AT&T	\$9.38
	Invoice	Date	Description		Amount
	ATT120122	12/01/2022	December long distance charges		\$9.38
			1000 - General Fund	\$4.62	
			2211 - ISF - Information Tech	\$4.76	

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102400	01/09/2023 Invoice 000019214862	Date 12/13/2022	Description December telephone service 1000 - General Fund 2211 - ISF - Information Tech	AT&T/CALNET 3	\$242.02 Amount \$242.02 \$184.34 \$ 57.68
102401	01/09/2023 Invoice 000019215530	Date 12/13/2022	Description December T-1 access	AT&T/CALNET 3	\$1,202.76 Amount \$1,202.76
102402	01/09/2023 Invoice 22179	Date 12/22/2022	Description December wharf meter reading 1311 - Wharf	AUTOMATION TEST ASSOCIATES	\$40.00 Amount \$40.00
102403	01/09/2023 Invoice 510034 510153 510582 510343	Date 12/13/2022 12/15/2022 12/22/2022 12/19/2022	Description Flysheel, bar nut Union nut, carabiner, pruning saw, sheath, hand pruner Hand pruners, union nut Labor	B & B SMALL ENGINE REPAIR	\$425.78 Amount \$119.12 \$152.55 \$123.75 \$30.36
102404	01/09/2023 Invoice 19160520 19160521	Date 11/28/2022 11/28/2022	Description Prints for gift Bertrand retirement gift	BAY PHOTO LAB	\$146.98 Amount \$106.29 \$40.69
102405	01/09/2023 Invoice B07BYX	Date 12/01/2022	Description December dental & vision insurance 1001 - Payroll Payables	BENEFIT COORDINATORS CORP.	\$5,343.30 Amount \$5,343.30
102406	01/09/2023 Invoice 621124 622576 609675 603117	Date 12/05/2022 12/05/2022 10/05/2022 09/06/2022	Description Custodian of Records Fingerprinting November recreation fingerprinting September recreation fingerprinting August recreation fingerprinting	CA DEPARTMENT OF JUSTICE	\$599.00 Amount \$158.00 \$98.00 \$196.00 \$147.00
102407	01/09/2023 Invoice SL230159	Date 01/03/2023	Description July - September signals and lighting 1200 - Capital Improvement Fund 1310 - Gas Tax	CA DEPARTMENT OF TRANSPORTATION	\$10,637.66 Amount \$10,637.66 \$6,628.90 \$4,008.76
102408	01/09/2023 Invoice POA121622	Date 12/16/2022	Description POA & gym dues PPE 12/10/22 1001 - Payroll Payables	CAPITOLA PEACE OFFICERS ASSOCIATION	\$940.50 Amount \$940.50
102409	01/09/2023 Invoice 4389	Date 12/16/2022	Description 2023 Membership Dues	CAPITOLA-SOQUEL CHAMBER OF COMMERCE	\$375.00 Amount \$375.00
102410	01/09/2023 Invoice CH120522	Date 12/05/2022	Description BIA website, mailchimp, storage, ads, print, mail, events 1321 - BIA - Capitola Village-Wharf BIA	CARIN HANNA	\$4,993.51 Amount \$4,993.51

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102411	01/09/2023 Invoice FL17416	Date 12/02/2022	Description HP A140G2 Computers 1300 - SLESF - Supl Law Enfc	CDW GOVERNMENT INC.	\$6,269.24
102412	01/09/2023 Invoice 9205388138	Date 12/23/2022	Description City Hall first aid supplies 2210 - ISF - Stores Fund	CINTAS CORPORATION	\$777.07
102413	01/09/2023 Invoice 029519	Date 12/06/2022	Description Transponder chipped key	COAST LOCK & SAFE INC.	\$98.32
102414	01/09/2023 Invoice 654591	Date 12/07/2022	Description Office Supplies	COAST PAPER & SUPPLY INC.	\$96.46
102415	01/09/2023 Invoice 33448011	Date 12/15/2022	Description STOPP Forms	COMMUNITY PRINTERS	\$219.29
102416	01/09/2023 Invoice 3203	Date 12/30/2022	Description November televised meetings	COMMUNITY TELEVISION OF SANTA CRUZ COI	\$1,017.00
102417	01/09/2023 Invoice 7518	Date 12/07/2022	Description Spring brochure mailing	COMPLETE MAILING SERVICE INC.	\$8,166.42
102418	01/09/2023 Invoice 152	Date 11/28/2022	Description Preventative maintenance: all facilities	CRAIG FEENEY	\$1,130.00
102419	01/09/2023 Invoice CJC2223-CICA	Date 12/12/2022	Description Member contribution 22-23	CRIMINAL JUSTICE COUNCIL OF SCC	\$3,000.00
102420	01/09/2023 Invoice 47937	Date 12/09/2022	Description November building plan review services	CSG Consultants Inc.	\$480.00
102421	01/09/2023 Invoice 295661	Date 12/31/2022	Description Skate park hand wash station, portable toilets	D & G SANITATION	\$621.13
102422	01/09/2023 Invoice TDQAC121222	Date 12/12/2022	Description QAC license renewal for Thomas Dixon	DEPARTMENT OF PESTICIDE REGULATION	\$60.00
102423	01/09/2023 Invoice DOD120422	Date 12/04/2022	Description New employee testing & exams	DOCTORS ON DUTY	\$527.50
102424	01/09/2023 Invoice 202209627	Date 11/16/2022	Description #22-0244 Capitola Rd environmental consulting services	DUDEK	\$4,131.25

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102425	01/09/2023			EQUITABLE	\$2,727.76
	Invoice	Date	Description		Amount
	1363698	12/30/2022	December LTD, STD, AD&D, life insurance 1001 - Payroll Payables		\$2,727.76
102426	01/09/2023			EWING IRRIGATION	\$51.18
	Invoice	Date	Description		Amount
	18373569	12/06/2022	Soil probe, rake handle		\$51.18
102427	01/09/2023			EXCEEDIO	\$9,011.42
	Invoice	Date	Description		Amount
	13480	01/01/2023	January IT services		\$8,914.95
	13495	12/28/2022	APC UPS backups 2211 - ISF - Information Tech		\$96.47
102428	01/09/2023			FIRST ALARM	\$267.87
	Invoice	Date	Description		Amount
	725201	12/15/2022	Monitoring Service for 1/1/23 - 3/31/23		\$267.87
102429	01/09/2023			FLYERS ENERGY LLC	\$10,978.11
	Invoice	Date	Description		Amount
	22-703790	12/08/2022	761 gallons gasoline		\$3,614.89
	22-703791	12/08/2022	152 gallons diesel		\$859.29
	22-715146	12/27/2022	929 gallons gasoline		\$3,869.52
	22-715134	12/27/2022	104 gallons diesel		\$571.04
	22-719492	12/30/2022	460 gallons gasoline		\$2,063.37
102430	01/09/2023			GEORGE McMENAMIN	\$1,293.75
	Invoice	Date	Description		Amount
	GM120922	12/09/2022	Riparian restoration services		\$1,293.75
102431	01/09/2023			HINDERLITER DELLAMAS AND ASSOCIATES	\$3,048.14
	Invoice	Date	Description		Amount
	SIN023597	12/09/2022	Sales tax audit services		\$899.07
	SIN023602	12/09/2022	Sales tax audit services		\$899.07
	SIN023820	11/30/2022	TOT and STR admin fees		\$1,250.00
102432	01/09/2023			HOME DEPOT CREDIT SERVICES	\$2,390.10
	Invoice	Date	Description		Amount
	8645072	12/15/2022	Esplanade restroom supplies		\$71.28
	4342503	12/09/2022	18-Volt lithium ion cordless inflator		\$195.11
	5611480	12/08/2022	Kneeling pads, socket set, storage case, hand held spreader		\$148.94
	2012620	12/01/2022	Paper towels, mop refill, mop combo		\$58.23
	2524404	12/01/2022	Toilet brushes, buckets, plunger		\$141.86
	6061257	12/27/2022	Duct tape, brushes, pliers		\$53.92
	3036010	12/20/2022	Toilets (2), mirrors (2), misc restroom remodel supplies		\$700.50
	1613610	12/22/2022	Ext pole, paint, roller covers, sponges, brush, cleaning supplie		\$204.29
	3623501	12/20/2022	Loctite		\$28.30
	0526254	12/13/2022	Electric tape, staples		\$31.09
	7510475	11/16/2022	Paint		\$22.85
	1514310	12/12/2022	Wrench/socket set, nozzle, pipe weld,		\$55.38
	2522958	11/21/2022	"Spray gun, filter kit, nozzle, tool oil		\$133.76
	7526805	12/16/2022	Utility knife, battery storage		\$31.56
	4512249	11/29/2022	Compressor tool, orgainzer		\$233.13
	1614435	11/22/2022	Gorilla glue, sponge, outlet box extender		\$50.58
	4524090	11/29/2022	Power box, sealant, paint, organizer, storage boxes		\$91.45
	4013632	12/09/2022	Lumber, corrugated metal roof, gloves, grounding plug		\$83.44
	1644828	12/12/2022	Drain bladder (2)		\$54.43

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount	
102433	01/09/2023 Invoice INV-060762	Date 11/30/2022	Description Carwash Closing Date 11/30/2022	HUMBOLDT PETROLEUM LLC	Amount \$42.50	\$42.50
102434	01/09/2023 Invoice 70901	Date 12/21/2022	Description Memorial plaque	INTERNATIONAL BRONZE PLAQUE COMPANY	Amount \$195.00	\$195.00
102435	01/09/2023 Invoice 199394	Date 12/15/2022	Description PW software Dec 2022 - Jun 2023 1317 - Technology Fee Fund	WorQ Systems Inc.	Amount \$3,500.00	\$3,500.00
102436	01/09/2023 Invoice JR121522	Date 12/15/2022	Description Instructor payment	JANET RUSSELL	Amount \$500.50	\$500.50
102437	01/09/2023 Invoice 55Y1332143 55Y1333920	Date 12/19/2022 12/29/2022	Description City Hall copier usage charges City Hall & Recreation copier usage charges 2211 - ISF - Information Tech	KBA Document Solutions LLC	Amount \$239.99 \$207.17	\$447.16
102438	01/09/2023 Invoice 803-45213334	Date 12/19/2022	Description Paint	KELLY MOORE PAINT COMPANY INC.	Amount \$310.25	\$310.25
102439	01/09/2023 Invoice 097763139-1122 23298330 23298331	Date 11/30/2022 11/30/2022 11/30/2022	Description Park Ave traffic calming 41st Ave & Capitola Rd intersection analysis Bay Ave / Hill St intersection analysis 1200 - Capital Improvement Fund 1310 - Gas Tax	KIMLEY HORN AND ASSOCIATES INC	Amount \$1,470.00 \$1,085.80 \$8,210.00 \$2,555.80 \$8,210.00	\$10,765.80
102440	01/09/2023 Invoice A0329455 A0329133 A0329463	Date 12/06/2022 11/21/2022 12/06/2022	Description Paint Curb paint Pail, Lids, bucket, brushes, paint	KING'S PAINT AND PAPER INC.	Amount \$156.18 \$85.19 \$102.66	\$344.03
102441	01/09/2023 Invoice 0558777	Date 11/30/2022	Description Range Supplies	LAW ENFORCEMENT TARGETS INC.	Amount \$404.13	\$404.13
102442	01/09/2023 Invoice LM121022	Date 12/10/2022	Description SLI training reimbursement	LEO MORENO	Amount \$966.86	\$966.86
102443	01/09/2023 Invoice 33147048	Date 12/22/2022	Description Acetylene rental	LINDE GAS & EQUIPMENT INC.	Amount \$252.96	\$252.96
102444	01/09/2023 Invoice FK9271	Date 12/30/2022	Description December LIUNA pension dues 1001 - Payroll Payables	LIUNA PENSION FUND	Amount \$1,747.20	\$1,747.20

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102445	01/09/2023			MALLORY SAFETY AND SUPPLY LLC	\$2,126.22
	Invoice	Date	Description		Amount
	5506319	12/12/2022	Rain jackets, overalls		\$2,126.22
102446	01/09/2023			MASTER CLEANERS	\$1,007.69
	Invoice	Date	Description		Amount
	MC120922	12/09/2022	Uniform Cleaning		\$1,007.69
102447	01/09/2023			METRO MOBILE COMMUNICATIONS	\$1,951.96
	Invoice	Date	Description		Amount
	46815	12/01/2022	528 Modular Helmet 1300 - SLESF - Supl Law Enfc		\$1,951.96
102448	01/09/2023			MID COUNTY AUTO SUPPLY	\$606.25
	Invoice	Date	Description		Amount
	M-1976415	12/08/2022	carb clean, gas can		\$22.83
	M-1991531	12/22/2022	Fuel repair line, kit, unions		\$71.32
	M-1994299	12/27/2022	Wiper blades		\$119.71
	M-1985905	12/16/2022	Battery & electric system tester		\$392.39
102449	01/09/2023			MISSION LINEN SUPPLY	\$568.98
	Invoice	Date	Description		Amount
	518315066	12/07/2022	Corp. Yard linen service		\$97.07
	518360410	12/14/2022	Corp. Yard linen service		\$119.36
	518315065	12/07/2022	Fleet towels, uniform cleaning		\$34.03
	518360409	12/14/2022	Fleet towels, uniform cleaning		\$34.03
	518443778	12/28/2022	Fleet towels, uniform cleaning		\$34.03
	44043A	12/21/2022	Corp. Yard linen service		\$97.07
	518443779	12/28/2022	Corp. Yard linen service		\$119.36
	518406630	12/21/2022	Fleet towels, uniform cleaning		\$34.03
102450	01/09/2023			MOFFATT AND NICHOL	\$10,392.00
	Invoice	Date	Description		Amount
	00773864	11/09/2022	Wharf design, permit, construction support 1200 - Capital Improvement Fund		\$10,392.00
102451	01/09/2023			MOTOROLA SOLUTIONS INC.	\$3,750.82
	Invoice	Date	Description		Amount
	8281510219	11/15/2022	IP68 Remote Speaker Microphones		\$497.17
	8281517113	12/22/2022	Vista Body Cameras 1300 - SLESF - Supl Law Enfc		\$3,253.65
102452	01/09/2023			NORTH BAY FORD	\$231.28
	Invoice	Date	Description		Amount
	287425	12/13/2022	Louvre asy vent, styde king flashlight		\$84.11
	287531	12/22/2022	Weatherstrip door		\$147.17
102453	01/09/2023			NUZ Inc.	\$900.00
	Invoice	Date	Description		Amount
	63344	11/30/2022	Advertising Plein Air		\$900.00
102454	01/09/2023			O'REILLY AUTO PARTS	\$565.61
	Invoice	Date	Description		Amount
	2763-323372	12/07/2022	Oil filter, oil		\$90.20
	2763-323251	12/07/2022	Alternator, crank sensor, ABS sensor, ceramic pads		(\$38.95)
	2763-323619	12/09/2022	Cabin filter, oil filter, sprk plug, air filter, wiper fluid		\$131.96
	2763-324571	12/14/2022	Air intake hose		\$40.95
	2763-324570	12/14/2022	Duct tape, razor blades, mirror weld, mirror adhesive		\$28.50
	2763-325551	12/19/2022	Butane, brake pads, oil		\$161.56
	2763-325975	12/21/2022	Pulley tool, timing kit		\$151.39

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102455	01/09/2023			OUTDOOR SUPPLY HARDWARE	\$2,319.32
	Invoice	Date	Description		Amount
	G59956	12/07/2022	Deer fence 7x100ft		\$304.08
	G59899	12/07/2022	Towels, brush		\$26.14
	G64441	12/15/2022	Combination lock, screwdriver		\$27.66
	G56357	12/01/2022	Key blank		\$4.35
	G58899	12/05/2022	Gloves, cutting wheel, Ford chip key, wire wheel, bucket		\$145.99
	G60319	12/08/2022	Bulk fastener, grinding wheel, wire wheel, batteries, cut wheel		\$74.82
	G72198	12/29/2022	Knife, hose, nozzle, paint edger, belt sandpaper, misc supplies		\$174.86
	G71199	12/27/2022	Plug, pulley, aircraft cable, bulk fasteners, bucket, conduit		\$152.01
	G72173	12/29/2022	Tube cutters		\$53.39
	G66830	12/19/2022	Cactus, succulent, stone, soil		\$44.62
	G65068	12/16/2022	LED lights		\$71.92
	G59277	12/06/2022	Pail, lid, spackling, cualk		\$36.79
	G56176	12/01/2022	Bulk fastener		\$4.91
	G67122	12/19/2022	Extension cord		\$50.77
	G65010	12/16/2022	Graffiti coverup supplies		\$34.85
	G59513	12/06/2022	Trash cans (7)		\$365.07
	G54518	11/28/2022	Bulk fastener, drill bit		\$21.82
	G55302	11/29/2022	Outlet taps, extension cords, electrical tape		\$134.75
	G67486	12/20/2022	Extension cord		\$25.39
	G64995	12/16/2022	Bulk fasteners, aircraft cable, ring sp, hinge, 41 pc hex		\$228.41
	G68249	12/21/2022	Bulk fasteners, paint stripper		\$52.13
	G68862	12/22/2022	Socket sets, magnet, scissor, wire wheel, soapstone		\$157.97
	G68877	12/22/2022	Bucket, eye bolt, drop cloth		\$39.64
	G60473	12/08/2022	Poinsettia, hot pads, extension cords, cleaner, ant killer		\$86.98
102456	01/09/2023			PACIFIC GAS & ELECTRIC	\$17,990.20
	Invoice	Date	Description		Amount
	PGE121322-acct5	12/13/2022	Pacific Cove parking lot utilities		\$1,382.43
	PGE121322-acct9	12/13/2022	December utilities		\$16,607.77
			1000 - General Fund	\$8,343.39	
			1300 - SLESF - Supl Law Enfc	\$ 126.97	
			1310 - Gas Tax	\$6,939.75	
			1311 - Wharf	\$2,580.09	
102457	01/09/2023			PALACE BUSINESS SOLUTIONS	\$420.65
	Invoice	Date	Description		Amount
	666211-0	12/07/2022	Office Supplies		\$30.40
	666983-0	12/13/2022	Office Supplies		\$88.42
	667543-0	12/19/2022	Office Supplies		\$68.92
	667290-0	12/15/2022	Office Supplies		\$66.36
	667290-1	12/16/2022	Office Supplies		\$78.35
	667128-0	12/15/2022	Office Supplies		\$30.55
	665828-0	12/01/2022	Certificate holders, dusters, pens, air freshener		\$57.65
102458	01/09/2023			PAST CONSULTANTS LLC	\$2,000.00
	Invoice	Date	Description		Amount
	PAST112222	11/22/2022	#22-0437 Historic assessment 217 Hollister St		\$2,000.00
102459	01/09/2023			PEAK COMMUNICATIONS	\$1,175.38
	Invoice	Date	Description		Amount
	120922B	12/09/2022	Completion of cable adds, moves, and changes 2211 - ISF - Information Tech		\$1,175.38
102460	01/09/2023			PITNEY BOWES	\$328.11
	Invoice	Date	Description		Amount
	PB121922	12/19/2022	City Hall postage machine 2210 - ISF - Stores Fund		\$328.11

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102461	01/09/2023			ROBERT M PATTERSON	\$150.00
	Invoice	Date	Description		Amount
	RMP120522	12/05/2022	Administrative Reviews Billing Statement 12/5/2022		\$150.00
102462	01/09/2023			RRM DESIGN GROUP	\$9,385.00
	Invoice	Date	Description		Amount
	1783-03-1122	12/06/2022	#22-0244 Capitola Rd design peer review		\$1,357.50
	2757-01-1122	12/06/2022	Capitola Housing Element Update		\$8,027.50
			1000 - General Fund	\$1,357.50	
			1313 - General Plan Update & Maint	\$8,027.50	
102463	01/09/2023			SALVATION ARMY	\$3,000.00
	Invoice	Date	Description		Amount
	SS122122	12/21/2022	Sip and Stroll proceeds to Angel Tree Project		\$3,000.00
			1321 - BIA - Capitola Village-Wharf BIA		
102464	01/09/2023			SAN LORENZO LUMBER	\$83.61
	Invoice	Date	Description		Amount
	55-0763318	10/20/2022	Lumber return		(\$164.99)
	55-0774630	12/12/2022	Concrete mix 80lb		\$148.02
	55-0774634	12/12/2022	Garden hoe		\$27.46
	55-0770989	11/22/2022	Lumber		\$73.12
102465	01/09/2023			SANTA CRUZ AUTO PARTS INC.	\$104.62
	Invoice	Date	Description		Amount
	14508-458061	12/07/2022	Oil filters, wiper blades, break clean		\$104.62
102466	01/09/2023			SANTA CRUZ COUNTY AUDITOR-CONTROLLEF	\$17,596.50
	Invoice	Date	Description		Amount
	SCCO103122	10/31/2022	October citation processing		\$17,596.50
102467	01/09/2023			SANTA CRUZ COUNTY AUDITOR-CONTROLLEF	\$13,617.50
	Invoice	Date	Description		Amount
	SCCO113022	11/30/2022	November citation processing		\$13,617.50
102468	01/09/2023			SANTA CRUZ COUNTY INFORMATION SERVICE	\$663.51
	Invoice	Date	Description		Amount
	SCISD122022	12/20/2022	October 2022 Open Query Charges		\$663.51
102469	01/09/2023			SANTA CRUZ COUNTY LAW ENFORCEMENT CI	\$50.00
	Invoice	Date	Description		Amount
	SCCLECA121522	12/15/2022	2023 Membership Dues		\$50.00
102470	01/09/2023			SANTA CRUZ LIVE SCAN INC.	\$60.00
	Invoice	Date	Description		Amount
	2321	01/01/2023	New hire live scan (2)		\$60.00
102471	01/09/2023			SANTA CRUZ MUNICIPAL UTILITIES	\$386.70
	Invoice	Date	Description		Amount
	SCMU120722	12/07/2022	November water service for medians		\$386.70
102472	01/09/2023			SANTA CRUZ REGIONAL 911	\$139,539.75
	Invoice	Date	Description		Amount
	SCR122022	12/20/2022	FY22/23 Third Quarter Operating Contribution		\$139,539.75
102473	01/09/2023			SECURITY CRIME PREVENTION CORP	\$490.00
	Invoice	Date	Description		Amount
	2901	11/30/2022	November 2022 Prisoner Watch and Standby		\$490.00

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102474	01/09/2023			SERVPRO OF SANTA CRUZ	\$293.29
	Invoice	Date	Description		Amount
	2652	12/12/2022	Vehicle Cleaning for 181 on 12/9/2022		\$293.29
102475	01/09/2023			SHELTON ROOFING	\$8,187.97
	Invoice	Date	Description		Amount
	1479	12/11/2022	Material contracts: 1400 Wharf Rd 1311 - Wharf		\$8,187.97
102476	01/09/2023			SOQUEL CREEK WATER DISTRICT	\$8,772.65
	Invoice	Date	Description		Amount
	06-14476-0120522	12/05/2022	06-14476-00 430 Kennedy Drive water service		\$89.21
	08-15299-0121222	12/12/2022	08-15299-00 Monterey Ave. water		\$134.54
	08-15562-0121222	12/12/2022	08-15562-00 Cliff and Fairview water service		\$38.01
	09-15964-0121222	12/12/2022	09-15964-00 Monterey Ave. Esplanade water		\$820.17
	42-14952-0120522	12/05/2022	42-14952 Cortez Park irrigation		\$237.55
	42-15297-0120522	12/05/2022	42-15297-00 426 Capitola Ave irrigation		\$149.27
	42-15969-0120522	12/05/2022	42-15969-00 Lawn Way irrigation		\$111.97
	42-16122-0120522	12/05/2022	42-16122-00 Esplanade fountain irrigation		\$76.57
	42-10504-0120522	12/05/2022	42-10504-00 Cliff Drive irrigation		\$64.40
	42-11090-0120522	12/05/2022	42-11090-01 Capitola Road irrigation		\$149.27
	42-11467-0120522	12/05/2022	42-11467-00 Jade Street park irrigation		\$3,628.04
	42-11517-0120522	12/05/2022	42-11517-00 41st Avenue irrigation		\$149.27
	42-14404-0120522	12/05/2022	42-14404-00 Monterey Ave. Nobel Gulch Park irrigation		\$150.16
	42-16130-0120522	12/05/2022	42-16130-00 Wharf Road irrigation		\$64.40
	42-16136-0120522	12/05/2022	42-16136-00 1400 Wharf Road irrigation		\$586.37
	42-16407-0120522	12/05/2022	42-16407-00 Bay Ave. irrigation		\$64.40
	42-14431-0120522	12/05/2022	42-14431-00 Monterey Ave Irrigation		\$1,702.91
	42-17688-0120522	12/05/2022	42-17688-00 Lawn Way irrigation 2		\$64.40
	42-18238-0120522	12/05/2022	42-18238-00 Capitola Road irrigation		\$64.40
	10-16317-0121922	12/19/2022	10-16317-00 420 Capitola Ave. water		\$227.14
	10-16315-0121922	12/19/2022	10-16315-00 504 Beulah Dr. water		\$41.37
	10-16316-0121922	12/19/2022	10-16316-00 426 Capitola Ave. water		\$98.29
	13-10919-0122722	12/27/2022	13-10919-00 2000 Wharf Road water service		\$38.01
	34-18508-0122722	12/27/2022	34-18508-00 1510 McGregor Drive water service		\$22.53
			1000 - General Fund	\$8,186.28	
			1311 - Wharf	\$ 586.37	
102477	01/09/2023			SPECTRUM BUSINESS	\$7,799.08
	Invoice	Date	Description		Amount
	0000178120122	12/01/2022	December internet service		\$3,899.54
	0000178010123	01/01/2023	January internet service		\$3,899.54
			1000 - General Fund	\$3,425.60	
			2211 - ISF - Information Tech	\$4,373.48	
102478	01/09/2023			STAPLES ADVANTAGE	\$249.75
	Invoice	Date	Description		Amount
	3524737348	12/03/2022	Office Supplies		\$249.75
102479	01/09/2023			SUMMIT UNIFORMS	\$294.22
	Invoice	Date	Description		Amount
	83854	11/30/2022	530 Jacket		\$294.22
102480	01/09/2023			SZS CONSULTING GROUP	\$11,096.00
	Invoice	Date	Description		Amount
	10	12/22/2022	ADA transition plan and self evaluation phase 1		\$9,476.00
	11	12/22/2022	ADA transition plan and self evaluation phase 2 1200 - Capital Improvement Fund		\$1,620.00

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102481	01/09/2023			T MOBILE	\$387.44
	Invoice	Date	Description		Amount
	TM112122	11/21/2022	November cell phone usage		\$193.72
	TM122122	12/21/2022	December cell phone usage		\$193.72
102482	01/09/2023			THE CHRISTMAS LIGHT PROS OF MONTEREY	\$5,730.45
	Invoice	Date	Description		Amount
	3100	12/08/2022	Maintenance of village tree lights		\$3,310.00
	3121	12/08/2022	Purchase of lights for village		\$2,070.45
	3120	12/08/2022	Replace palm tree lights		\$350.00
			1321 - BIA - Capitola Village-Wharf BIA		
102483	01/09/2023			THE CLEANING MACHINE INC.	\$13,800.00
	Invoice	Date	Description		Amount
	6590	09/14/2022	Village sidewalk cleaning		\$2,760.00
	6591	09/28/2022	Village sidewalk cleaning		\$2,760.00
	6597	10/13/2022	Village sidewalk cleaning		\$2,760.00
	6605	11/23/2022	Village sidewalk cleaning		\$2,760.00
	6601	10/26/2022	Village sidewalk cleaning		\$2,760.00
			1000 - General Fund	\$ 2,760.00	
			1321 - BIA - Capitola Village-Wharf BIA	\$11,040.00	
102484	01/09/2023			THE HOME DEPOT PRO	\$3,021.71
	Invoice	Date	Description		Amount
	719781593	12/01/2022	Restroom supplies		\$1,747.85
	720167642	12/02/2022	Notebook		\$2.81
	721218014	12/09/2022	Paper towels, can liners, enzyme, batteries		\$1,188.38
	721361533	12/09/2022	Batteries		\$82.67
102485	01/09/2023			THE SKYLIGHT PLACE INC.	\$176.58
	Invoice	Date	Description		Amount
	44043A	12/01/2022	Rescreen supplies		\$176.58
102486	01/09/2023			THERESA NELSON	\$42.25
	Invoice	Date	Description		Amount
	TN121422	12/14/2022	Instructor payment		\$42.25
102487	01/09/2023			THOMAS DIXON	\$157.86
	Invoice	Date	Description		Amount
	TD121522	12/15/2022	Employee reimbursement - work boots		\$157.86
102488	01/09/2023			TPX COMMUNICATIONS	\$1,680.90
	Invoice	Date	Description		Amount
	165432108-0	12/23/2022	December phone service		\$1,680.90
			1000 - General Fund	\$899.57	
			2211 - ISF - Information Tech	\$781.33	
102489	01/09/2023			UNITED WAY OF SANTA CRUZ COUNTY	\$30.00
	Invoice	Date	Description		Amount
	UW123022	12/30/2022	December United Way contributions		\$30.00
			1001 - Payroll Payables		
102490	01/09/2023			UPEC LIUNA LOCAL 792	\$921.50
	Invoice	Date	Description		Amount
	UPEC123022	12/30/2022	December UPEC dues		\$921.50
			1001 - Payroll Payables		

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102491	01/09/2023			US BANK	\$9,378.07
	Invoice	Date	Description		Amount
	63714	01/01/2023	Facility lease #CIEDB-BC15-103 1421 - Pac Cove Park		\$9,378.07
102492	01/09/2023			US BANK EQUIPMENT FINANCE	\$315.01
	Invoice	Date	Description		Amount
	490711215	12/29/2022	City Hall & Recreation copier leases 2210 - ISF - Stores Fund		\$315.01
102493	01/09/2023			US BANK EQUIPMENT FINANCE	\$205.61
	Invoice	Date	Description		Amount
	488732751	12/04/2022	Recreation copier lease		\$205.61
102494	01/09/2023			US BANK EQUIPMENT FINANCE	\$204.93
	Invoice	Date	Description		Amount
	488733171	12/05/2022	PD copier lease		\$204.93
102495	01/09/2023			US BANK PARS Acct 6746022400	\$395.29
	Invoice	Date	Description		Amount
	PARS121622	12/16/2022	PARS contributions PPE 12/10/22 1001 - Payroll Payables		\$395.29
102496	01/09/2023			US BANK PARS Acct 6746022400	\$318.71
	Invoice	Date	Description		Amount
	PARS123022	12/30/2022	PARS contributions PPE 12/24/22 1001 - Payroll Payables		\$318.71
102497	01/09/2023			VERIZON WIRELESS	\$2,864.79
	Invoice	Date	Description		Amount
	9922634364	12/10/2022	December telephone charges		\$2,864.79
102498	01/09/2023			VITAL RECORDS HOLDING LLC	\$418.01
	Invoice	Date	Description		Amount
	3120284	11/30/2022	November record storage		\$321.51
	3104972	11/30/2022	November record storage		\$96.50
102499	01/09/2023			WATSONVILLE BLUEPRINT	\$108.71
	Invoice	Date	Description		Amount
	109052	12/19/2022	Wharf plans		\$75.93
	108694	11/21/2022	#22-0436 plans for English Ales		\$32.78
102500	01/09/2023			WE ALL RIDE SANTA CRUZ	\$266.44
	Invoice	Date	Description		Amount
	4175211	12/06/2022	Helmet cleaner, insect remover, slick mist, cleansers, degreaser		\$117.87
	4175145	11/30/2022	Brake pads		\$148.57
102501	01/09/2023			WELLS FARGO BANK	\$10,328.42
	Invoice	Date	Description		Amount
	WF120222	12/02/2022	November credit card charges		\$10,328.42
			1000 - General Fund	\$9,352.60	
			2210 - ISF - Stores Fund	\$ 270.31	
			2211 - ISF - Information Tech	\$ 705.51	
102502	01/09/2023			WESTERN EXTERMINATOR COMPANY	\$156.40
	Invoice	Date	Description		Amount
	29565701	12/02/2022	December turnouts rodent control		\$78.20
	29565700	12/02/2022	December City Hall rodent control		\$78.20

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102503	01/09/2023			Ben Harvey	\$53.40
	Invoice	Date	Description		Amount
	BH010423	01/04/2022	MBAMG meeting luncheon		\$53.40
102504	01/09/2023			Diadiw, Michael	\$10.00
	Invoice	Date	Description		Amount
	MD121522	12/15/2022	Citation # 900125600		\$10.00
102505	01/09/2023			Gil Santos	\$500.00
	Invoice	Date	Description		Amount
	22-0395	12/12/2022	Refund tree permit #22-0395		\$500.00
102506	01/09/2023			Gipson, Andrew	\$96.00
	Invoice	Date	Description		Amount
	AG121522	12/15/2022	Citation # 700123655A		\$96.00
102507	01/09/2023			Jed & Helen Myall	\$500.00
	Invoice	Date	Description		Amount
	22-0452	12/12/2022	Refund tree permit #22-0452		\$500.00
102508	01/09/2023			Krikke, Lauren	\$342.00
	Invoice	Date	Description		Amount
	LK120722	12/07/2022	Citation # 200144343		\$342.00
102509	01/09/2023			Mazzia, Gavin	\$82.00
	Invoice	Date	Description		Amount
	GM121522	12/15/2022	Citation # 900124493		\$82.00
102510	01/09/2023			Megan Marco	\$94.00
	Invoice	Date	Description		Amount
	MM120622	12/06/2022	Refund for cancelled class		\$94.00
102511	01/09/2023			Monahan, Christopher	\$36.00
	Invoice	Date	Description		Amount
	CM121522	12/15/2022	Citation # 200142194		\$36.00
102512	01/09/2023			Ortiz-Rodriguez, Alejandro	\$137.00
	Invoice	Date	Description		Amount
	RO113022	12/14/2022	22C-01448 Vehicle Tow		\$137.00
102513	01/09/2023			Witkowski, David	\$36.00
	Invoice	Date	Description		Amount
	DW121522	12/15/2022	Citation # 544124305		\$36.00
Check Totals:					\$440,084.70
EFT					
1428	12/19/2022			CalPERS Health Insurance	\$67,335.97
	Invoice	Date	Description		Amount
	1002264313	12/14/2022	January health insurance		\$67,335.97
			1000 - General Fund	\$ 3,895.03	
			1001 - Payroll Payables	\$63,440.94	
1429	12/19/2022			CalPERS Member Services Division	\$55,749.97
	Invoice	Date	Description		Amount
	1002264202-5	12/16/2022	PERS contributions PPE 12/10/22		\$55,749.97
			1000 - General Fund	(\$ 0.34)	
			1001 - Payroll Payables	\$55,750.31	

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1430	12/19/2022			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$9,409.65
	Invoice	Date	Description		Amount
	0-606-719-200	12/16/2022	State taxes PPE 12/10/22 1001 - Payroll Payables		\$9,409.65
1431	12/19/2022			INTERNAL REVENUE SERVICE	\$31,904.51
	Invoice	Date	Description		Amount
	10029481	12/16/2022	Federal taxes & Medicare PPE 12/10/22 1001 - Payroll Payables		\$31,904.51
1432	12/19/2022			STATE DISBURSEMENT UNIT	\$1,575.68
	Invoice	Date	Description		Amount
	42275852	12/16/2022	Employee garnishments PPE 12/10/22 1001 - Payroll Payables		\$1,575.68
1433	12/19/2022			VOYA FINANCIAL	\$6,642.86
	Invoice	Date	Description		Amount
	VOYA121622	12/16/2022	Employee 457 contributions PPE 12/10/22 1001 - Payroll Payables		\$6,642.86
1434	12/19/2022			VOYA FINANCIAL	\$18,611.34
	Invoice	Date	Description		Amount
	VOYA121622-2	12/16/2022	Uharriet 457 contribution final pay 12/16/22 1001 - Payroll Payables		\$18,611.34
1435	12/19/2022			CalPERS Member Services Division	\$400.00
	Invoice	Date	Description		Amount
	1002264241-2	12/16/2022	Late reporting fees 1001 - Payroll Payables		\$400.00
1436	12/27/2022			WEX HEALTH INC.	\$135.00
	Invoice	Date	Description		Amount
	0001634607-IN	11/30/2022	November COBRA and FSA admin.		\$135.00
1437	01/04/2023			CalPERS Member Services Division	\$54,837.52
	Invoice	Date	Description		Amount
	1002274074-7	12/30/2022	PERS contributions PPE 12/24/22 1000 - General Fund 1001 - Payroll Payables	(\$ 0.29) \$54,837.81	\$54,837.52
1438	01/04/2023			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$12,132.73
	Invoice	Date	Description		Amount
	1-723-120-864	12/30/2022	State taxes PPE 12/24/22 1001 - Payroll Payables		\$12,132.73
1439	01/04/2023			INTERNAL REVENUE SERVICE	\$40,451.69
	Invoice	Date	Description		Amount
	32810641	12/30/2022	Federal taxes & Medicare PPE 12/24/22 1001 - Payroll Payables		\$40,451.69
1440	01/04/2023			STATE DISBURSEMENT UNIT	\$1,575.68
	Invoice	Date	Description		Amount
	42507562	12/30/2022	Employee garnishments PPE 12/24/22 1001 - Payroll Payables		\$1,575.68
1441	01/04/2023			VOYA FINANCIAL	\$6,470.86
	Invoice	Date	Description		Amount
	VOYA123022	12/30/2022	Employee 457 contributions PPE 12/24/22 1001 - Payroll Payables		\$6,470.86

EFT Totals:

\$307,233.46

City Checks Issued January 9, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
Main City Totals				Count	Total
Checks				124	\$440,084.70
EFTs				14	\$307,233.46
All				138	\$747,318.16
Payroll Totals					
Checks				4	\$17,250.17
EFTs				181	\$357,614.65
All				185	\$374,864.82
Grand Totals:					
Checks				128	\$457,334.87
EFTs				195	\$664,848.11
All				323	\$1,122,182.98


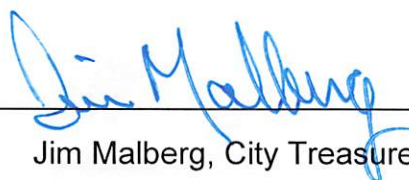
City main account checks dated November 28, 2022, numbered 102189 to 102269 totaling \$180,426.23, eight EFTs totaling \$171,841.28, one payroll check numbered 5810 totaling 9,930.62, and 94 payroll EFTs totaling \$180,396.73, for a grand total of \$542,594.86, have been reviewed and authorized for distribution by the City Manager. City main account checks numbered 101993 to 102090 were voided/renumbered due to a printing error.

As of November 28, 2022, the unaudited cash balance is \$5,741,877.69.

**CASH POSITION - CITY OF CAPITOLA
November 28, 2022**

	11/28/2022
1000 General Fund	\$ (2,067,634.23)
1001 Payroll Payables	\$ 10,910.01
1010 Contingency Reserve Fund	\$ 2,061,345.66
1025 Facilities Reserve Fund	\$ 432,714.09
1200 Capital Improvement Fund	\$ 3,731,554.42
2210 Stores Fund	\$ 62,894.58
2211 Information Technology Fund	\$ 275,628.26
2212 Equipment Replacement	\$ 992,379.60
2213 Self-Insurance Liability Fund	\$ (243,879.30)
2214 Workers' Comp. Ins. Fund	\$ 375,078.54
2216 Compensated Absences Fund	\$ 110,886.06
TOTAL UNASSIGNED GENERAL FUNDS	\$ 5,741,877.69

The Emergency Reserve Fund balance is \$1,314,205.54 (not included above).
 The PERS Contingency Fund balance is \$904,274.68 (not included above).

 <hr style="border: 0; border-top: 1px solid black;"/> Jamie Goldstein, City Manager	12/2/22 <hr style="border: 0; border-top: 1px solid black;"/> Date
 <hr style="border: 0; border-top: 1px solid black;"/> Jim Malberg, City Treasurer	12/2/22 <hr style="border: 0; border-top: 1px solid black;"/> Date

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102189	11/28/2022			A TOOL SHED	\$430.00
	Invoice	Date	Description		Amount
	1605423-5	11/16/2022	Excavator rental		\$430.00
102190	11/28/2022			ABSOLUTE AUTO GLASS INC.	\$498.00
	Invoice	Date	Description		Amount
	W065143	11/15/2022	Winshield seal kit		\$498.00
102191	11/28/2022			AFLAC	\$1,345.04
	Invoice	Date	Description		Amount
	710529	11/25/2022	November supplemental insurance		\$1,345.04
			1000 - General Fund	\$ 35.40	
			1001 - Payroll Payables	\$1,309.64	
102192	11/28/2022			AGILITY TRIBE LLC	\$640.90
	Invoice	Date	Description		Amount
	SL111922	11/19/2022	Instructor payment - Scott Lappin		\$510.90
	AT111822	11/18/2022	Agility Boulders afterschool rec club		\$130.00
102193	11/28/2022			ALLIED INSURANCE	\$392.06
	Invoice	Date	Description		Amount
	13126996	09/01/2022	McGregor Skate Park		\$392.06
102194	11/28/2022			ALLSAFE LOCK COMPANY	\$22.86
	Invoice	Date	Description		Amount
	54055	11/15/2022	Keys (7)		\$22.86
102195	11/28/2022			ALVAREZ TECHNOLOGY GROUP INC	\$192.50
	Invoice	Date	Description		Amount
	65700	11/18/2022	December antivirus		\$192.50
			2211 - ISF - IT		
102196	11/28/2022			AMAZON CAPITAL SERVICES	\$1,236.44
	Invoice	Date	Description		Amount
	17C1-6Y3J-GCXQ	11/09/2022	Shrink art, baseball sets, lanyard hook, activity bucket, kettle		\$102.25
	17C1-6Y3J-J6XP	11/09/2022	Work boots		\$126.43
	1V4D-PR1P-77QY	11/13/2022	Battery tester		\$18.52
	1LGG-RFQC-6NPK	11/17/2022	Cleanser towelette case pack 50		\$26.71
	1M9L-7Q3H-CH9M	11/08/2022	4K smart TV for conference room		\$962.53
102197	11/28/2022			AMERICAN TRAFFIC SOLUTIONS INC.	\$4,494.69
	Invoice	Date	Description		Amount
	INV0037901	07/31/2022	Red Light Revenue 2nd Half FY 21/22		\$4,494.69

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102198	11/28/2022			AMSOIL INC.	\$114.15
	Invoice	Date	Description		Amount
	18848880SO	11/07/2022	Synthetic truck grease		\$114.15
102199	11/28/2022			AT&T/CALNET 3	\$239.72
	Invoice	Date	Description		Amount
	000019069193	11/13/2022	November telephone service		\$239.72
			1000 - General Fund	\$182.47	
			2211 - ISF - IT	\$ 57.25	
102200	11/28/2022			AT&T/CALNET 3	\$1,202.76
	Invoice	Date	Description		Amount
	000019069861	11/13/2022	November T-1 access		\$1,202.76
102201	11/28/2022			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice	Date	Description		Amount
	22126	11/22/2022	November wharf meter reading		\$40.00
			1311 - Wharf		
102202	11/28/2022			BEAR ELECTRICAL SOLUTIONS INC.	\$879.90
	Invoice	Date	Description		Amount
	17244	10/28/2022	October traffic signal maintenance services - response		\$233.10
	17110	10/28/2022	October traffic signal maintenance services - routine		\$646.80
			1310 - Gas Tax		
102203	11/28/2022			BENEFIT COORDINATORS CORP.	\$5,790.10
	Invoice	Date	Description		Amount
	B072VN	11/01/2022	November dental and vision insurance		\$5,790.10
			1001 - Payroll Payables		
102204	11/28/2022			BRANTLY SANDRETTI	\$1,000.00
	Invoice	Date	Description		Amount
	BS110722	11/07/2022	Education reimbursement		\$1,000.00
102205	11/28/2022			CALIFORNIA COAST UNIFORM COMPANY	\$979.91
	Invoice	Date	Description		Amount
	9883	11/16/2022	Vest		\$979.91
102206	11/28/2022			CAPITOLA PEACE OFFICERS ASSOCIATION	\$940.50
	Invoice	Date	Description		Amount
	POA111822	11/18/2022	POA & gym dues PPE 11/12/22		\$940.50
			1001 - Payroll Payables		

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102207	11/28/2022			CAPITOLA SELF STORAGE	\$10,380.00
	Invoice	Date	Description		Amount
	63742	11/07/2022	Museum unit 1229 rent		\$1,164.00
	67730	11/06/2022	Annual museum rent unit 2810		\$5,928.00
	70367	11/06/2022	Annual museum rent unit 2829		\$3,288.00
102208	11/28/2022			CASEY PRINTING	\$7,328.22
	Invoice	Date	Description		Amount
	46819011	11/18/2022	Spring 2023 recreation guide		\$7,328.22
102209	11/28/2022			CDW GOVERNMENT INC.	\$1,952.95
	Invoice	Date	Description		Amount
	DR13978	10/25/2022	Vehicle docking 1300 - SLESF - Supl Law Enfc		\$1,952.95
102210	11/28/2022			DOCTORS ON DUTY	\$157.50
	Invoice	Date	Description		Amount
	DOD110422	11/04/2022	New employee testing & exam		\$157.50
102211	11/28/2022			DOOLEY ENTERPRISES INC.	\$6,002.19
	Invoice	Date	Description		Amount
	64342	11/15/2022	Ammunition		\$6,002.19
102212	11/28/2022			EARTHWORKS PAVING CONTRACTORS INC	\$14,840.00
	Invoice	Date	Description		Amount
	21355	09/27/2022	Install street bond on crosswalks 2,200 SF 1200 - Capital Improvement Fund		\$14,840.00
102213	11/28/2022			ECS IMAGING INC.	\$10,140.00
	Invoice	Date	Description		Amount
	17303	10/31/2022	LaserFiche annual renewal & support 2211 - ISF - IT		\$10,140.00
102214	11/28/2022			EQUITABLE	\$2,935.12
	Invoice	Date	Description		Amount
	1357540-2	10/11/2022	November LTD, STD, AD&D, life insurance 1000 - General Fund \$ 275.26 1001 - Payroll Payables \$2,659.86		\$2,935.12
102215	11/28/2022			EWING IRRIGATION	\$183.27
	Invoice	Date	Description		Amount
	18171497	11/02/2022	Wattle straw bio 9x25		\$81.81
	18221803	11/09/2022	PVC cement, rake handles		\$101.46

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102216	11/28/2022			EXCEEDIO	\$8,914.95
	Invoice	Date	Description		Amount
	13250	11/01/2022	November IT services 2211 - ISF - IT		\$8,914.95
102217	11/28/2022			FIRST ALARM	\$225.69
	Invoice	Date	Description		Amount
	715409	11/15/2022	Community Center quarterly intrusion system monitoring		\$225.69
102218	11/28/2022			FLYERS ENERGY LLC	\$8,051.93
	Invoice	Date	Description		Amount
	22-684598	11/11/2022	1290 gallons gasoline		\$6,923.69
	22-684599	11/11/2022	189 gallons diesel		\$1,128.24
102219	11/28/2022			HOME DEPOT CREDIT SERVICES	\$1,443.13
	Invoice	Date	Description		Amount
	6514583	11/07/2022	Solder supplies, tire guage, inflation guage, misc tools		\$160.12
	7522201	11/16/2022	Impact wrench, gorilla grip trax, primer		\$190.11
	6510562	11/16/2022	Broom, drain opener, bucket, cleaner, metal cutter, prune teeth		\$136.03
	7641748	11/16/2022	impact driver, blower tool, starter kit		\$346.62
	5522491	11/18/2022	Markers, 7pc blow gun kit, impact duty extractor, magnet block		\$62.58
	7522195	11/16/2022	rubber hose, sponges, glass foam spray		\$57.38
	2011523	11/21/2022	Level, lag screws, washers, magnet round base 25#		\$54.97
	5612094	11/08/2022	Rainsuit		\$34.85
	8610032	10/26/2022	Sponges		\$17.40
	3612456	11/10/2022	36in round steel stake (8)		\$83.54
	9613084	11/14/2022	Hoe, utility blades, pencils, caulk gun, paint supplies, loctite		\$178.05
	6524194	10/28/2022	Loctite, rollers, tray, Dewalt nozzle, Comet		\$121.48
102220	11/28/2022			INTERNATIONAL BRONZE PLAQUE COMPANY	\$390.00
	Invoice	Date	Description		Amount
	70511	11/02/2022	Memorial plaque		\$390.00
102221	11/28/2022			Julia Moss	\$1,771.43
	Invoice	Date	Description		Amount
	JM111622	11/16/2022	Relocation expense reimbursment		\$1,771.43
102222	11/28/2022			KATHLEEN SIMPSON	\$116.03
	Invoice	Date	Description		Amount
	KS111122	11/11/2022	Instructor payment		\$116.03
102223	11/28/2022			KING'S PAINT AND PAPER INC.	\$103.77
	Invoice	Date	Description		Amount
	A0328953	11/14/2022	Red paint		\$103.77

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102224	11/28/2022			LAURA ALIOTO	\$652.50
	Invoice	Date	Description		Amount
	LA110522	11/05/2022	Instructor payment		\$652.50
102225	11/28/2022			LC ACTION POLICE SUPPLY LTD	\$1,081.48
	Invoice	Date	Description		Amount
	445757	11/14/2022	range supplies		\$1,081.48
102226	11/28/2022			LEO MORENO	\$942.39
	Invoice	Date	Description		Amount
	LM111222	11/12/2022	SLI training reimbursement		\$942.39
102227	11/28/2022			LEWIS TREE SERVICE INC.	\$3,950.00
	Invoice	Date	Description		Amount
	06008-I	11/10/2022	Remove Monterey Pines (2) across from corp yard		\$2,650.00
	05233-I	11/10/2022	Prune fir tree north side of parking lot		\$1,300.00
102228	11/28/2022			LIUNA PENSION FUND	\$1,164.80
	Invoice	Date	Description		Amount
	FK5503	11/22/2022	November LIUNA pension dues 1001 - Payroll Payables		\$1,164.80
102229	11/28/2022			LORRAINE KINNAMON	\$1,052.35
	Invoice	Date	Description		Amount
	LK110522	11/05/2022	Instructor payment		\$1,052.35
102230	11/28/2022			MASTER CLEANERS	\$870.09
	Invoice	Date	Description		Amount
	MC110522	11/05/2022	uniform cleaning		\$870.09
102231	11/28/2022			MBS BUSINESS SYSTEMS	\$555.99
	Invoice	Date	Description		Amount
	435685	11/10/2022	PD copier usage charges		\$555.99
102232	11/28/2022			MICHAEL G LEW	\$234.00
	Invoice	Date	Description		Amount
	ML111922	11/19/2022	Instructor payment		\$234.00
102233	11/28/2022			MICHELLE DAVEY-OUSE	\$341.25
	Invoice	Date	Description		Amount
	MDO111922	11/19/2022	Instructor payment		\$341.25

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102234	11/28/2022			MID COUNTY AUTO SUPPLY	\$417.80
	Invoice	Date	Description		Amount
	M-1938329	11/04/2022	Diamond grip gloves		\$23.44
	M-1938160	11/04/2022	Battery		\$252.64
	M-1952348	11/16/2022	Glazing putty, corrosion wipes, reducer, bulk spreaders		\$54.38
	M-1949149	11/14/2022	Ext wear pads		\$87.34
102235	11/28/2022			MISSION LINEN SUPPLY	\$553.85
	Invoice	Date	Description		Amount
	518081960	10/31/2022	Recreation towels, mops, mats		\$75.00
	518141678	11/09/2022	Fleet uniform cleaning, towels		\$34.03
	518192881	11/16/2022	Fleet uniform cleaning, towels		\$34.03
	518192882	11/16/2022	Corp yard uniforms, towels, mats		\$119.36
	518141679	11/09/2022	Corp yard uniforms, towels, mats		\$97.07
	518171605	11/14/2022	Community Center mop and mat service		\$75.00
	517725418	09/07/2022	Corp. Yard linen service		\$119.36
102236	11/28/2022			MOFFATT AND NICHOL	\$13,085.75
	Invoice	Date	Description		Amount
	00773264	10/13/2022	Wharf design, permit, construction support 1200 - Capital Improvement Fund		\$13,085.75
102237	11/28/2022			MONTEREY BAY ANALYTICAL SERVICES INC	\$578.00
	Invoice	Date	Description		Amount
	221104_03	11/16/2022	Sample analysis		\$514.00
	221108_13	11/08/2022	Pre/Post - breach lagoon water enterococci-enterolert		\$64.00
102238	11/28/2022			O'REILLY AUTO PARTS	\$151.23
	Invoice	Date	Description		Amount
	2763-317929	11/08/2022	Crank sensor		\$83.58
	2763-319354	11/15/2022	Ceramic pads		\$67.65
102239	11/28/2022			ORIGINAL WATERMEN	\$159.04
	Invoice	Date	Description		Amount
	S79257	11/01/2022	Fin belts		\$159.04

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102240	11/28/2022			OUTDOOR SUPPLY HARDWARE	\$467.05
	Invoice	Date	Description		Amount
	G50795	11/16/2022	Socket impact 7pc, 3/8 in base set		\$67.56
	G41782	11/04/2022	Tie wire coil		\$15.25
	G43963	11/08/2022	Rain parka, rain boots		\$53.39
	G47087	11/14/2022	Paint, stencil kit, tape		\$126.01
	G40722	11/02/2022	Reflective spray		\$18.52
	G36969	10/26/2022	Hose		\$43.59
	G40280	11/01/2022	Phillips screw bit, headlamp, wrecking bar		\$107.88
	G44948	11/10/2022	Security cable, paint		\$34.85
102241	11/28/2022			PACIFIC GAS & ELECTRIC	\$14,473.05
	Invoice	Date	Description		Amount
	PGE111322-acct5	11/13/2022	Pacific Cove parking lot utilities		\$322.94
	PGE113022-acct9	11/13/2022	November utilities		\$14,150.11
			1000 - General Fund	\$4,973.60	
			1300 - SLESF - Supl Law Enfc	\$ 115.76	
			1310 - Gas Tax	\$6,848.55	
			1311 - Wharf	\$2,535.14	
102242	11/28/2022			PALACE BUSINESS SOLUTIONS	\$192.25
	Invoice	Date	Description		Amount
	662840-1	11/08/2022	Desk organizer		\$73.71
	663132-0	11/08/2022	Headset, heater		\$93.76
	663492-0	11/14/2022	Office Supplies		\$24.78
			1000 - General Fund	\$ 24.78	
			2210 - ISF - Stores Fund	\$167.47	
102243	11/28/2022			PERFORMANCE PAINTING CO.	\$890.00
	Invoice	Date	Description		Amount
	697025	10/13/2022	Pressure wash and paint fuel tanks		\$890.00
102244	11/28/2022			PHOENIX GROUP INFORMATION SYSTEMS	\$8,272.58
	Invoice	Date	Description		Amount
	102022070	11/15/2022	Oct 2022		\$8,272.58
102245	11/28/2022			PITNEY BOWES	\$2,280.39
	Invoice	Date	Description		Amount
	PB112022	11/20/2022	City Hall postage machine refill and ink		\$2,280.39
			2210 - ISF - Stores Fund		
102246	11/28/2022			ROYAL WHOLESALE ELECTRIC	\$65.24
	Invoice	Date	Description		Amount
	7719-1023258	11/14/2022	Angle plug 6-50p		\$65.24

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102247	11/28/2022			RYDIN DECAL	\$2,509.03
	Invoice	Date	Description		Amount
	399028	11/04/2022	2023 Residential Parking Permits		\$2,509.03
102248	11/28/2022			SAN LORENZO LUMBER	\$119.32
	Invoice	Date	Description		Amount
	55-0769798	11/16/2022	Lumber		\$119.32
102249	11/28/2022			SANTA CRUZ AUTO PARTS INC.	\$47.85
	Invoice	Date	Description		Amount
	14508-455748	11/04/2022	Oil filter, fuel filters, wiper blades		\$47.85
102250	11/28/2022			SANTA CRUZ MUNICIPAL UTILITIES	\$365.17
	Invoice	Date	Description		Amount
	SCMU110722	11/07/2022	October water service for medians		\$365.17
102251	11/28/2022			SAVAGE TRAINING GROUP LLC	\$1,186.00
	Invoice	Date	Description		Amount
	1747	09/08/2022	Response Tactics Training		\$593.00
	1748	09/08/2022	Advanced Critical Incident Training		\$593.00
102252	11/28/2022			SOQUEL CREEK WATER DISTRICT	\$1,635.50
	Invoice	Date	Description		Amount
	06-14476-0110722	11/07/2022	06-14476-00 430 Kennedy Drive water service		\$152.72
	08-15299-0111422	11/14/2022	08-15299-00 Monterey Ave. water		\$162.52
	08-15562-0111422	11/14/2022	08-15562-00 Cliff and Fairview water service		\$58.01
	09-15964-0111422	11/14/2022	09-15964-00 Monterey Ave. Esplanade water		\$1,262.25
102253	11/28/2022			SOUTH BAY REGIONAL TRAINING	\$235.00
	Invoice	Date	Description		Amount
	223245	11/09/2022	Driving PSP course		\$235.00
102254	11/28/2022			STAPLES ADVANTAGE	\$98.71
	Invoice	Date	Description		Amount
	8068247672	11/12/2022	Office Supplies		\$98.71
102255	11/28/2022			THE HOME DEPOT PRO	\$1,584.56
	Invoice	Date	Description		Amount
	716639109	11/09/2022	Gloves		\$147.04
	716711502	11/10/2022	Restroom supplies, cleaning supplies		\$1,437.52
102256	11/28/2022			TRAVIS HUTTO	\$253.39
	Invoice	Date	Description		Amount
	TH112122	11/21/2022	Work pants (5)		\$253.39

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102257	11/28/2022			TYLER BUSINESS FORMS	\$47.22
	Invoice	Date	Description		Amount
	77396	11/23/2022	1095B & 1095C blank forms		\$47.22
102258	11/28/2022			UNITED WAY OF SANTA CRUZ COUNTY	\$20.00
	Invoice	Date	Description		Amount
	UW111822	11/18/2022	November United Way contributions 1001 - Payroll Payables		\$20.00
102259	11/28/2022			UPEC LIUNA LOCAL 792	\$864.50
	Invoice	Date	Description		Amount
	UPEC113022	11/18/2022	November UPEC dues 1001 - Payroll Payables		\$864.50
102260	11/28/2022			US BANK EQUIPMENT FINANCE	\$204.93
	Invoice	Date	Description		Amount
	486501935	11/05/2022	PD copier lease		\$204.93
102261	11/28/2022			US BANK EQUIPMENT FINANCE	\$205.61
	Invoice	Date	Description		Amount
	486389877	11/04/2022	City Hall & Recreation copier leases 1000 - General Fund \$ 26.06 2210 - ISF - Stores Fund \$179.55		\$205.61
102262	11/28/2022			US BANK PARS Acct 6746022400	\$343.10
	Invoice	Date	Description		Amount
	PARS111822	11/18/2022	PARS contributions PPE 11/12/22 1001 - Payroll Payables		\$343.10
102263	11/28/2022			VERITONE INC.	\$1,200.00
	Invoice	Date	Description		Amount
	228006	11/06/2022	redacting process		\$1,200.00
102264	11/28/2022			VERIZON WIRELESS	\$2,874.28
	Invoice	Date	Description		Amount
	9920253190	11/10/2022	November telephone charges		\$2,874.28
102265	11/28/2022			VITAL RECORDS HOLDING LLC	\$416.97
	Invoice	Date	Description		Amount
	3042704	10/31/2022	October record storage		\$316.76
	3027416	10/31/2022	October records destruction, fuel fee, other services		\$100.21
102266	11/28/2022			WELLS FARGO BANK	\$14,501.70
	Invoice	Date	Description		Amount
	110322	11/03/2022	October credit card charges		\$14,501.70

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
102267	11/28/2022			WESTERN EXTERMINATOR COMPANY	\$156.40
	Invoice	Date	Description		Amount
	28480531	11/02/2022	November City Hall rodent control		\$78.20
	28480532	11/02/2022	October turnouts rodent control		\$78.20
102268	11/28/2022			Lianna Kelly	\$3,495.20
	Invoice	Date	Description		Amount
	LK111122	11/11/2022	Liability claim 2213 - ISF - Self-Insurance Liability		\$3,495.20
102269	11/28/2022			Vahid, Lahijanian	\$255.00
	Invoice	Date	Description		Amount
	2023-00000529	11/10/2022	Citation # 200137641		\$255.00
Check Totals:					\$180,426.23
<u>EFT</u>					
1415	11/21/2022			CalPERS Health Insurance	\$65,776.60
	Invoice	Date	Description		Amount
	1002245660	11/18/2022	December health insurance		\$65,776.60
			1000 - General Fund	\$ 3,841.12	
			1001 - Payroll Payables	\$61,935.48	
1416	11/21/2022			CalPERS Member Services Division	\$55,775.74
	Invoice	Date	Description		Amount
	1002245476-9	11/18/2022	PERS contributions PPE 11/12/22		\$55,775.74
			1000 - General Fund	(\$ 0.34)	
			1001 - Payroll Payables	\$55,776.08	
1417	11/21/2022			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$9,272.61
	Invoice	Date	Description		Amount
	1-962-378-464	11/18/2022	State taxes PPE 11/12/22		\$9,272.61
			1001 - Payroll Payables		
1418	11/21/2022			INTERNAL REVENUE SERVICE	\$31,547.80
	Invoice	Date	Description		Amount
	23357529	11/18/2022	Federal taxes & Medicare PPE 11/12/22		\$31,547.80
			1001 - Payroll Payables		
1419	11/21/2022			STATE DISBURSEMENT UNIT	\$1,575.68
	Invoice	Date	Description		Amount
	41947157	11/18/2022	Employee garnishments PPE 11/12/22		\$1,575.68
			1001 - Payroll Payables		

City Checks Issued November 28, 2022

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1420	11/21/2022			VOYA FINANCIAL	\$7,457.40
	Invoice	Date	Description		Amount
	VOYA111822	11/18/2022	Employee 457 contributions PPE 11/12/22 1001 - Payroll Payables		\$7,457.40
1421	11/28/2022			VOYA FINANCIAL	\$300.00
	Invoice	Date	Description		Amount
	VOYA112322	11/18/2022	Wilson, L. 457 contribution final pay 11/23/22 1001 - Payroll Payables		\$300.00
1422	11/25/2022			WEX HEALTH INC.	\$135.45
	Invoice	Date	Description		Amount
	0001617459-IN	11/16/2022	October COBRA and FSA admin.		\$135.45

EFT Totals: \$171,841.28

Main City Totals	Count	Total
Checks	81	\$180,426.23
EFTs	8	\$171,841.28
All	89	\$352,267.51

Payroll Totals	Count	Total
Checks	1	\$9,930.62
EFTs	94	\$180,396.73
All	95	\$190,327.35

Grand Totals:	Count	Total
Checks	82	\$190,356.85
EFTs	102	\$352,238.01
All	184	\$542,594.86

Capitola City Council

Agenda Report



Meeting: January 26, 2023

From: City Manager Department

Subject: Resolution Allowing for the Continuation of Teleconferencing

Recommended Action: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and there is a need to continue action; and 2) Adopt the proposed resolution authorizing the City Council (along with the Planning Commission and all advisory bodies) to continue to conduct teleconferencing meetings.

Background: In December 2019, an outbreak of a respiratory illness linked to the novel coronavirus (COVID-19) was first identified. In March 2020, the State of California, the County of Santa Cruz, and the City of Capitola each declared a state of emergency due to the virus. Also in March 2020, the World Health Organization declared COVID-19 a pandemic. State and local health officers issued health orders to stop the spread of COVID-19; in Santa Cruz County this included March, April, and May 2020 Shelter-In-Place orders that were more restrictive than statewide guidance. Since then, the County Health Officer has incorporated all Orders of the State Public Health Officer, which set baseline statewide restrictions on travel and business activities. Currently (and since February 2022), there are no State required COVID-19 restrictions, other than minimal masking requirements in certain settings. COVID-19 public safety economic restrictions were mostly removed in June 2021 when the state met the criteria to fully reopen the economy and moved beyond the Blueprint for a Safer Economy.

The Governor signed Assembly Bill 361 on September 16, 2021. The Bill allows cities to continue virtual meetings (much as Capitola City Council Meetings function now) as long as the state is under a proclaimed state of emergency; through 2024 when the bill will sunset. The Bill requires legislative bodies to comply with the requirements set forth in Government Code section 54953(e)(2) to ensure the public can safely participate and observe local government meetings. One of the requirements is for Council to adopt findings every thirty days.

Attached is a resolution that makes the following findings:

- 1) Find that current conditions authorize teleconference public meetings, based on the Governor's state of emergency regarding the COVID-19 Pandemic
- 2) Authorize legislative bodies to conduct teleconference meetings, allowing Capitola City Council, Planning Commission, and other advisory bodies to continue to meet using Zoom.

Council will need to adopt resolutions making findings required by AB361 if Hybrid Meetings (with Council Members attending remotely) continue.

Discussion: On Monday, October 17, Governor Newsom announced that the COVID-19 State of Emergency will officially end on February 28, 2023. Operating under AB 361 requires that the state be under a proclaimed state of emergency, meaning that teleconferencing meetings permissible with AB 361 will no longer be so beginning February 2023.

Governor Newsom signed Assembly Bill 2449 (AB 2449) in September, and the Bill goes into effect on January 1, 2023. This Bill amends the Brown Act to provide additional teleconference procedures which would allow Council Members (members of a legislative body) to participate remotely in public meetings, however this Bill is much more restrictive than AB 361.

For example, under AB 2449, Capitola Council Members could attend a Council meeting remotely if at least a quorum of Council Members are in-person at the Capitola City Council Chambers and Council also follows the following:

1. The Council must provide either a two-way audiovisual platform or two-way telephonic service and a live webcasting of the meeting to allow the public to remotely hear and visually observe the meeting, and remotely address the legislative body. (Zoom would likely fulfill this requirement.)
2. The agenda must identify and include an opportunity for all persons to attend via a call-in option, internet-based service option, and at the in-person location of the meeting. (Again, Zoom and the Council Chambers would likely fulfill this requirement.)
3. A member of the Council can only participate remotely if:
 1. the member notifies the Council at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for “just cause”; or
 2. the member requests that the Council allow them to participate in the meeting remotely due to "emergency circumstances," and the Council approves the request. The Council must request a general description (generally not exceeding 20 words) of the circumstances relating to the member’s need to appear remotely at the given meeting.
4. “Just cause” is defined as (i) a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely; (ii) a contagious illness that prevents a member from attending in person; (iii) a need related to a physical or mental disability as defined by statute; or (iv) travel while on official business of the legislative body or another state or local agency.
5. Members of the Council are prohibited from using AB 2449 to participate in remote meetings for more than three consecutive months or for 20% of the regular meetings in a calendar year.
6. Members of the Council participating remotely must participate using both audio and visual technology (Zoom) and must publicly disclose whether any individual over the age of 18 is present at the remote location.
7. A meeting must be paused when there is any teleconference disruption for the public and no action can be taken if a disruption event prevents the Council from broadcasting the meeting. (This requirement is currently in place for remote or hybrid meetings.)
8. Real-time public comments must be allowed during the meeting.
9. The Council must implement procedures for resolving requests for reasonable accommodations for individuals with disabilities. (This requirement is currently in place for remote or hybrid meetings.)

Council may only conduct hybrid meetings under the current AB 361 rules until February 28, 2023. At that time, the new rules outlined above will take effect. Alternatively, after February 28, 2023, the Council could revert to the standard Brown Act procedures for teleconferencing, which require the City to post the address from which each teleconferencing member will be appearing on the agenda.

Staff is currently working to implement upgraded technology to allow for a smoother “hybrid” option so that members of the public may attend Council meetings either in-person or remotely. The rules outlined above pertain to members of the Council and their ability to participate remotely, and do not apply to the public.

Fiscal Impact: At Council direction, the City has maintained \$385,000 in a resiliency fund to help ensure the City has available resources should the pandemic result in further unforeseen impacts, which remains in the approved FY 2022-23 Budget.

Attachments:

1. Proposed Teleconferencing resolution

Report Prepared By: Julia Moss, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AND ON BEHALF OF COMMISSIONS AND COMMITTEES CREATED BY THE CITY COUNCIL PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54952(b) AUTHORIZING TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361 (GOVERNMENT CODE SECTION 54953(e)) TO CONTINUE TO ALLOW MEMBERS OF THE PUBLIC TO SAFELY PARTICIPATE IN LOCAL GOVERNMENT MEETINGS

WHEREAS, the City Council is committed to ensuring public access to observe and participate in local government meetings; and

WHEREAS, all meetings of the City Council and other legislative bodies created pursuant to Government Code Section 54952(b) are open and public, as required by the Ralph M. Brown Act, so that any member of the public may participate in local government meetings; and

WHEREAS, the recently adopted AB 361, codified at Government Code section 54953(e), makes provisions for remote teleconferencing participation in local government meetings, without compliance with the requirements of 54953(b)(3), during a Governor-proclaimed state of emergency and if the local legislative body determines, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, and

WHEREAS, on March 4, 2020, Governor Newsom proclaimed a State of Emergency due to the outbreak of respiratory illness due to a novel coronavirus (now known as COVID-19) and that State of Emergency is still in effect in the State of California; and

WHEREAS, on March 12, 2020, the Capitola City Council proclaimed the existence of a local emergency due to the worldwide spread of the coronavirus with Resolution No. 4168, pursuant to Section 8.08.020 of the Capitola Municipal Code and Section 8625 of the California Emergency Services Act in response to the COVID-19 pandemic; and

WHEREAS, COVID-19 continues to threaten the health and lives of City residents; and

WHEREAS, the SARS-CoV-2 Delta Variant (Delta Variant) is highly transmissible in indoor settings; and

WHEREAS, on July 28, 2021, the California Department of Public Health issued guidance calling for the use of face coverings and stating that the Delta Variant is two times as contagious as early COVID-19 variants, leading to increasing infections, the Delta Variant accounts for over 80% of cases sequenced, and cases and hospitalizations of COVID-19 are rising throughout the state; and

WHEREAS, the Delta Variant has caused, and will continue to cause, conditions of imminent peril to the health safety of persons within the City; and

WHEREAS, on October 14, November 23, and December 9, 2021, January 13, February 10, and February 27, March 10, March 24, April 14, April 28, May 12 and May 26, June 9, June 23, and July 28, 2022, August 25, and September 8, September 22, October 13, October 27, November 10, November 22, December 8, 2022, and January 12, 2023, the City Council adopted a resolution proclaiming the need to meet by teleconference pursuant to Government Code Section 54953; and

WHEREAS, the City Council, acting as a legislative body pursuant to Government Code section 54952(a) and for the benefit of the commissions, committees and other bodies that were created by the City Council pursuant to Government Code section 54952(b) (collectively referred

to as "Legislative Bodies"), finds that the current conditions meet the circumstances set forth in Government Code section 54953(e)(3) to allow Legislative Bodies to continue to use teleconferencing to hold open and public meetings if the Legislative Bodies comply with the requirements set forth in Government Code section 54953(e)(2) to ensure the public can safely participate in and observe local government meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Capitola that the City Council does hereby:

- 1. Recitals. The Recitals set forth above are true and correct and are hereby incorporated by this reference.
- 2. Find that Current Conditions Authorize Teleconference Public Meetings of Legislative Bodies. The City Council has reconsidered the circumstances of the state of emergency and finds that based on the California Governor's continued declaration of a State of Emergency and current conditions, meeting in person would present imminent risks to the health or safety of attendees, such that the conditions continue to exist pursuant to Government Code section 54953(e)(3) to allow Legislative Bodies to use teleconferencing to hold public meetings in accordance with Government Code section 54953(e)(2) to ensure members of the public have continued access to safely observe and participate in local government meetings.
- 3. Authorize Legislative Bodies to Conduct Teleconference Meetings. The Legislative Bodies are hereby authorized to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code section 54953(e)(2) and other applicable provisions of the Brown Act.

I HEREBY CERTIFY that the foregoing resolution was PASSED and ADOPTED by the City Council of the City of Capitola on the 26th day of January, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Margaux Keiser, Mayor

ATTEST: _____
Julia Moss, City Clerk

Capitola City Council

Agenda Report



Meeting: January 26, 2023

From: City Manager Department

Subject: Soquel Creek Water District Use Agreement for Capitola City Council Chambers

Recommended Action: Authorize the City Manager to enter into an agreement with the Soquel Creek Water District in the amount of \$5,000 for use of the City Council Chambers semi-monthly during 2023.

Background: The Soquel Creek Water District oversees water supply and distribution to the following service area: Aptos, La Selva Beach, Opal Cliffs, Rio Del Mar, Seascape, Soquel, and portions of the City of Capitola. The District serves approximately 20,912 housing units.

For several years prior to the pandemic the Soquel Creek Water District Board of Directors (Board) used the Capitola City Council Chambers (Chambers) twice a month as the venue for their board meetings. The Board does not have a meeting venue at their headquarter location; using the Chambers allowed the Soquel Creek Board to have an in-district location for public meetings with broadcasting capability.

In 2020 when the Brown Act was modified to allow for remote meetings, the Board shifted to hold remote meetings and no longer needed an in-person location. At the same time, due to public health concerns, the City closed the Community Room and Council Chambers to public use for several months.

In 2022, the City invested significant funds towards updating Chambers technology to allow for professional hybrid meetings (allowing for in-person and virtual Zoom attendance), totaling more than \$20,000. In January 2023, the new equipment was installed.

In late 2022, Soquel Creek Water District staff contacted Capitola staff to propose using the Chambers for Board meetings and indicated a desire to facilitate hybrid meetings.

Discussion: Entering into the proposed agreement with the District means that Council Chambers will generally be unavailable for City meetings during those times. However, Staff recognizes that public access to Soquel Creek Water District Board meetings is in the interest of the City of Capitola and its residents, and thus collaborated with Ron Duncan, General Manager of the District, on a Use Agreement for the Chambers.

The proposed cost to the Soquel Creek Water District considers the Board's frequency of use, the City's extensive technology updates, and the annual cost of maintaining the Chambers.

Fiscal Impact: The proposed agreement would generate \$5,000 in revenue annually, which would help offset maintenance costs of the Chambers.

Attachments:

1. Proposed Use Agreement

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

Reviewed By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager

**FACILITY USE AGREEMENT
BETWEEN CITY OF CAPITOLA AND SOQUEL CREEK WATER DISTRICT**

THIS FACILITY USE AGREEMENT (“Agreement”) dated _____, 20____, (“Effective Date”) is made and entered into by and between the City of Capitola, a municipal corporation, (“City”), and Soquel Creek Water District, a county water district, (“District”). City and District are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. WHEREAS, City is the owner of real property located at 420 Capitola Avenue, Capitola, California 95010, in the County of Santa Cruz, State of California (the “Premises”).

B. WHEREAS, District is in need of a permanent meeting room to conduct regular meetings of its Board of Directors; and

C. WHEREAS, it is the intent of the City to make its City Council Chambers (“Facilities”), located within the Premises, available for use by the District when not needed for City related business.

NOW, THEREFORE, with regard to the above recitals and for good and sufficient consideration, the adequacy of which is hereby acknowledged, the Parties agree to the following:

AGREEMENT

1. Term. The term (“Term”) of this Agreement shall run for three (3) years from the Effective Date set forth above, and will automatically renew for subsequent one (1) year periods unless terminated in accordance with section 2 of this Agreement.

2. Termination. Either Party may terminate this Agreement for any reason by ninety (90) days’ advance written notice. If any actions by District are creating a hazard or causing damage to the facilities, City may terminate this Agreement immediately.

3. Fees, Costs, and Charges. District agrees to pay City FIVE THOUSAND DOLLARS per year (\$5,000.00/year) as defined below. Use fees shall be paid annually with said payment no later than the fifteenth day of each January.

4. District’s Use of City’s Premises.

- a. City will make available to District the Facilities for the purpose of conducting District Board of Director Meetings (“Board Meetings”) on the first and third Tuesdays of each month, from 6:00 p.m. until the conclusion of the meeting, for the Board’s regular meetings. If a conflict arises wherein the City needs to use the Facilities at the same time as the District is scheduled to use the Facilities, City will have priority in using the Facilities. City agrees to provide the District as much notice as practically possible so that the District may notify its constituents of the change in venue in a timely manner. The Board may request use of the Facilities on

other dates and times as needed, and the City may approve or deny such requests in its discretion. If the request is approved, City and District agree that no further payment obligations will arise unless by separate agreement of the Parties. The District may further use the Facilities for special meetings based on availability.

- b. Subject to District’s payment obligations in Section 3, City shall pay for all water, gas, electricity, light, heat, telephone, power, and other utilities and communications services for the Premises during the Term of this Agreement.
- c. City will provide District a key to access the Facilities prior to the first Board Meeting in March 2023, and District shall return all keys immediately following the termination of this Agreement.
- d. During its use of the Facilities, District shall maintain the Facilities in a lawful, fully operable, safe, neat, clean, and sanitary condition, free from waste and debris. District shall not permit any waste or nuisance in or about the Facilities, nor store materials hazardous to health or safety of the public, nor shall District permit the use of the Facilities for any illegal purposes at all times during the Term of this Agreement. After the conclusion of each Board Meeting, District shall return the Facilities to the condition it was in prior to when the Board Meeting began.
- e. Should District not maintain Facilities in a fully operable, safe, neat, clean, and sanitary condition, free from waste and debris, the City shall be entitled to additional payments from the District to recover costs necessary to return the property to fully operable, safe, neat, clean, and sanitary condition, free from waste and debris. Such costs shall be determined at City’s sole discretion.
- f. The District acknowledges this agreement does not include City staff/technical assistance to help set up or troubleshoot issues prior to or during meetings.
- g. District shall report any personal injuries or property damage arising at any time during, and/or in any way connected with, District’s use or occupancy of the Facilities to City staff in writing and as soon as practicable.
- h. City will make available the following equipment and services for each Board Meeting:
 - i. Tables,
 - ii. Chairs, and
 - iii. Audio-visual equipment.

5. Indemnification. District shall indemnify, defend, and hold harmless City and its officers, employees, and agents from any and all losses, costs, expenses, claims, liabilities, actions, or damages, including liability for injuries to any person or persons or damage to property arising at any time during and/or arising out of or in any way connected with District’s use or occupancy

of the Facilities, unless solely caused by the active negligence or willful misconduct of City or its officers, employees, or agents.

6. Insurance Requirements.

- a. District must hold adequate general liability insurance for bodily injury and property damage that applies to that person or group’s use of the Facilities. The insurance should provide coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Proof of such insurance must be furnished upon request by City.
- b. District must hold employer’s liability insurance of at least \$1,000,000 per accident for bodily injury and property damage.
- c. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. District may meet its obligation in this section through equivalent self-insurance.

7. Assignment; Subleases; Transfers. District shall not voluntarily or by operation of law assign, transfer, sublet, mortgage, or otherwise transfer or encumber all or any part of District’s interest in this Agreement or the Facility.

8. Severability. Each provision of this Agreement is severable from the other provisions. If any provision of this Agreement is held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect to the fullest extent permitted by law.

9. No Waiver. The failure of either Party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults.

10. Miscellaneous.

- a. District shall comply with all local, state, and federal laws and regulations related to the use of the Facilities. District agrees to abide by all applicable federal and state accessibility standards and regulations.
- b. Each Party agrees that this Agreement is made and accepted on and subject to the condition that there be no discrimination against or segregation of any person or group of persons, on account of race, color, sex, sexual orientation, age, handicap, marital status, religion, nation origin or ancestry in the use, occupancy, tenure or enjoyment of the Facilities, nor shall any Party, or any person claiming under or

through it, establish or permit any practice or practices of discrimination or segregation with reference to the Facilities.

- c. District shall not admit a larger number of individuals than can lawfully, safely, and freely move about the Facilities. In no event may District admit a number of individuals than that permitted by the Fire Marshal for the Facilities.

11. Applicable Law and Venue. The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of California. Venue for any action filed with respect to the Agreement shall be in the courts of the County of Santa Cruz and all Parties agree to submit to the jurisdiction of said courts.

12. Notices. Should any notice be required, such notice shall be in writing and delivered either in person at the normal offices of the other party, or, in the alternative, may be given by depositing such notice in the United States mail, postage fully prepaid, and addressed to the parties as follows:

CITY OF CAPITOLA
 420 Capitola Ave
 Capitola, CA 95010
 Attn: City Manager

DISTRICT
 5180 Soquel Dr.
 Soquel, CA 95073
 Attn: General Manager

13. Entire Agreement. This Agreement, including any specified attachments, constitutes the entire agreement between the Parties with respect to use of the Facilities and supersedes and replaces any and all previous agreements entered into or/and negotiated between City and District relating to the Facilities covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by City and District. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by City and District in writing.

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, City and District have executed this Agreement as of the date first written above.

CITY OF CAPITOLA

SOQUEL CREEK WATER DISTRICT

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Capitola City Council

Agenda Report



Meeting: January 26, 2023

From: City Manager Department

Subject: Recreation Division Staffing Adjustments and Update to Hourly/Seasonal Pay

Recommended Action: 1) Approve adjustments to the Recreation Division staffing; and 2) Adopt the proposed resolution updating the Hourly/Seasonal pay rates.

Background: Currently, the Recreation Division has both permanent and temporary employee classifications with the same title of Recreation Assistant. Until recently, there were two permanent full-time employees serving as Recreation Assistants. One of those employees changed positions within the City and is now serving as the Development Services Technician for the Public Works Department, leaving one Recreation Assistant position vacant in the Recreation Division. The Division also has three permanent employees serving as Recreation Coordinators, working at three-quarter time.

Discussion: With the permanent fulltime Recreation Assistant vacancy in the Recreation Division, staff analyzed how to best reorganize and streamline the Division. Staff proposes eliminating the one currently vacant Recreation Assistant position, shifting the currently-filled Recreation Assistant position into the Customer Service: Office Coordinator role, and transitioning the three Recreation Coordinators into full time positions.

The Customer Service: Office Coordinator job description was approved by the City Council on July 28, 2022. That job description encompasses the basic duties of the current Recreation Assistant, while being a more appropriate title for the current employee working in that position.

To maintain successful Division functionality and customer service, staff also proposes increasing the hours worked by the three permanent Recreation Coordinators from three-quarter time to full-time.

Both the Recreation Assistant and Customer Service: Office Coordinator classifications are represented by the Association of Capitola Employees (ACE) and the proposed staffing update has been communicated to ACE. This change still allows for hiring temporary employees in the Recreation Assistant role on an as-needed basis to perform seasonal tasks.

Fiscal Impact: None. Eliminating the one full-time Recreation Assistant offsets costs associated with the other proposed staffing changes.

Seasonal/Hourly Pay:

On November 10, 2022, the City Council approved an updated hourly/seasonal pay schedule to comply with the State minimum wage requirements, currently at \$15.50/hour. Staff noticed an administrative mistake in that adopted pay schedule; the attached resolution corrects the \$0.05 numerical error (Attachment 1). Staff recommends that Council adopt the proposed resolution and hourly/seasonal pay schedule.

Attachments:

1. Resolution
2. Salary Schedule

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

Reviewed By: Julia Moss, City Clerk; Tamar Burke, Assistant City Attorney

Approved By: Jamie Goldstein, City Manager

**RESOLUTION NO.
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE HOURLY/SEASONAL EMPLOYEE PAY SCHEDULES EFFECTIVE
JANUARY 1, 2023**

WHEREAS, the City Council sets the compensation rates for hourly and seasonal employment positions; and

WHEREAS, the City Council last amended the Seasonal/Hourly Pay Schedule (Pay Schedule, attached as Exhibit "A") by Resolution No. 4251 on November 10, 2022. That amended Pay Schedule included changes to comply with California minimum wage requirements, however an administrative error was discovered and corrected.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola approves the Hourly/Seasonal Pay Schedule attached hereto as Exhibit "A," as amended as shown in the Exhibit.

BE IT FURTHER RESOLVED that this Resolution becomes effective immediately, and positions listed on Exhibit "A" will receive retroactive pay based on the hourly wage amended in the Exhibit from January 1, 2023.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 26th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Margaux Keiser, Mayor

ATTEST:

Julia Moss, City Clerk

EXHIBIT A

Updated January 1, 2022 (Minimum wage \$15.00/hour)				
POSITION	0	1	2	3
Intern	\$ 16.54	\$ 17.36	\$ 18.23	\$ 19.14
Junior Lifeguard Instructor	\$ 16.54	\$ 17.36	\$ 18.23	\$ 19.14
Junior Lifeguard Assistant Coordinator	\$ 20.10	\$ 21.11	\$ 22.16	\$ 23.27
Junior Lifeguard Coordinator	\$ 24.43	\$ 25.66	\$ 26.94	\$ 28.28
Recreation Leader I	\$ 15.75	\$ 16.54	\$ 17.36	\$ 18.23
Recreation Leader II	\$ 19.14	\$ 20.10	\$ 21.11	\$ 22.16
Recreation Program Assistant Coordinator	\$ 21.11	\$ 22.16	\$ 23.27	\$ 24.43
Recreation Program Coordinator	\$ 23.27	\$ 24.43	\$ 25.66	\$ 26.94
Recreation Facility Assistant	\$ 15.00	\$ 15.75	\$ 16.54	\$ 17.36
POSITION				
Retired Annuitant Officer	Salary will be equivalent to the position for which the individual is working in as per However, retired Capitola Police Officers who apply and are accepted as Annuitant will be paid an hourly wage consistent with Step F of the Police Officer salary range			
Reserve Officer Level I	Automatically adjusts to 20% below the Police Officer Pay Scale			
Reserve Officer Level II	Automatically adjusts to 20% below the Level I Reserve Officer Pay Scale			
Seasonal Recreation Assistant	Salary will be equivalent to the position of Recreation Assistant			
Part-Time Parking Enforcement Officer	Salary will be equivalent to the position of Parking Enforcement Officer			
Art and Cultural Assistant	Salary will be equivalent to the position of Administrative Assistant			
Police Records Technician	Salary will be equivalent to the position of Police Records Technician			

Updated February 26, 2023 (Minimum wage \$15.50/hour)					
POSITION	0	1	2	3	
Intern	\$ 17.04	\$ 17.89	\$ 18.78	\$ 19.72	
Junior Lifeguard Instructor	\$ 19.06	\$ 20.01	\$ 21.01	\$ 22.06	
Junior Lifeguard Assistant Coordinator	\$ 22.06	\$ 23.16	\$ 24.32	\$ 25.54	
Junior Lifeguard Coordinator	\$ 25.54	\$ 26.81	\$ 28.15	\$ 29.56	
Recreation Leader I	\$ 16.28	\$ 17.09	\$ 17.94	\$ 18.84	
Recreation Leader II	\$ 19.78	\$ 20.77	\$ 21.81	\$ 22.90	
Recreation Program Assistant Coordinator	\$ 21.81	\$ 22.90	\$ 24.05	\$ 25.25	
Recreation Program Coordinator	\$ 24.05	\$ 25.25	\$ 26.51	\$ 27.84	
Recreation Facility Assistant	\$ 15.50	\$ 16.28	\$ 17.09	\$ 17.94	
POSITION					
Retired Annuitant Officer	Salary will be equivalent to the position for which the individual is working in as per the CALPERS regulations.				
	However, retired Capitola Police Officers who apply and are accepted as Annuitant Officers will be paid an hourly wage consistent with Step F of the Police Officer salary range.				
Reserve Officer Level I	Automatically adjusts to 20% below the Police Officer Pay Scale				
Reserve Officer Level II	Automatically adjusts to 20% below the Level I Reserve Officer Pay Scale				
Seasonal Recreation Assistant	Salary will be equivalent to the position of Recreation Assistant				
Part-Time Parking Enforcement Officer	Salary will be equivalent to the position of Parking Enforcement Officer				
Art and Cultural Assistant	Salary will be equivalent to the position of Administrative Assistant				
Police Records Technician	Salary will be equivalent to the position of Police Records Technician				

Capitola City Council

Agenda Report



Meeting: January 26, 2023

From: Finance Department, Jim Malberg

Subject: FY 2021-22 Audit Report

Recommended Action: Receive Report.

Background: The City of Capitola is required by state statute to publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards. The audit must be conducted by a firm of licensed certified public accountants.

The City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022, received an "unmodified" opinion, which indicates the auditor believes the financial statements are presented fairly in all material respects. The City's annual audit and ACFR meet all state and federal requirements and will be available to the public at City Hall, as well as on the City's website.

Discussion: The financial report presents the financial condition, results of operations, and current economic condition for the City and component units' for the fiscal year ended June 30, 2022. Financial information for the Successor Agency is presented as a separate Private Purpose Trust Fund within the ACFR.

The independent audit firm Eide Bailly LLP issued the following opinion on the City's financial records, found on page two of the ACFR: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola, California, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America."

The Fiscal Year (FY) 2021-22 ACFR has been submitted to the Government Finance Officers' Association for the Excellence in Financial Reporting Award. The City's ACFR has received this prestigious award for the last nine fiscal years. Previously, the City had received the California Society of Municipal Finance Officers Award for the Outstanding Financial Reporting every year since FY 2000.

In addition to the ACFR, the auditor also issues a Management Letter and the Letter of Required Disclosures to the Governing Body and Statement of Auditing Standards (SAS) 114. The Management Letter discusses the City's internal control over financial reporting and makes recommendations, if necessary, of controls that need to be strengthened. The SAS 114 Letter is a document that discusses, among other matters, any significant audit findings. Neither document identified any areas of concern.

Fiscal Impact: The following are key financial highlights of the FY 2021-22 ACFR:

- **Net Position**

○ Current and other assets	\$ 29,751,865
○ Capital assets	<u>35,039,287</u>

○ Total Assets	\$ 64,791,152
○ Total Deferred Outflows of Resources	\$ 6,571,485
○ Other Liabilities	\$ 1,818,072
○ Long-term liabilities	
▪ Due in one year	496,959
▪ Due in more than one year	<u>20,853,145</u>
○ Total Liabilities	\$ 23,168,176
○ Total Deferred Inflows of Resources	\$ 14,499,880
○ Net Position:	
○ Net investment in capital assets	\$ 33,335,826
○ Restricted	11,767,869
○ Unrestricted	<u>(11,409,114)</u>
○ Total Net Position	\$ 33,694,581
● Revenues	
○ General Revenues:	
○ Taxes:	
▪ Sales and use taxes	\$ 8,484,799
▪ Property taxes	2,883,183
▪ Transient occupancy taxes	2,170,541
▪ Franchise taxes	634,511
▪ Business license taxes	315,604
○ Motor vehicle in-lieu	341,183
○ Investment income	33,464
○ Miscellaneous revenue	205,129
○ Program Revenues:	
▪ Charges for services	3,038,933
▪ Operating grants and contributions	2,969,861
▪ Capital contributions and grants	<u>865,027</u>
○ Total Revenues	\$ 21,942,235
● Expenses	
○ General Government	\$ 6,117,483
○ Public Safety	7,553,751
○ Community Development	1,998,051
○ Culture and Recreation	1,420,660
○ Public Works	4,222,401
○ Interest and other charges	<u>55,843</u>
○ Total Expenses	\$ 21,368,189
○ Change in Net Position	574,046
○ Beginning Net Position	<u>33,120,535</u>
○ Ending Net Position	\$ 33,694,581
● General Fund	
○ Fund balance:	
○ Non-spendable:	

▪ Prepaid items	\$	0
○ Assigned:		
▪ Emergency Reserve		1,314,206
▪ Contingency Reserve		2,494,060
▪ PERS Retirement Trust		904,275
○ Unassigned		<u>7,315,608</u>
○ Total Fund Balance		<u>\$ 12,028,149</u>
● Capital Assets:		
○ Land	\$	4,883,789
○ Building & Improvements		17,913,338
○ Equipment		4,395,924
○ Infrastructure		34,119,074
○ Construction in Progress		<u>2,715,304</u>
○ Total Capital Assets		<u>\$ 64,027,429</u>
○ Less Depreciation		<u>28,988,142</u>
○ Capital Assets Net of Depreciation		<u>\$ 35,039,287</u>
● Long-Term Debt / Liability		
○ Pacific Cove Capital Lease		807,729
○ Beach & Village Parking Lease		895,732
○ Compensated Absences		896,141
○ Net OPEB Obligation		1,642,315
○ Net Pension Liability		<u>17,108,187</u>
○ Total Long-Term Debt		<u>\$ 21,350,104</u>

The next opportunity to review the City's financial picture, including updated revenue and expenditure forecasts, will be at the Mid-Year Budget Review in February.

Attachments:

1. Attachment 1: City of Capitola FY 2021-22 ACFR
2. Attachment 2: Governance Communication Letter

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager

Annual Comprehensive Financial Report



City of Capitola, California
Fiscal Year Ended June 30, 2022

This page intentionally left blank



CITY OF CAPITOLA, CALIFORNIA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the Capitola Finance Department

**City of Capitola
Comprehensive Annual Financial Report
Year Ended June 30, 2022**

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	i
List of Principal Officials	xii
Organizational Chart	xiii
Awards for Financial Reporting	xiv
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position.....	29
Index to Notes to Financial Statements.....	30
Notes to Financial Statements	31
Required Supplementary Information:	
Schedule of Changes in Net OPEB Liability and Related Ratios.....	71
Schedule of OPEB Contributions	73
Schedule of City's Proportionate Share of the Plan's Net Pension Liability.....	75
Schedule of Pension Contributions	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund.....	79
Federal Home Loan Reuse Fund	80
Capitola Housing Successor Fund	81
RTC Streets Fund	82
Notes to Required Supplementary Information	83

**City of Capitola
Comprehensive Annual Financial Report
Year Ended June 30, 2022**

TABLE OF CONTENTS – Continued

	<u>Page</u>
Supplementary Information:	
Budgeted Other Major Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
Capital Projects Fund	84
Library Fund	85
Non-Major Governmental Funds:	
Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances	91
Budgeted Non-Major Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual:	
Road Rehab Fund	95
Supplemental Law Enforcement Fund.....	96
Gas Tax Fund	97
Wharf Fund.....	98
Parking Reserve Fund.....	99
Technology Fees Fund.....	100
PEG Cable TV Access Fee Fund	101
Capitola Village and Wharf BIA Fund.....	102
CDBG Fund	104
Affordable Housing Fund	105
Restricted TOT Fund.....	106
Beach and Village Lot II Debt Financing Fund	107
Pacific Cove Debt Financing Fund	108

TABLE OF CONTENTS – Continued

<u>STATISTICAL SECTION</u>	<u>Page</u>
ACFR Statistical Section - Table of Contents	110
Financial Trends Information:	
Net Position by Component	112
Changes in Net Position	113
Fund Balances of Government Funds	115
Change in Fund Balances of Governmental Funds	117
General Revenues by Source	119
Revenue Capacity Information:	
Net Taxable Assessed Value History.....	120
Assessed Value of Taxable Property.....	121
Direct and Overlapping Property Tax Rates	122
Top Ten Property Taxpayers	123
Property Tax Levies and Collections	124
Top 25 Sales Tax Taxpayers.....	125
Debt Capacity Information	
Ratios of Outstanding Debt by Type	126
Ratios of General Bonded Debt Outstanding	127
Direct and Overlapping Debt	128
Legal Debt Margin Information	129
Pledged - Revenue Coverage	130
Demographic and Economic Information:	
Demographic and Economic Statistics	131
Principal Employers - Top Ten	132
Full-Time and Part-Time City Employees by Function	133
Operating Information:	
Operating Indicators by Function.....	134
Capital Asset Statistics by Function.....	135

INTRODUCTORY SECTION

This page intentionally left blank





January 27, 2023

Honorable Mayor,
Members of the City Council, and
Citizens of the City of Capitola

SUBJECT: Annual Comprehensive Financial Report - June 30, 2022

The Annual Comprehensive Financial Report (ACFR) for the City of Capitola for the fiscal year ended June 30, 2020, is hereby submitted.

REPORT PURPOSE AND ORGANIZATION

State law requires the accounts and fiscal affairs of all municipal entities be audited annually by an independent certified public accountant. The City's independent auditor Eide Bailly LLP has audited the City's financial statements and issued an unmodified opinion that the financial statements for fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles (GAAP). This opinion, along with the basic financial statements of the City, are hereby submitted as the Annual Comprehensive Financial Report (ACFR) for the City of Capitola for the fiscal year ended June 30, 2022 and included in the financial section of this report in fulfillment of the above requirement.

The independent audit of the financial statements is also typically conducted in conjunction with the federally mandated Single Audit. The standards governing the Single Audit require the independent auditor to report on items beyond fair presentation of the financial statements, including internal controls and compliance with legal requirements involving the administration of federal awards. A Single Audit Report on Federal Award Programs was not required or prepared in fiscal year 2022 because the City had less than \$750,000 in federal grant expenditures. The City's last required Single Audit Report is available for the year ended June 30, 2012.

This report consists of City management's representations concerning the finances of the City of Capitola. Consequently, management assumes full responsibility for completeness, accuracy of data, and fairness of presentation, including all footnotes and disclosures. Management believes the data presented are accurate in all material respects and that they are presented in a manner designed to fairly set forth the financial position and results of operations of the City. To provide a reasonable basis for making these representations, City management has established a comprehensive framework of internal controls designed both to protect the City's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatements. The audit provides users with reasonable assurance that the information presented is free from material misstatements. As management, we assert that to the best of our knowledge, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

CITY OF CAPITOLA PROFILE

The City of Capitola is a small coastal community located in Santa Cruz County that occupies approximately two square miles and serves a population of about 10,250. Located on the northern edge of Monterey Bay, approximately 35 miles north of Monterey and 75 miles south of San Francisco, Capitola enjoys a rich history and offers residents diverse recreational opportunities. Capitola Village is located along a sandy beach with expansive views of Monterey Bay and is home to numerous craft galleries, boutiques, and restaurants. The City is host to numerous events, including the Capitola Beach Festival, Capitola Art and Wine Festival, and the annual Wharf to Wharf race.

Named the Most Walkable Beach Town in the United States by Elle Décor Magazine, voted one of the best beach locations on the California Coast by Sunset Magazine, and recently named one of the “9 Most Unspoiled Vacation Spots” by the Fishing Booker website, Capitola offers fishing and boating, along with beachfront restaurants, shops, and entertainment. Other visitor attractions include the Capitola Historical Museum, Capitola Wharf, and the Capitola Mall.

Although Capitola is considered a central coast beach destination, it is also one of two major retail centers in Santa Cruz County. The Capitola Mall, combined with Brown Ranch and 41st Avenue businesses, is the retail hub of the central county. With major retailers such as Target, Macy’s, Kohl’s, CVS, Ross, and Bed Bath and Beyond, Capitola is a “net regional retail provider” with retail sales several times higher than the retail demand of Capitola city residents. The City also has two major car dealerships.

Capitola is also fortunate to have outstanding educational opportunities. In addition to having New Brighton Middle School within its City limits, both Cabrillo Community College and the University of California, Santa Cruz, are within eight miles of the City. According to the U.S. Census Bureau’s 2020 data, approximately 93% of Capitola residents are high school graduates and 40% possess a Bachelors’ Degree or higher-level degree.

Form of Government

Capitola is a General Law City, which was incorporated on January 11, 1949. The City is subject to the framework and procedures established by State Law and operates under the Council – City Manager form of government. The Council is comprised of four Council Members and a Mayor, all of whom are directly elected by the citizens. The Council Members serve four-year staggered terms; and the Mayor and Vice-Mayor are elected annually by the Council. The Council has the authority to establish all laws and regulations with respect to municipal affairs, subject only to the limitations of the City Municipal Code and the State legislation.

The City Council appoints a City Manager to serve as the City’s chief administrative officer. The City Manager provides direction and leadership to all City departments and ensures that all City Council policies are implemented.

City Services

The City provides police protection, street, park and facilities maintenance, recreation, building, planning, zoning, administrative, and financial services for Capitola. Independent special districts provide fire protection, water, sewer, and limited drainage services.

The ACFR includes all financial activities of the City and the Successor Agency to the former Redevelopment Agency of the City of Capitola; two separate legal entities. City Council members also serve as the governing board members of the Successor Agency and the City Manager serves as its Executive Director. Financial activities of the Successor Agency are also subject to approval by an independent Oversight Board.

Financial data for all funds through which services are provided by the City have been included in this report based on the criteria adopted by the Government Accounting Standards Board (GASB), which is the authoritative body in establishing United States GAAP for local governments.

Budgetary Policy and Control

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received, and the liability incurred. The City produces a two-year annual budget, which serves as the foundation for the City of Capitola's financial planning and control. Based on the City's Financial Management Policies, the City is required to maintain a balanced operating budget; along with using one-time revenues to fund non-recurring expenditures. In the budget development process, the City references the following Budgeting Principles to identify key projects and goals: Fiscal Policy, Public Service, and Public Improvements.

In accordance with the City's Municipal Code, the budget is adopted by resolution on or before June 30th for the ensuing fiscal year. Expenditures authorized in the final budget resolution are appropriated at the budget unit level. Capital projects are budgeted at the individual project level. City Council may appropriate, amend, or transfer funds by an affirmative vote of three or more Council members at any regular or special Council meeting.

The Successor Agency's two-year budget is incorporated into the City's budget process; however, all obligations are subject to annual approval by the County Oversight Board and the California State Department of Finance.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment in which the City operates.

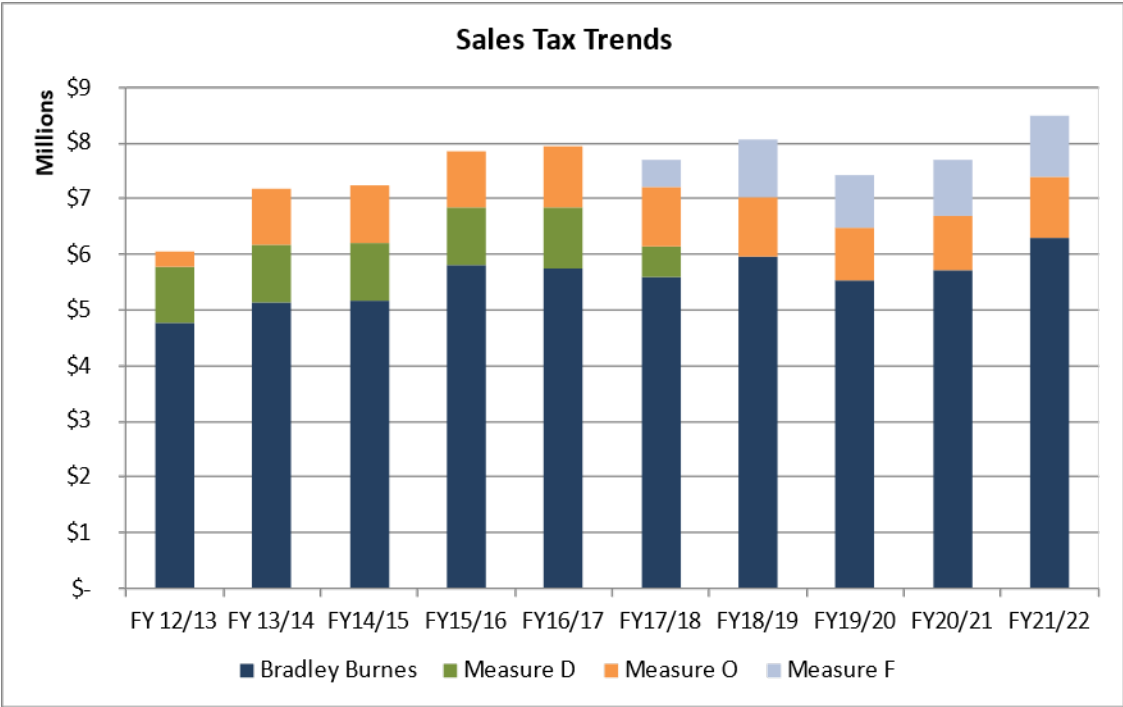
Local Economy

The City of Capitola saw its strong recovery from the COVID-19 pandemic continue throughout fiscal year (FY) 2021-22. During the mid-year budget review general fund revenue projections were increased \$956,000 and expenditure projections increased \$951,000. Despite the increased projections, actual general fund revenues exceeded the budget by approximately \$788,000 including sales tax exceeding projections by \$540,000 and transient occupancy tax (TOT) exceeding projections by \$170,000. The general fund primary operations resulted in revenues exceeding expenditures by \$180,354. Additionally, the Capitola Library project was completed under budget and returned \$750,000 to the general fund. This in addition to general fund transfers out to the Capital Improvement Project (CIP) fund being \$420,000 below budget resulted in a net increase in fund balance of approximately \$1.4 million.

The three major sources of General Fund revenue include Sales Tax, Property Tax, and Transient Occupancy Tax (TOT). These three revenues account for approximately 90% of all General Fund Revenues.

Sales tax is the City’s largest source of revenue, accounting for approximately 56% of the General Fund Revenues. The City sales tax consists of 1% Bradley Burns, 0.25% Capitola District Tax (Measure O), and a 0.25% Capitola District Tax (Measure F) that is effective from January 1, 2018, through December 31, 2027. In FY 2021/22, the combined sales tax receipts of \$8.48 million were \$540,000 (6.79%) higher than budgetary estimates and \$779,452 (10.12%) above the prior year primarily.

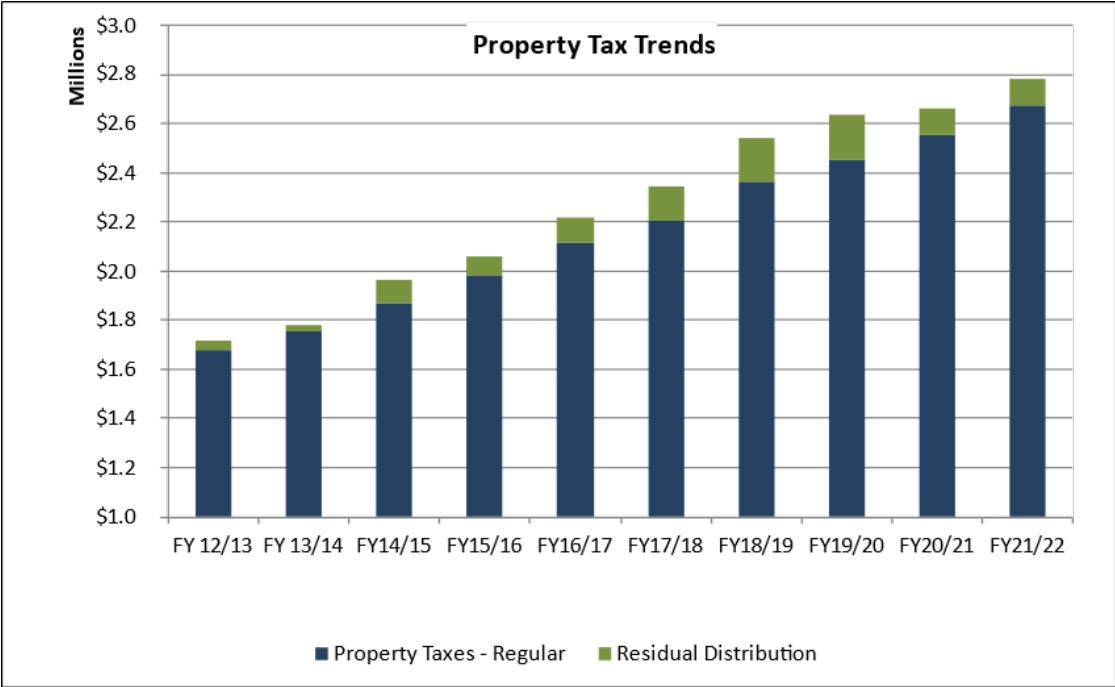
Sales tax receipts are volatile and reflect the current local, state, and national economic condition. Sales Tax collections for the City of Capitola increased year over year after decreasing in the prior year due to the pandemic, however sales tax revenues have been relatively flat since FY 2015-16. The following chart shows sales tax trends over the past ten years as well as demonstrates the proportional share of District and Bradley Burns Sales taxes.



Capitola’s second major source of revenue is property tax. In FY 2021/22 the General Fund received \$2.55 million in property tax receipts, prior to inclusion of Documentary Transfer Tax and Residual RDA distributions. This base amount was approximately \$122,000 more than the prior year and \$12,000 above the final budgeted amount. Over the last five fiscal years the City has averaged approximately 5% growth in annual property tax collections however in FY 2019/20 the increase was approximately 4.6% over the prior year.

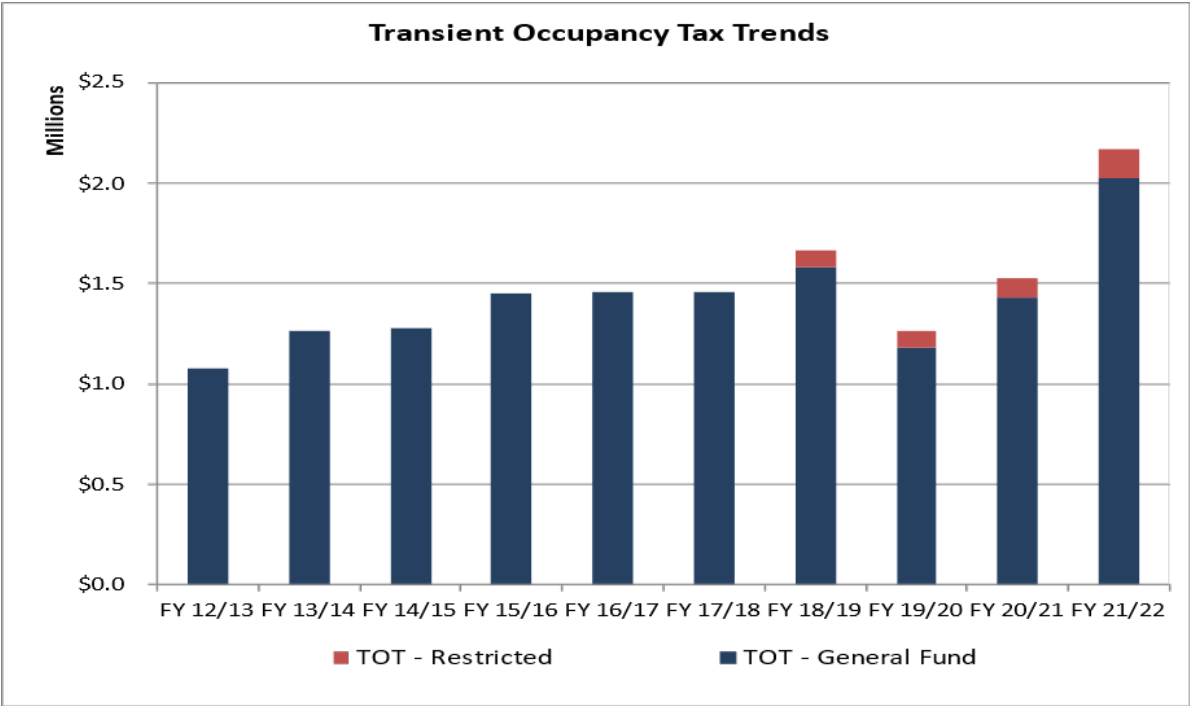
Due to the dissolution of the Capitola Redevelopment Agency (RDA), the RDA’s tax increment revenues are distributed to the Successor Agency Redevelopment Property Tax Trust Fund (RPTTF) in amounts that are only sufficient to fund obligations approved by the independent Oversight Board. Before the RDA dissolution, the City and RDA received over \$2 million a year. The end of the Required Obligation Payment Schedule (ROPS) was in June 2021 and the City is currently in the process of dissolving the Successor Agency.

The City’s property tax revenues do not respond to economic conditions as quickly as sales tax revenues. This delayed response, along with less volatility, assists the City in adjusting to economic downturns by lessening the immediacy of revenue loss. The following chart includes Property Tax Revenue, as well as Property Tax In-Lieu of Vehicle License Fees. Based on the historical data, property tax revenues have remained relatively consistent due to appreciating property values. Staff anticipates this trend, while showing signs of slowing, will continue into the next fiscal year.



Transient occupancy tax (TOT) represents approximately 14% of General Fund revenues. While tourism and economic growth have remained stable, TOT revenue remained flat from FY 2015-16 through FY 2017-18 due to limitations on hotel and vacation rental room inventory. In November 2018 Capitola voters approved an increase in the TOT rate from 10% to 12% with 0.40% dedicated to local business groups and 0.35% dedicated to Early Childhood and Youth programs. The new TOT rate became effective on January 1, 2019, boosting TOT revenues in FY 2018-19. TOT revenues were one of the most impacted revenues due to COVID-19 and saw a significant reduction during the fourth quarter of FY 2019-20, however they rebounded quickly and are now exceeding pre-pandemic amounts.

The chart below provides a 10-year history of TOT revenues.



Long-term Financial Planning

In the past, the City has made strategic decisions to help maintain resiliency in difficult economic times. As a continuation of this practice, the City is focusing on the following planning measures:

Planning for Sales Tax Revenues

The City of Capitola sales tax revenue consists of 1% Bradley Burns Sales tax and two 0.25% District taxes. The first District sales tax, Measure O, is a permanent 0.25% sales tax that was approved by voters in November 2012 and went into effect April 1, 2013. Measure O was implemented with the goal of replenishing reserves, funding CIP projects, and providing support for public safety initiatives. The City developed a five-year plan to ensure that Measure O funds were applied to their stated priorities. Each of the district taxes collect approximately \$1.0 million in General Fund revenues annually.

The second District tax, Measure F, was passed by voters in 2016 to extend Measure D, a temporary quarter of one percent sales tax, for an additional ten 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. The adopted FY 2021-22 budget continued implementing these commitments as Measure F went into effect on January 1, 2018.

Replenishing and Increasing Reserves

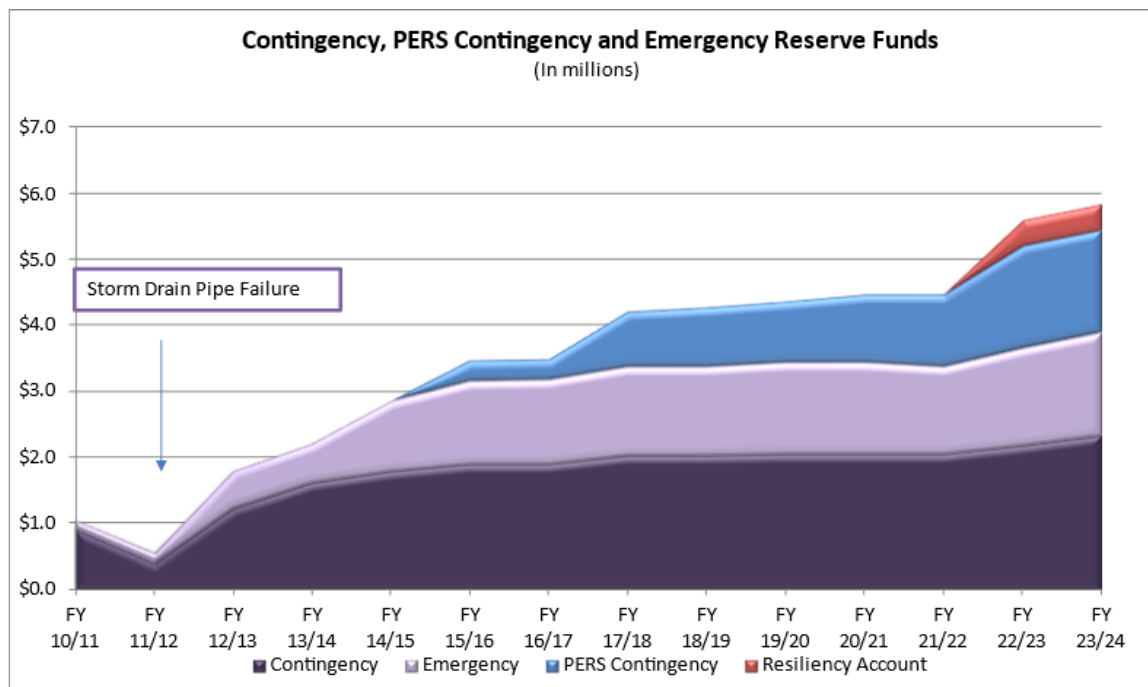
The City has been proactive in establishing a stable reserve level. A portion of Measure O revenues were set aside to replenish the Contingency and Emergency Reserve Funds. The City’s reserves were depleted in March of 2011 when an underground storm drain failed, which resulted in damage to the Pacific Cove Mobile Home Park, City Hall, and portions of Capitola Village. As a result, the City paid \$1.4 million in flood related costs over a two-year period and assumed a \$2.39 million debt to relocate residents of the City-owned Pacific Cove mobile home park. This incident reduced the City’s reserves from \$1.87 million in FY 2009-10 to \$561,000 in FY 2011-12.

This incident, along with the economic downturn, emphasized the need to review reserve policy levels to ensure the City was maintaining a sufficient balance to effectively manage unforeseen events.

In FY 2012-13 the City increased the Emergency Reserve funding level from 5% to 10% of operating expenditures and the Contingency Reserve funding level from 10% to 15% to ensure sufficient reserves are available to offset the effects of the next economic downturn and unforeseen emergencies.

In FY 2015-16 the City implemented a PERS Contingency Reserve Fund to ensure future funding availability for potential CalPERS contribution increases. The initial funding came from a \$300,000 transfer from the General Fund. The City invested the funds with Public Agency Retirement Services (PARS) in a moderately conservative trust fund that allows for a higher rate of return. During FY 2017-18, the City put an additional \$500,000 in the PERS trust fund and has budgeted an additional \$500,000 in FY 2022-23.

In response to COVID-19 in March 2020, the City reduced revenue projections and eliminated all non-essential expenditures in adopting the FY 2020-21 budget. The fiscal impacts from the pandemic were not as severe as originally estimated and the City was able to not only maintain reserves, but also increase operating cash balances. As the City eliminated concessions from employees and returned some expenditures, the City Council also set aside \$385,000 as a resiliency account to mitigate any future fiscal impacts associated with the pandemic.



Maintain the Facilities Reserve Fund

The City created a Facilities Reserve Fund in FY 2014-15. The purpose of the Facilities Reserve Fund is to create a mechanism to fund future facility maintenance projects. Examples of projects that could be financed through the fund include replacing roofs, painting exteriors, replacing mechanical/electrical equipment, and maintenance of adjoining parking spaces. The Facilities Reserve Fund ended FY 2021-22 with a cash balance of \$432,714. The FY 2022-23 budget does not include any funding into the Facilities Reserve Fund or expenditures in the Facilities Reserve Fund as the City continues to manage the fiscal impacts from COVID-19. Staff anticipates restoring annual contributions to the Facilities Reserve in FY 2023-24.

Funding Other Post-Employment Benefits Obligation (OPEB)

The City created an OPEB trust fund in FY 2013-14 in order to reduce and eventually eliminate the liability. Before prefunding the OPEB Liability, the City historically contributed the Minimum Employer Contribution required under the Public Employees' Medical and Hospital Care Act (PEMHCA). The transition from "pay as you go" financing to full funding, reduced the City's long-term liability from \$1,011,800 to \$657,500. In May 2014 the Actuarial Standards Board adopted standard number 6 (ASOP 6) requiring the calculation of the "Implicit Rate Subsidy". The implicit rate is an inherent subsidy of retiree healthcare costs by active employee healthcare costs when healthcare premiums paid by retirees and actives are the same.

Following the advice of the City's auditors as well as the new Actuarial Consultant, the current OPEB Actuarial Valuation now includes the Implicit Rate Subsidy calculation. This one change caused the Unfunded Actuarial Accrued Liability to increase \$1,201,442 increasing the balance from \$584,737 on June 30, 2019, to \$1,572,208 on June 30, 2020. The balance on June 30, 2021, the latest actuarial measurement date, was \$1,642,315. The FY 2022-23 Adopted Budget includes funding of \$60,250 for the OPEB trust fund.

Controlling Personnel Costs

Being a service-oriented organization, personnel costs make up the largest General Fund expenditure. The personnel budget comprises approximately 69% of the General Fund.

In 2021 all bargaining units agreed to multi-year contracts continuing with the cost sharing of CalPERS contributions originally negotiated in FY 2013-14, cost of living adjustments (COLA) based on the Consumer Price Index, and Flex Health Care spending increases. All bargaining units, with the exception of the Mid-Management Employees, agreed to new three-year contracts through June 30, 2024, while the Mid-Management Employees agreed to a new two-year contract through June 30, 2023.

Recent changes in CalPERS' risk pools have had a significant negative impact on the City. These changes will result in an annual increase in CalPERS costs of 10.8% in FY 2022-23. Due to greater than expected investment returns in 2021 the annual CalPERS cost is projected to decrease 2.0% in FY 2023-24, however, anticipated less than expected investment returns in 2022 will likely lead to increased costs in FY 2024-25. Understanding that existing employees were already contributing more than the CalPERS-designated "employee share," the City's current labor contracts set future employee CalPERS contribution rates at a fixed percentage of compensation to reduce the impact on employees.

The number of full-time equivalent (FTE) positions city-wide increased 2.30 during FY 2021-22 as the City continued to fill vacant positions that were frozen in order to mitigate the fiscal impacts from COVID-19. The total city-wide authorized FTEs in FY 2021-22 was 67.75 with 64.50 positions budgeted.

Major Initiatives

Capitola Mall Redevelopment

The City has continued to seek redevelopment opportunities to update and upgrade the City's major retail corridor and mall area. Upgrades to the Capitola Mall are now anticipated with the April 2016 purchase of the Mall by Merlone Geier Partners, a private real estate investment company focused on the acquisition, development, and redevelopment of retail and retail-driven mixed-use properties on the West Coast. The City received a development application from Merlone Geier Aug. 27, 2019, however, due to COVID-19 the project has been put on hold by the developer.

Funding Measure F Commitments

In November 2016 voters of Capitola approved extending an existing quarter of one percent sales tax for an additional ten years. The city has committed this sales tax revenue to protecting the beach and wharf from rising sea levels and storms, supporting bike and pedestrian safety projects, and maintaining police staffing levels.

In FY 2021-22 Measure F funding was programed towards operations in order to maintain police staffing levels while the City managed the fiscal impacts associated with COVID-19. The FY 2022-23 adopted budget includes \$1.1 million of Measure F funding towards the Wharf Rehabilitation Project. Previously the flume and jetty reconstruction projects were fully funded and completed in FY 2020-21. Work began on these projects in FY 2017-18 along with the use of Measure F funds to replace the 20-year-old front end loader for beach maintenance.

Capitola Wharf Resiliency and Public Access Improvements

The Capitola Wharf, known as Soquel Landing at the time, was built more than 150 years ago for F.A. Hihn in order to ship goods produced in the region such as timber, leather, paper, and products from local farms. The Wharf has been damaged and rebuilt numerous times during its history and in 1979 the City of Capitola accepted the grant deed to the Wharf from the County. Following a complete renovation project, the City opened the wharf to the public in 1981. Since that time, the City has used revenue generated from the lease agreements with the restaurant and boat & bait shop to maintain the wharf. A recent report commissioned by the City recommended a number of larger scale projects to better protect the wharf from the impacts of storms and rising sea levels.

The current Engineer's Estimate for the Capitola Wharf Resiliency and Public Access Improvements project is \$7 million. Prior year appropriations of \$5.9 million include \$2.2 million of Measure F funding, State grant funds of \$1.9 million, and \$1.8 million of general fund while prior year expenditures and encumbrances total \$1.2 million. The FY 2022-23 Adopted Budget includes additional funding of \$1.1 million from Measure F and \$400,000 from the general fund bring the remaining balance to \$6.2 million. City staff has applied for a \$3.5 million grant in Federal funding and are awaiting the approval of the Federal budget to find out if the grant application is approved.

Currently construction plans are 90% complete and bid documents are being prepared. The City anticipates construction in Fall 2023 – Spring 2024.

Relevant Financial Policies

Financial Management Policies

The City has developed comprehensive Financial Management Policies to assist with the management of the operating and capital budgeting process and to standardize and rationalize the issuance of debt. This document focuses on Capital Budgeting and Reserves – Issuance of Debt, Operating Budgeting and Reserves and Other Policies, which addresses conformance with Generally Accepted Accounting Principles (GAAP), and Internal Borrowings. This policy requires the City to maintain a balanced operating budget; along with the use of one-time revenues to fund non-recurring expenditures.

A key component of this policy focuses on reserve requirements. Each fiscal year, the final adopted General Fund budget is required to have a Contingency Reserve appropriation equal to 15% of the General Fund operating expenditures and an Emergency Reserve appropriation equal to 10% of the General Fund operating expenditures. The purpose of the Contingency Reserve is 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. The purpose of the Emergency Reserve Fund is to protect against one-time significant costs that may arise from major unpredictable emergency events.

Investment Policy

The City's Investment Policy governs the investment of temporary cash excesses. Investments are prioritized based on the following order of importance: Safety of principal, liquidity, and yield. Various low risk investments, such as U.S. Treasury bills are permitted. During the year, all excess cash balances, which were not held by a fiscal agent, were invested in the California Local Agency Investment Fund (LAIF) and U.S. Treasury. At no time during the year was the City's cash invested in a manner that violates this policy.

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Capitola's ACFR for the fiscal years ended June 30, 2012, through June 30, 2021. This Certificate of Achievement is a prominent national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A GFOA Certificate of Achievement is valid for a period of only one year. The City of Capitola believes the FY 2022 ACFR conforms to the Certificate of Achievement program requirements and will be submitting it to GFOA for review.

Prior to receiving the GFOA Award, the City received the Certificate for Outstanding Financial Reporting for its Annual Comprehensive Financial Report (ACFR) by the California Society of Municipal Finance Officers (CSMFO). This award was received consistently since FY 1999-00. Once a GFOA Award is received, CSMFO prohibits cities from applying and receiving both awards.

ACKNOWLEDGEMENTS


The preparation of this report would not have been possible without the efficient and dedicated services of the entire Finance Department staff. I would like to also express our appreciation to the partners and staff of our auditors for their assistance and support.

I wish to express my thanks and appreciation to the Mayor and members of the City Council for their unfailing leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Finance Department staff. I would like to also express our appreciation to the partners and staff of our auditors for their assistance and support.

I wish to express my thanks and appreciation to the Mayor and members of the City Council for their unfailing leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Jamie Goldstein
City Manager

CITY OF CAPITOLA
LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2022

ELECTED OFFICIALS

Mayor – Sam Storey
Vice Mayor – Margaux Keiser
Council Member – Jacques Bertrand
Council Member – Yvette Brooks
Council Member – Kristen Petersen

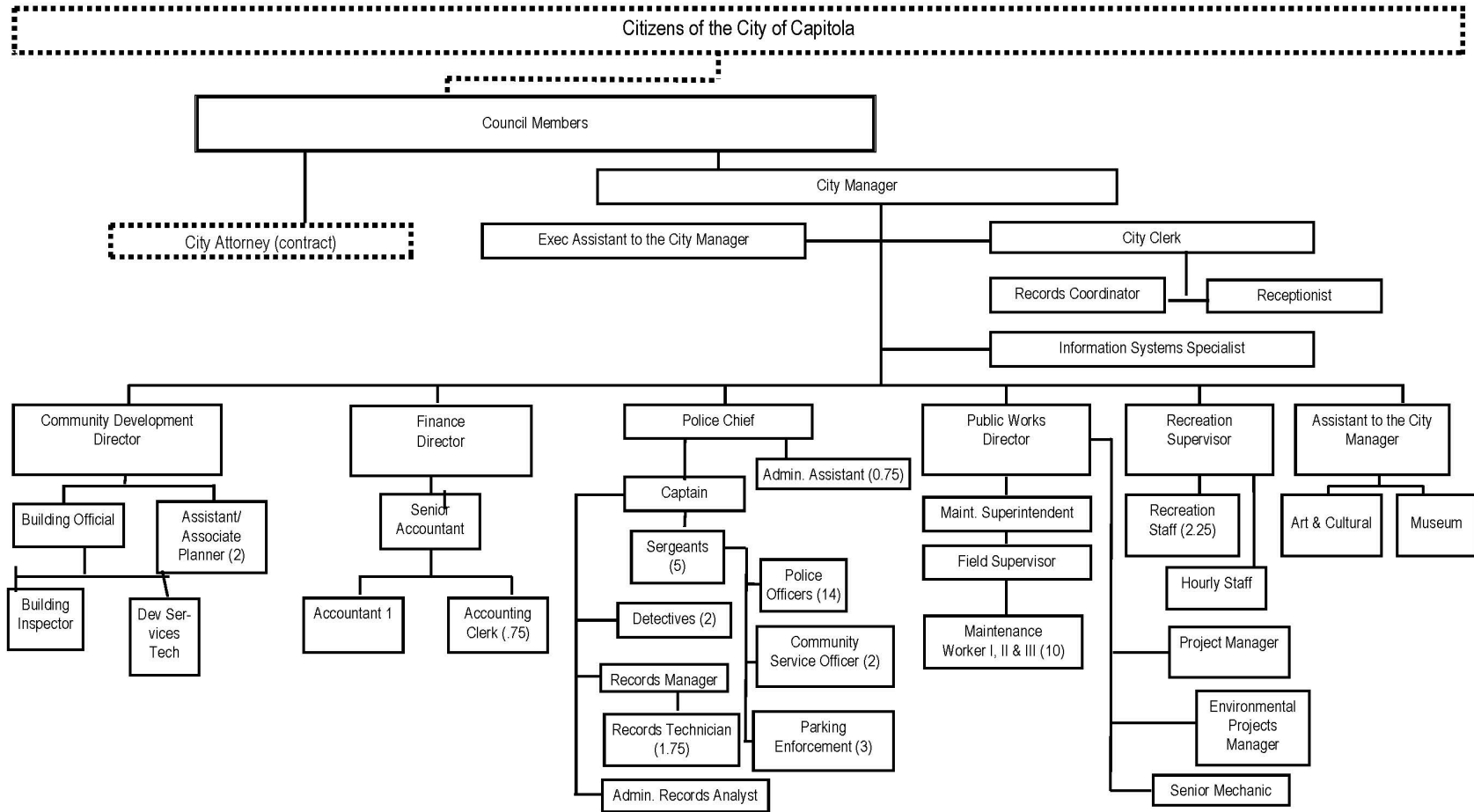
APPOINTED OFFICIALS

City Manager – Jamie Goldstein
City Attorney – Burke, Williams & Sorensen, LLP

DEPARTMENT HEADS/ADMINISTRATORS

Assistant to the City Manager – Chloe Woodmansee
Chief of Police – Andy Dally
City Clerk – Julia Moss
Community Development Director – Katie Herlihy
Finance Director – Jim Malberg
Public Works Director – Jessica Kahn
Recreation Division Manager – Nikki LeBlond-Bryant

CITY OF CAPITOLA ORGANIZATIONAL CHART



CITY OF CAPITOLA

GFOA Awards



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Capitola
California**

For its Annual Comprehensive
Financial Report

For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

This page intentionally left blank



FINANCIAL SECTION

This page intentionally left blank





Independent Auditor’s Report

The Honorable City Council
City of Capitola, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola, California (City), as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions, Schedule of City's Proportionate Share of the Plan's Net Pension Liability, Schedule of Pension Contributions, Schedules of Budgetary Comparison Schedules for the General Fund and each Major Special Revenue Fund be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "identify supplementary information" are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December xx, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Menlo Park, California
December xx, 2022

This page intentionally left blank



Management's Discussion and Analysis

As management of the City of Capitola, California, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33.5 million (net position).
- Total net position increased by \$0.4 million from the prior year.
- The City's net capital assets increased by \$1.1 million from the prior year.
- The City's long-term liabilities decreased by \$9.4 million from the prior year. See Notes 6 and 10 for details.

Fund Highlights

- The City's governmental funds reported combined fund balances of \$27.8 million, an increase of \$2.6 million from the prior year. Of the \$27.8 million fund balance, \$5.6 million is assigned and \$9.5 million is unassigned, or available for spending at the City's discretion. An additional \$12.7 million is restricted for specific purposes by their providers through constitutional provisions or by enabling legislation in accordance with generally accepted accounting principles, which is further described in Note 1.
- The \$2.6 million increase in the combined governmental fund balances was primarily attributable to an increase in grant revenues relating to COVID 19.
- The Unassigned fund balance for the General Fund was \$9.5 million, or 60% of General Fund operating expenditures, a decrease of 7.0% compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the City's basic financial statements. The City's basic financial statements are comprised of the following three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

The Government-Wide Financial Statements distinguish functions of the City of Capitola that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, culture and recreation, and transportation. The City does not have any business-type activities.

The Government-Wide Financial Statements include the City of Capitola (known as the primary government).

The Government-Wide Financial Statements can be found on pages 19-20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City currently has six major governmental funds: General Fund, Federal Home Loan Reuse Fund, Capitola Housing Successor Fund, RTC Streets Fund, Library Fund, and the Capital Projects Fund. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the other governmental funds are combined into a single, aggregated presentation. The City maintains six internal service funds that provide goods and services solely for governmental activities. The activities are eliminated at the end of the fiscal year and any residual fund balances are combined with the General Fund.

The City adopts an annual appropriated budget for all funds. A budgetary comparison statement is provided for each of the City's governmental funds to demonstrate compliance with this budget. This comparison for the General Fund and the Capital Projects Fund is presented in the Required Supplementary Information section of this document. The budgetary comparison statements for Non-Major Governmental Funds and Fiduciary Funds are presented in the Supplementary Information Section of this report. All budget amendments require City Council approval for amounts over \$25,000.

The basic governmental fund financial statements can be found on pages 19-29 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support the City's programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are presented in the Basic Financial Statement section of this document. The Private Purpose Trust Fund includes the Successor Agency to the Capitola Redevelopment Agency.

Notes to the Financial Statements

The Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the City of Capitola's net other postemployment benefits liability and contributions for the Healthcare Plan, the schedule of the City's proportionate share of the plans' net pension liability and related ratios, the schedule of plan contributions, and budget to actual comparisons, as noted in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position. For the fiscal year ended June 30, 2022, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$33.5 million.

	Governmental Activities	
	2022	2021
Current and other assets	\$ 29,589,899	\$ 26,419,144
Capital assets	35,039,287	33,947,364
Total Assets	64,629,186	60,366,508
Total Deferred Outflows of Resources	6,571,485	6,261,262
Other liabilities	1,818,072	1,222,910
Long term liabilities		
Due in one year	496,959	496,959
Due in more than one year	20,853,145	30,221,897
Total Liabilities	23,168,176	31,941,766
Total Deferred Inflows of Resources	14,499,880	1,565,469
Net Position:		
Net investment in capital assets	33,335,826	32,052,715
Restricted	11,768,139	12,055,063
Unrestricted	(11,571,350)	(10,987,243)
Total Net Position	\$ 33,532,615	\$ 33,120,535

The largest portion of the City's net position, \$33.3 million, is reflected in its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending.

Although the City of Capitola's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used. An additional portion of the City's net position, \$11.8 million, represented resources that were subject to external restrictions on how they may be used. The remaining negative \$11.6 million of the City's net position, were "unrestricted," and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted portion of net position is negative mainly due to the City's \$18.8 million net pension and OPEB liabilities.

Further analysis is provided in the governmental activities section of this report.

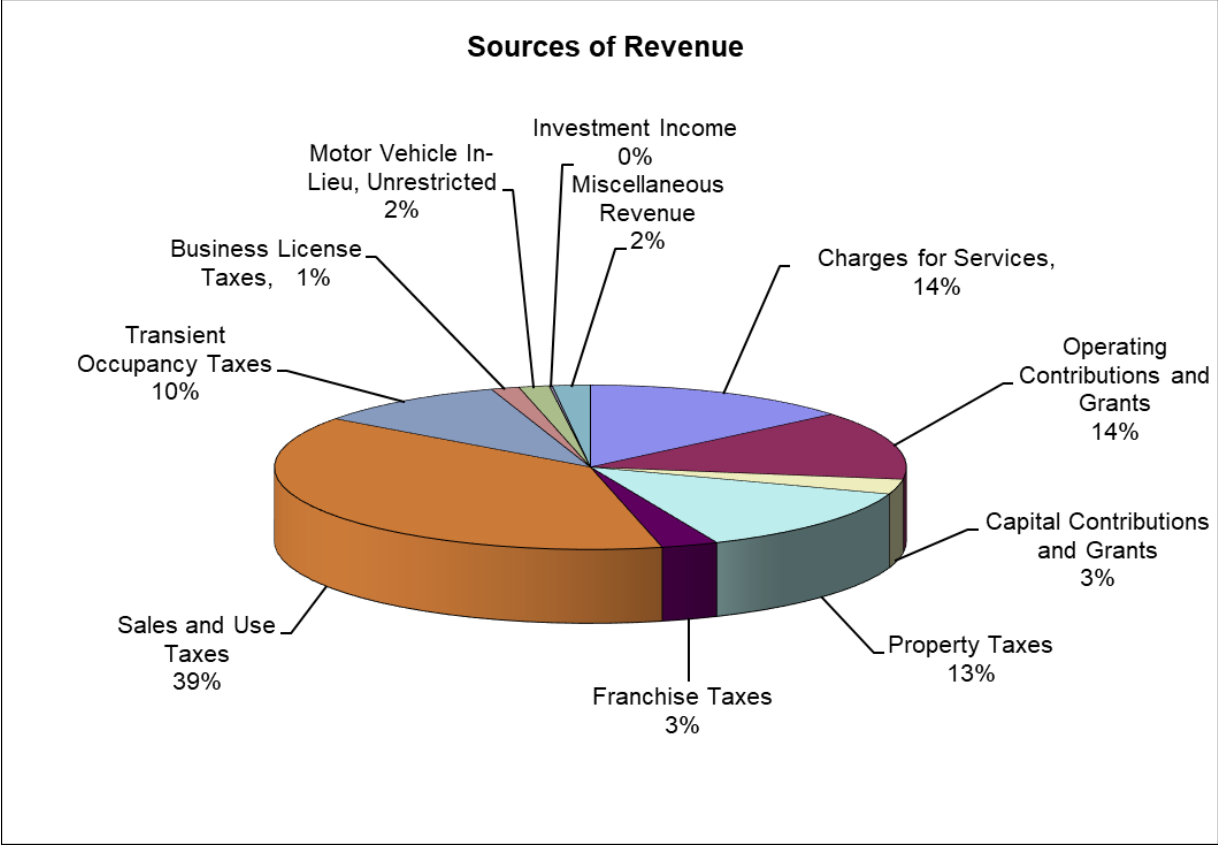
Governmental Activities

Governmental activities increased the City of Capitola's net position by \$0.4 million. The increase is due primarily to the increase in taxes. The table below shows the changes between fiscal years 2021 and 2022:

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,038,933	\$ 2,418,654
Operating grants and contributions	2,969,861	3,124,803
Capital contributions and grants	865,027	1,167,294
General revenues:		
Taxes:		
Property taxes	2,883,183	2,793,549
Franchise taxes	634,511	561,969
Sales and use taxes	8,484,799	7,705,348
Transient occupancy taxes	2,170,541	1,529,015
Business license taxes	315,604	291,590
Motor vehicle in-lieu, unrestricted	341,183	232,475
Investment income, unrestricted	(128,502)	335,472
Miscellaneous revenue	205,129	203,806
Total revenues	<u>21,780,269</u>	<u>20,363,975</u>
Expenses		
General government	6,117,483	3,736,255
Public safety	7,553,751	7,236,650
Community development	1,998,051	978,887
Culture and recreation	1,420,660	1,106,517
Transportation	4,222,401	3,092,354
Interest and other charges	55,843	66,645
Total expenses	<u>21,368,189</u>	<u>16,217,308</u>
Change in Net Position	412,080	4,146,667
Beginning Net Position	<u>33,120,535</u>	<u>28,973,868</u>
Ending Net Position	<u><u>\$ 33,532,615</u></u>	<u><u>\$ 33,120,535</u></u>

Revenues

As shown in the Statement of Activities, revenues for FY 2022 totaled \$21.8 million. The following graph includes program and general revenues and shows the percentage of governmental revenues by source:



Revenues increased by \$1.4 million, or 7.0%, from the prior year. This was primarily due to the following factors:

- Property taxes – Increased \$89,634 over the prior year. This increase was consistent with property valuation increases provided by the County Auditor Controller.
- Sales and use taxes & Transient Occupancy Taxes – Increased \$779,451 and 641,526, respectively from the prior year primarily due the economy recovery from COVID-19 impacts.

Cost of Services

Based on generally accepted accounting principles, program revenues are derived directly from programs or from parties outside the reporting government's taxpayers or citizenry. These revenues reduce the net cost of the function to be financed from the government's general revenues. General revenues are all other revenues not categorized as program revenues and include taxes, unrestricted grants, contributions, investment earnings, and miscellaneous revenues. Total program revenues from governmental activities were \$6.9 million.

The table below shows the costs and revenues of each of the City's programs:

	Total Cost of Services	Program Revenues	Net Cost of Services
General government	\$ 6,117,483	\$ 4,432,120	\$ (1,685,363)
Public safety	7,553,751	805,751	(6,748,000)
Community development	1,998,051	758,948	(1,239,103)
Culture and recreation	1,420,660	287,596	(1,133,064)
Transportation	4,222,401	589,406	(3,632,995)
Interest and other charges	55,843	-	(55,843)
Totals	\$ 21,368,189	\$ 6,873,821	\$ (14,494,368)

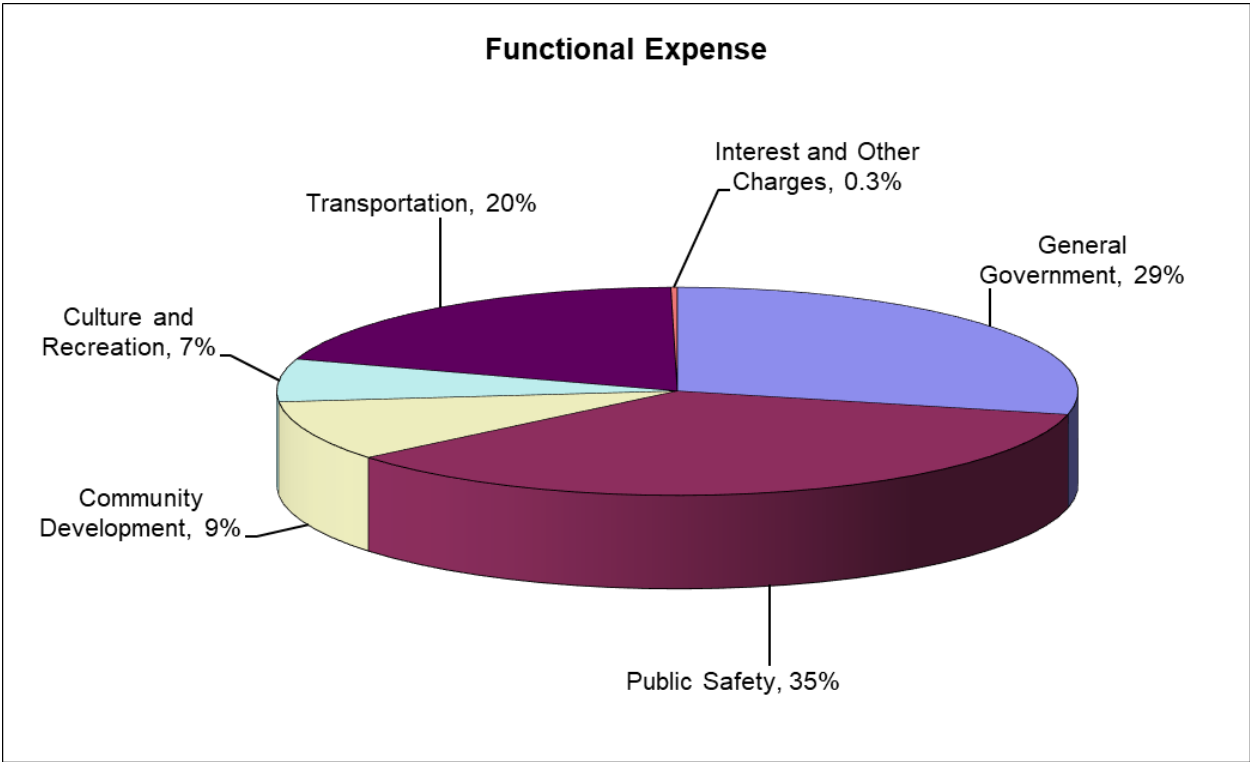
A description of each program is listed below:

- General Government expenses comprise approximately 28.6% of all government expenses. This includes City Council, City Manager, City Clerk, City Attorney, Finance, Administrative Services, and Risk Management. These programs are offset by parking meter collections, grants, and administrative support fees.
- Public Safety expenses comprise 35.4% of all governmental expenses. Revenues from fines, citations, grants, and animal services partially offset the cost of this program.
- Community Development expenses comprise approximately 9.4% of all governmental expenses. Various building and planning fees, along with grant revenues, assist in funding these program costs.
- Culture and Recreation expenses comprise 6.6% of all governmental expenses. These programs are primarily funded through recreational classes and sports fees.
- Transportation/Public Works expenses comprise 19.8% of all governmental expenses. This includes street, facility, park, and fleet maintenance. Costs are partially offset by motor vehicle fuel taxes and various fees.
- Interest expense and other charges comprise 0.3% of all governmental expenses. This interest expense is used to pay long-term debt obligations.

Expenses

As shown in the Statement of Activities, expenses increased from the prior year by 31.8%. This was primarily due to increased expenses in general government and community development related to filling previously vacant positions and new recreation programs.

A distribution of expenses by function is provided below:



Financial Analysis of the City’s Funds

As noted earlier, the City of Capitola uses fund accounting to comply with finance-related legal requirements.

Governmental Funds

The focus of the City of Capitola’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Capitola’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Capitola's governmental funds reported a combined ending fund balance of \$27.8 million, an increase of \$2.6 million compared with the prior year. Of this fund balance, \$12.7 million is externally restricted for particular purposes, \$5.6 million is assigned by the management to multiple priorities, and \$9.5 million is available for spending at the City's discretion.

General Fund - The General Fund is the chief operating fund of the City of Capitola and had a fund balance of \$11.9 million at year end. This represents an increase of \$0.6 million, or 4.9% from the prior year. Approximately \$9.6 million was unassigned fund balance, which was available for spending at the City's discretion.

A reconciliation of the General Fund operating activities presented in the City budget documents to the Governmental General Fund Financial Statements is presented below:

	City Budget Documents	General Plan / Open Space / Donations	Emergency / Contingency / Facilities Reserve / PERS	Internal Service Funds	Financial Statements
Beginning Fund Balance	\$ 4,346,127	\$ 202,623	\$ 4,973,934	\$ 1,790,178	\$ 11,312,862
Revenues	17,904,498	66,975	(111,278)	1,188,588	19,048,783
Expenditures	14,172,132	22,493	116	1,715,311	15,910,052
Net Operating Difference	3,732,366	44,482	(111,394)	(526,723)	3,138,731
Financing Sources/Uses	(3,004,444)	-	-	581,000	(2,423,444)
Net Change	727,922	44,482	(111,394)	54,277	715,287
Ending Fund Balance	\$ 5,074,049	\$ 247,105	\$ 4,862,540	\$ 1,844,455	\$ 12,028,149

It should be noted that the presentation of the General Fund for the City's budget document is different than its presentation in the Governmental Fund Financial Statements. This is primarily due to the consolidation of the following funds for financial statement reporting purposes: General Fund, Contingency Reserve, PARS Contingency, Emergency Reserve, Facilities Reserve, General Plan Update and Maintenance, Stores, Information Technology, Equipment Replacement, Self-Insurance Liability, Workers Compensation, and Compensated Absences.

Federal Home Loan Reuse - The Federal Home Loan Reuse Fund receives loan payments from recipients of HOME Program loans and uses these revenues to fund additional affordable housing activities. All housing funded activities must be within the City and be in accordance with the Federal Home Reuse Guidelines. The revenues represent the receipt of principal and interest payments from loan recipients.

Capitola Housing Successor - This fund is used to account for the assets of the former RDA Low- and Moderate-Income Fund and related housing activities. The funds are restricted in their use, reuse, and repayment pursuant to the original program requirements. As loan payments are received, the revenue generated provides a funding source for new housing assistance programs. Additional information regarding this transition can be found in Note 14.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of public facilities. The total cost of a capital project is accumulated in a single expenditures account, which accumulates until the project is completed, at which time the fund ceases to exist.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2022, is presented as Required Supplementary Information following the notes to the financial statements. This information can be found on page 69. Key budgetary differences are provided below:

Revenues:

Actual revenues were above final budgeted amounts by \$626,167. This was primarily due to the increase in taxes.

Expenses:

Expenses, prior to transfers, were \$608,049 below the final budget total due primarily to the city reducing or eliminating all non-essential personnel expenditures in response to COVID-19.

Appropriations:

Variances between the Original and Final budgets are primarily due to the inclusion of continuing appropriations for special projects from the prior year, mid-year adjustments to reflect updated revenue and expenditure estimates, and new funding appropriated for additional CIP projects.

Fund Balance:

The General Fund's ending fund balance was \$11.9 million as of June 30, 2022. This amount was approximately \$1.2 million more than the final budget projection based on the revenue and expenditure information noted above. A breakdown of General Fund balance is provided below. An additional discussion of the City's Contingency and Emergency Reserves can be found in the Financial Management Policies section of the Transmittal letter.

Fund balance:	
Restricted:	
Retiree benefits	\$ 904,275
Assigned:	
Emergency reserve	1,374,206
Unassigned:	
Contingencies	2,434,060
Unassigned	7,153,372
	<hr/>
Total fund balance	<u>\$ 11,865,913</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The City's value of governmental capital assets (net of accumulated depreciation) at the end of FY 2022 was \$35.0 million. This investment in capital assets includes land, building, equipment, vehicles, and infrastructure. The infrastructure classification typically includes roads, streets, sidewalks, medians, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$1.3 million, or 4.0%. The increase is due to an increase in construction in progress related to the Capitola Library project. Additional information on the City of Capitola's capital assets can be found in Note 4 to the financial statements.

Statement of Net Position	
Asset Type	
Land	\$ 4,883,789
Buildings and improvements	17,913,338
Equipment	4,395,927
Infrastructure	34,119,073
Construction in progress	2,715,304
Total Fixed Assets	<hr/> 64,027,431
Less Depreciation	<hr/> (28,988,144)
Capital Assets Net of Depreciation	<u>\$ 35,039,287</u>

Long-Term Debt

The City's long-term liabilities other than pension and OPEB at the end of FY 2022 was \$2.6 million, a decrease of \$0.2 compared to FY 2021. The change is due to the scheduled principal payments during the fiscal year. An overview of all long-term obligations is presented below while comprehensive information can be found in Note 6.

Loans payable:	
Loan agreement payable - Pacific Cove financing	\$ 807,729
Loan agreement payable - Beach and Village	895,732
Compensated absences	<u>896,141</u>
 Total long-term debt	 <u><u>\$ 2,599,602</u></u>

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

On June 23, 2022, the Council adopted the FY 2022-23 Budget with a total appropriation of \$33.9 million and a General Fund appropriation of \$22.4 million. Adequate resources were projected to be available to fund the proposed expenditures. The General Fund budget returns resources to City Council goals and priorities that were placed on hold in response to COVID-19. The fiscal impacts associated with the pandemic were not as severe as originally projected which when combined with a stronger than anticipated recovery has allowed the City to return funding to the Capital Improvement Program. General Fund expenditures are budgeted to exceed General Fund revenues by approximately \$2.7 million as the City utilizes the available fund balance.

The City has negotiated contracts with the Mid-Management Employees through FY 2022-23 and all remaining bargaining units through FY 2023-24, which include fixed cost of living adjustments (COLA's). Additionally, all contracts included Market Study Salary Adjustments for identified classifications. The City implemented caps on pension costs prior to the FY 2015-16 budget but modified the cap to ensure employees didn't experience large decreases in net pay due to the projected contribution rate increases. Those caps remain in place under the new contracts.

Prospects for the Future

When the voters of Capitola passed Measure O, a quarter of one percent sales tax for a period of ten years, the City committed to replenishing reserves, maintaining police staffing levels and completing major street improvements during the five-year overlap with Measure D. Measure O sales tax revenues have been utilized to fully fund reserves at the City Council adopted funding levels as well as to increase street projects and maintain police department and public works staffing levels. Measure O expired on December 31, 2017.

In 2016 voters passed Measure F to extend the temporary quarter of one percent sales tax for an additional ten 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. The adopted FY 2019/20 budget continued implementing these commitments as Measure F went into effect on January 1, 2018.

Opportunities for development include the Capitola Branch Library, Wharf resiliency improvements, flume repair, and jetty improvements. The new Capitola Branch Library, the flume and jetty projects were all completed during FY 2020-21 while the wharf project is scheduled to be bid in Spring 2023 with an anticipated start date in Fall 2023. The wharf project is currently funded by a combination of Measure F, general fund, and grants; however, the City is awaiting final approval of an additional federal grant which would reduce the amount of Measure F and general fund resources required for the project.

The City has successfully completed all current RDA dissolution and Assembly Bill 1484 (AB 1484) reporting and audit requirements and received approval for repayment of the \$618,028 loan made to the former RDA. The final payment was made during FY 2018/19. The Capitola Successor Agency completed the Required Obligation Payment Schedule (ROPS) in FY 2020-21 and is in the process of dissolving the Successor Agency. Additional information can be found in the transmittal letter, as well as Note 14.

Local, State, and National Economy

In 2008 events in the local, state, and national economies led to a significant downturn in financial markets. In FY 2011/12, there were beginning signs of economic recovery, with increased sales tax, TOT, and an increasing demand for building/planning services. This trend continued through FY 2016/17, however, Capitola's annual sales tax and transient occupancy tax leveled off in FY 2017/18. In November 2018 Capitola voters approved increasing the TOT rate from 10% to 12% with three-quarters of one percent dedicated to local business groups and Early Childhood and Youth programs. Increased home sales and prices have resulted in continued growth in property tax revenue which is consistent with statewide economic conditions.

In March 2020 both Santa Cruz County and the State of California issued Shelter-in-Place orders in response to COVID-19. This had severe negative impacts to City revenues at the end of the 3rd quarter and the entire 4th quarter of FY 2019-20. The City reduced expenditures to the greatest extent possible and negotiated concessions with all labor groups. The fiscal impacts from the pandemic were not as severe as originally anticipated and the recovery was greater than expected. This has allowed the City to end the concessions with labor groups, fill vacant positions that were frozen at the onset of the pandemic, and return services and programs that had been reduced.

In 2021 CalPERS achieved an investment return of 21.3% and the CalPERS Board subsequently approved a decrease in the discount rate it uses to project future funding needs. The discount rate is the expected rate of return on investments. The decreased discount rate has a major impact to the City's yearly unfunded actuarial liability (UAL) payment.

The City's FY 2022-23 UAL payment is approximately \$2.2 million which is a 16.5% increase over the prior year. Current projections show the City's UAL remaining relatively flat for the next two fiscal years and slowly decreasing to \$2 million by FY 2028-29. However, CalPERS investment returns in 2022 were below expectations which will likely have a negative impact on future payments.

Requests for Information

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for its fiscal activities to citizens, taxpayers, investors, creditors, and any other interested parties. If you have questions about this report or need additional information please contact the Finance Director at 420 Capitola Avenue, Capitola, California 95010.

This page intentionally left blank



BASIC FINANCIAL STATEMENTS

This page intentionally left blank



CITY OF CAPITOLA
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,182,654
Ristricted cash and investments	904,275
Accounts receivable	1,556,436
Due from other governments	2,233,646
Loans receivable	6,712,888
Capital assets:	
Non-depreciable:	
Land	4,883,789
Construction in progress	2,715,304
Depreciable:	
Equipment	4,395,927
Buildings and improvements	17,913,338
Infrastructure	34,119,073
Accumulated depreciation	(28,988,144)
Total Assets	64,629,186
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	5,541,080
OPEB related	1,030,405
Total Deferred Outflows of Resources	6,571,485
LIABILITIES	
Accounts payable	909,714
Accrued liabilities	246,679
Interest payable	23,598
Unearned revenue	241,688
Deposits payable	396,393
Noncurrent liabilities:	
Due within one year	496,959
Due in more than one year	2,102,643
Net other postemployment liability due in more than one year	1,642,315
Net pension liability due in more than one year	17,108,187
Total Liabilities	23,168,176
DEFERRED INFLOWS OF RESOURCES	
Pension related	14,143,879
OPEB related	356,001
Total Deferred Inflows of Resources	14,499,880
NET POSITION	
Net investment in capital assets	33,335,826
Restricted for:	
Public safety	154,484
Transportation	1,400,350
Community development	9,994,617
Culture and recreation	218,688
Unrestricted	(11,571,350)
Total Net Position	\$ 33,532,615

The accompanying notes are an integral part of these financial statements.

CITY OF CAPITOLA
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 6,117,483	\$ 1,677,507	\$ 2,754,613	\$ -	\$ (1,685,363)
Public safety	7,553,751	509,108	177,601	119,042	(6,748,000)
Community development	1,998,051	538,757	-	220,191	(1,239,103)
Culture and recreation	1,420,660	274,066	13,530	-	(1,133,064)
Transportation	4,222,401	39,495	24,117	525,794	(3,632,995)
Interest and other charges	55,843	-	-	-	(55,843)
Total Governmental Activities	\$ 21,368,189	\$ 3,038,933	\$ 2,969,861	\$ 865,027	(14,494,368)
General Revenues:					
Taxes:					
Property taxes					2,883,183
Franchise taxes					634,511
Sales and use taxes					8,484,799
Transient occupancy taxes					2,170,541
Business license taxes					315,604
Motor vehicle in-lieu, unrestricted					341,183
Investment income, unrestricted					(128,502)
Miscellaneous revenue					205,129
Total General Revenues					14,906,448
Change in Net Position					412,080
Net Position, Beginning of Year					33,120,535
Net Position, End of Year					\$ 33,532,615

The accompanying notes are an integral part of these financial statements.

GOVERNMENTAL FUNDS

Major Governmental Funds

GENERAL FUND

General Fund - Accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund for the City.

SPECIAL REVENUE FUNDS

Federal Home Loan Reuse Fund - This fund accounts for housing loan principal and interest payments that will be available for a similar future federal program.

Capitola Housing Successor Fund - This fund is used to account for the assets of the former RDA Low- and Moderate-Income Fund, and related housing activities. The funds are restricted in their use, reuse, and repayment pursuant to the original program requirements. It is anticipated that as loan payments are received, the revenue generated would fund new housing activities.

Regional Transportation Commission (RTC) Streets

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.

CAPITAL PROJECTS FUND

Capital Projects Fund - Accounts for financial resources segregated for the acquisition of major capital facilities and equipment by the City.

Non-Major Governmental Funds

Other Governmental Funds - These funds constitute all other governmental funds that do not meet the major fund test of assets, liabilities and deferred inflows of resources, revenues, or expenditures for the governmental funds. These funds consist of other Special Revenue Funds, and Debt Service Funds of the City for the year ended.

CITY OF CAPITOLA
Governmental Funds
Balance Sheet
June 30, 2022

	Special Revenue Funds			
	General	Federal Home Loan Reuse	Capitola Housing Successor	RTC Streets
REVENUES				
Taxes	\$ 14,514,217	\$ -	\$ -	\$ -
Licenses and permits	713,489	-	-	-
Fines and forfeitures	588,832	-	-	-
Intergovernmental	1,372,585	-	-	384,195
Charges for services	1,944,003	-	-	-
Use of money and property	(391,053)	96,379	35,159	1,497
Other revenue	144,474	-	-	-
Total Revenues	18,886,547	96,379	35,159	385,692
EXPENDITURES				
Current:				
General government	4,149,777	-	-	-
Public safety	6,960,070	-	-	-
Community development	935,926	3,201	97,969	-
Culture and recreation	1,103,799	-	-	-
Transportation	2,760,480	-	-	-
Capital outlay	-	-	-	96,916
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	15,910,052	3,201	97,969	96,916
Excess (Deficiency) of Revenues over (Under) Expenditures	2,976,495	93,178	(62,810)	288,776
OTHER FINANCING SOURCES (USES)				
Transfers in	764,899	-	-	-
Transfers out	(3,188,343)	-	-	-
Total Other Financing Sources (Uses)	(2,423,444)	-	-	-
Net Change in Fund Balances	553,051	93,178	(62,810)	288,776
Fund Balances, Beginning of Year	11,312,862	4,581,057	4,413,603	645,047
Fund Balances, End of Year	\$ 11,865,913	\$ 4,674,235	\$ 4,350,793	\$ 933,823

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund		
Capital Projects	Non-Major Governmental Funds	Totals
\$ -	\$ 242,776	\$ 14,756,993
18,273	14,085	745,847
-	-	588,832
812,774	523,858	3,093,412
-	75,855	2,019,858
-	129,516	(128,502)
(6,834)	566,189	703,829
<u>824,213</u>	<u>1,552,279</u>	<u>21,780,269</u>
14,515	33,509	4,197,801
-	35,118	6,995,188
-	426,707	1,463,803
-	98,523	1,202,322
-	160,281	2,920,761
1,460,418	620,436	2,177,770
-	191,188	191,188
-	62,088	62,088
<u>1,474,933</u>	<u>1,627,850</u>	<u>19,210,921</u>
<u>(650,720)</u>	<u>(75,571)</u>	<u>2,569,348</u>
2,960,066	298,149	4,023,114
(6,134)	(828,637)	(4,023,114)
<u>2,953,932</u>	<u>(530,488)</u>	<u>-</u>
2,303,212	(606,059)	2,569,348
<u>1,842,004</u>	<u>2,431,504</u>	<u>25,226,077</u>
<u>\$ 4,145,216</u>	<u>\$ 1,825,445</u>	<u>\$ 27,795,425</u>

This page intentionally left blank



CITY OF CAPITOLA
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2022

Fund Balances of Governmental Funds	\$ 27,795,425
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets net of depreciation have not been included in governmental fund activity:	
Capital assets	64,027,431
Accumulated depreciation	(28,988,144)
Pension related deferred inflows and outflows of resources are not reported in the governmental funds:	
Deferred outflows	5,541,080
Deferred inflows	(14,143,879)
OPEB related deferred inflows and outflows of resources are not reported in the governmental funds:	
Deferred outflows	1,030,405
Deferred inflows	(356,001)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	
	(23,598)
Long-term liabilities have not been included in the governmental fund activity:	
Capital lease financing	(807,729)
Lease-back financing	(895,732)
Net pension liability	(17,108,187)
Compensated absences	(896,141)
Net OPEB liability	<u>(1,642,315)</u>
Net position of governmental activities	<u>\$ 33,532,615</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAPITOLA
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2022

	Special Revenue Funds			
	General	Federal Home Loan Reuse	Capitola Housing Successor	RTC Streets
REVENUES				
Taxes	\$ 14,514,217	\$ -	\$ -	\$ -
Licenses and permits	713,489	-	-	-
Fines and forfeitures	588,832	-	-	-
Intergovernmental	1,372,585	-	-	384,195
Charges for services	1,944,003	-	-	-
Use of money and property	(391,053)	96,379	35,159	1,497
Other revenue	144,474	-	-	-
Total Revenues	18,886,547	96,379	35,159	385,692
EXPENDITURES				
Current:				
General government	4,149,777	-	-	-
Public safety	6,960,070	-	-	-
Community development	935,926	3,201	97,969	-
Culture and recreation	1,103,799	-	-	-
Transportation	2,760,480	-	-	-
Capital outlay	-	-	-	96,916
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	15,910,052	3,201	97,969	96,916
Excess (Deficiency) of Revenues over (Under) Expenditures	2,976,495	93,178	(62,810)	288,776
OTHER FINANCING SOURCES (USES)				
Transfers in	764,899	-	-	-
Transfers out	(3,188,343)	-	-	-
Total Other Financing Sources (Uses)	(2,423,444)	-	-	-
Net Change in Fund Balances	553,051	93,178	(62,810)	288,776
Fund Balances, Beginning of Year	11,312,862	4,581,057	4,413,603	645,047
Fund Balances, End of Year	\$ 11,865,913	\$ 4,674,235	\$ 4,350,793	\$ 933,823

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund		
Capital Projects	Non-Major Governmental Funds	Totals
\$ -	\$ 242,776	\$ 14,756,993
18,273	14,085	745,847
-	-	588,832
812,774	523,858	3,093,412
-	75,855	2,019,858
-	129,516	(128,502)
(6,834)	566,189	703,829
<u>824,213</u>	<u>1,552,279</u>	<u>21,780,269</u>
14,515	33,509	4,197,801
-	35,118	6,995,188
-	426,707	1,463,803
-	98,523	1,202,322
-	160,281	2,920,761
1,460,418	620,436	2,177,770
-	191,188	191,188
-	62,088	62,088
<u>1,474,933</u>	<u>1,627,850</u>	<u>19,210,921</u>
<u>(650,720)</u>	<u>(75,571)</u>	<u>2,569,348</u>
2,960,066	298,149	4,023,114
(6,134)	(828,637)	(4,023,114)
<u>2,953,932</u>	<u>(530,488)</u>	<u>-</u>
2,303,212	(606,059)	2,569,348
1,842,004	2,431,504	25,226,077
<u>\$ 4,145,216</u>	<u>\$ 1,825,445</u>	<u>\$ 27,795,425</u>

CITY OF CAPITOLA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 2,569,348

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	2,177,770
Depreciation	(1,085,847)

Repayment of debt service principal and capital lease liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.

191,188

Governmental funds report all contributions as expenditures in relation to Pensions and OPEB, however, in the statement of activities, OPEB and pension expenses are based on the change in these liabilities.

Change in net pension liability and related deferrals	(3,445,405)
Change in net OPEB	(86,504)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences payable	85,285
Change in accrued interest expense	6,245

Change in net position of governmental activities	\$ 412,080
---	------------

The accompanying notes are an integral part of these financial statements.

**CITY OF CAPITOLA
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022**

	Private Purpose Trust Fund
ASSETS	
Cash and investments	\$ 162,988
Total Assets	162,988
 NET POSITION	
Restricted in trust for successor agency and other purposes	162,988
Total Net Position	\$ 162,988

The accompanying notes are an integral part of these financial statements.

CITY OF CAPITOLA
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Private Purpose Trust Fund
ADDITIONS	
Other revenue	<u>\$ (2,086)</u>
Total Additions	<u>(2,086)</u>
Change in Net Position	(2,086)
Net Position, Beginning of Year	<u>165,074</u>
Net Position, End of Year	<u><u>\$ 162,988</u></u>

The accompanying notes are an integral part of these financial statements.

City of Capitola
Index to Notes to Financial Statements
Year Ended June 30 2022

NOTE 1 –	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	31
	A. Description of Reporting Entity.....	31
	B. Basis of Presentation.....	31
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	32
	D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity.....	33
	1) Cash and Investments	33
	2) Receivables and Payables.....	34
	3) Property Taxes.....	34
	4) Capital Assets.....	35
	5) Prepaid Items.....	35
	6) Deferred Outflows/Inflows of Resources.....	36
	7) Compensated Absences.....	36
	8) Reclassification and Eliminations.....	36
	9) Use of Estimates	36
	10) Fund Equity	37
	11) Pension Plans.....	38
	12) Other Post Employment Benefits.....	38
	E. New Accounting Pronouncements.....	38
NOTE 2 –	CASH AND INVESTMENTS.....	42
NOTE 3 –	INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS.....	45
NOTE 4 –	CAPITAL ASSETS.....	46
NOTE 5 –	OTHER LONG-TERM RECEIVABLES.....	47
NOTE 6 –	LONG-TERM LIABILITIES.....	47
NOTE 7 –	FUND BALANCES	49
NOTE 8 –	RISK MANAGEMENT	51
NOTE 9 –	JOINT VENTURES.....	52
NOTE 10 –	DEFINED BENEFIT PENSION PLANS (CALPERS).....	53
NOTE 11 –	PUBLIC AGENCY RETIREMENT PLAN.....	62
NOTE 12 –	OTHER POST EMPLOYMENT BENEFITS PLAN (OPEB).....	63
NOTE 13 –	COMMITMENTS AND CONTINGENT LIABILITIES.....	67
NOTE 14 –	SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY..	68
NOTE 15 –	RISKS AND UNCERTAINTIES.....	70

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The City of Capitola (the City) was incorporated in 1949 under the laws of the State of California. Capitola is a General Law City and is subject to the framework and procedures established by State law. The City operates under the Council-City Manager form of government. The City provides police protection, street, park and facilities maintenance, recreation, building, planning, zoning, administrative, and financial services for Capitola. Independent special districts provide fire protection, water, sewer, and limited drainage services.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues. All City activities are governmental; no business-type activities are reported in the statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function, or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2022

Item 8 F.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers the majority of revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City's only exception to this timeline is Sales Tax receipts which are recorded as revenues if received within 90 days.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, transient occupancy taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund

The General Fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund for the City.

Federal Home Loan Reuse Fund

The Federal Home Loan Reuse 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (continued)

Capital Projects Fund

The Capital Projects Fund accounts for financial resources segregated for the acquisition of major capital facilities and equipment by the City.

Capitola Housing Successor Fund

This fund is used to account for the assets of the former RDA Low- and Moderate-Income Fund, and related housing activities. The funds are restricted in their use, reuse, and repayment pursuant to the original program requirements. It is anticipated that as loan payments are received, the revenue generated would fund new housing activities.

Library Fund

This fund accounts for library project financial resources segregated for the acquisition of major capital facilities and equipment by the City.

RTC Streets

This fund accounts for 0.5 percent user sales tax revenues to fund local roads.

All remaining governmental are aggregated and reported as nonmajor funds.

The City also reports the following fiduciary funds:

Private Purpose Trust Funds

The Private Purpose Trust Fund accounts for the activities of the City of Capitola as Successor Agency to the Capitola Redevelopment Agency. The Successor Agency's primary purpose is to expedite the dissolution of the former Redevelopment Agency's assets in accordance with AB X1 26 and AB 1484.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

1) Cash and Investments (continued)

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

The City pools idle cash from all funds in order to increase income earned through its investment program. Investment income from pooled investments is allocated to those funds that are required by law or administrative action to receive interest. Investment income is allocated on a quarterly basis based on the cash balance in each fund.

2) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and such amounts are offset equally by a fund balance reserve account that indicates they do not constitute expendable available financial resources and therefore are not available for appropriation.

3) Property Taxes

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date(s)	January 1	January 1
Levy Date	July 1	July 1
Due Date(s)	November 1 (50%) February 1 (50%)	August 1
Delinquency Date(s)	December 10 - 1st Installment April 10 - 2nd Installment	August 31

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity, (continued)

3) Property Taxes (continued)

The City adopted an alternative method of property tax distribution (the "Teeter Plan"). Under this method, the City receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The City receives payments as a series of advances made by the County throughout the fiscal year. The secured property tax levy is recognized as revenue upon receipt including the final payment, which generally is received within 60 days after the fiscal year.

4) Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at acquisition value as of the date received. City policy is to capitalize all tangible property with a useful life of five or more years and a cost or assigned value exceeding \$5,000, with the exception of infrastructure valued at \$50,000 or more.

The City recorded all its public domain (infrastructure) capital assets placed in service after June 30, 1980, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, in accordance with generally accepted accounting principles.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets. Generally accepted accounting principles requires that all capital assets with limited useful lives be depreciated over the estimated useful lives. Depreciation is provided using the straight-line method which means the cost of the assets is divided by its expected useful life in years and the result is charged to expense each fiscal year until the assets are fully depreciated. The City has assigned the useful lives listed below to capital assets.

Structures and Improvements	50 years
Equipment	5 – 20 years
Infrastructure	15 – 50 years

5) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both government-wide and fund financial statements. The City accounts for such items using the consumption method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity, (continued)****6) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of the net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

7) Compensated Absences

In compliance with generally accepted accounting principles, the City has established a liability for accrued vacation in relevant funds. Based on prior MOU language, a sick leave liability is also accrued for one remaining employee. For governmental fund types, the current liability appears in the respective funds, if due and payable, and the long-term liability appears in the government-wide financial statements. This liability is set up for the current employees at the current rates of pay. If vacation and the sick leave balances are not used by employees during the term of employment, compensation is payable to the employee at the time of retirement. Such compensation is calculated at the employee's prevailing rate at the time of retirement or termination. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

8) Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide statements, except for net residual amounts due between governmental activities and business-type activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that the expenses are reported only once - in the function in which they are allocated.

9) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts or disclosures based on estimates and assumptions by management. Actual results could differ from those amounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity, (continued)

10) Fund Equity

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. These classifications and constraints have been incorporated into the City's Fund Balance Policy, Administrative Policy III-10.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – Amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that have constraints placed on them by third-party providers (grantors, bondholders, and higher levels of government) or by law through constitutional provisions or by enabling legislation.

Committed – Amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority. This includes an action by the City Council passing a resolution. The Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it previously employed to commit those amounts.

Assigned – Amounts the City intends to use for a specific purpose but are neither restricted nor committed. Intended use can be established by the City Council, or by a City official designated as having that authority, such as the City Manager or Finance Director.

Unassigned – is the residual classification for the General Fund and residual fund deficits, if any, of other governmental funds. Unassigned amounts are technically available for any purpose.

When an expenditure is incurred for which both restricted and unrestricted (committed, assigned, or unassigned) are available, it is the City's policy to consider restricted amounts first, then unrestricted resources. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance appropriations could be used, it is the City's Policy that committed amounts would be used first, followed by assigned, and then unassigned fund balance classifications.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity, (continued)****11) Pension Plans**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

12) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

E. New Accounting Pronouncements**Effective this Fiscal Year**

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2020, or FY 2021/2022. The City implemented this Statement as of July 1, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective this Fiscal Year

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or FY 2021/2022. This Statement did not impact the City's financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, Omnibus 2020. The objective of this Statement is to establish accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, or FY 2021/2022, except for the requirement relating to Statement 87 and Implementation Guide 2019-3; reinsurance recoveries, and terminology used to refer to derivative instruments which are effective upon issuance. This Statement did not impact the City's financial statements.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The objective of this Statement is (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, or FY 2021/2022. This Statement did not impact the City's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective in Future Fiscal Years

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, or FY 2022/2023. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022, or FY 2023/2024. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, or FY 2022/2023. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, or FY 2022/2023. The City is evaluating the impact of this Statement on the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is evaluating the impact of this Statement on the financial statements

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is evaluating the impact of this Statement on the financial statements.

2. CASH AND INVESTMENTS

Cash and investments held by the City at June 30, 2022, are classified in the accompanying financial statement as follows:

Statement of Net Position:	
Cash and investments	\$ 19,086,929
Statement of Fiduciary Net Position:	
Cash and investments	<u>162,988</u>
 Total cash and investments	 <u><u>\$ 19,249,917</u></u>

Cash and investment held by the City consisted of the following:

Petty cash	\$ 1,444
Demand deposits	1,130,711
Investments with LAIF	13,617,187
Certificates of Deposit	3,596,300
PARS	<u>904,275</u>
 Total cash and investments	 <u><u>\$ 19,249,917</u></u>

Investments Authorized by the California Government Code and the City of Capitola's Investment Policy:

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code (or the City's investment policy, if more restrictive). The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U. S. Treasury Bills	5 years	60%	None
Negotiable Certificates of Deposit (CD)	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75,000,000

2. CASH AND INVESTMENTS, (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. As of June 30, 2022, the City had the following investments.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1 year	1-5 years
Investments with LAIF	\$ 13,617,187	\$ 13,617,187	\$ -
Certificates of Deposit	3,596,300	-	3,596,300
PARS	904,275	904,275	-
Total Investments	<u>\$ 18,117,762</u>	<u>\$ 14,521,462</u>	<u>\$ 3,596,300</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments in LAIF and in PARS were not rated as of June 30, 2022. Investments in the negotiable certificates of deposit were fully insured by the Federal Deposit Insurance Corporation (FDIC).

Concentration of Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total City investments required to be disclosed.

2. CASH AND INVESTMENTS, (continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker/dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, the City had deposits with financial institutions in excess of federal depository insurance limits by \$890,699 that were held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF was established in 1977 under the California Government Code Section 16429.1 et seq. as an investment alternative for local California governments and cities. LAIF oversight is governed by a five-member board designated by law, with the State Treasurer as Board Chairman. The State Treasurer elected to invest these monies as part of the State's Pooled Money Investment Account (PMIA) to achieve the maximum rate of return, while maintaining the goals of safety, liquidity, and yield. All LAIF funds are insulated from State borrowing including State General Fund transfers or loans and AB 55 loans. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro rata share of the fair value provided by LAIF (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded as an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission.

Fair Value Measurements

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

2. CASH AND INVESTMENTS, (continued)

Fair Value Measurements, (continued)

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

At June 30, 2022, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Uncategorized</u>
Investments with LAIF	\$ 13,617,187	\$ -	\$ -	\$ 13,617,187
Certificates of Deposit	3,596,300	3,596,300	-	-
PARS	904,275	-	904,275	-
Total Investments	<u>\$ 18,117,762</u>	<u>\$ 3,596,300</u>	<u>\$ 904,275</u>	<u>\$ 13,617,187</u>

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended June 30, 2022, are as follows:

	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
Transfers Out				
General Fund	\$ -	\$ 2,960,066	\$ 228,277	\$ 3,188,343
Capital Projects Fund	-	-	6,134	6,134
Non-Major Governmental Funds	764,899	-	63,738	828,637
Total	<u>\$ 764,899</u>	<u>\$ 2,960,066</u>	<u>\$ 298,149</u>	<u>\$ 4,023,114</u>

The General and the Affordable Housing Funds transferred \$88,211 to the Beach Village Lot and \$165,066 to the Pacific Cove Debt Financing Fund for debt service payments. The General Fund transferred \$2,960,066 to the Capital Projects Funds for various capital projects. In addition, the Nonmajor Transient Occupancy Tax Fund transferred to the Capitola Village and Wharf BIA Fund for Wharf related projects.

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, is as follows:

	Ending Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,883,789	\$ -	\$ -	\$ 4,883,789
Construction in progress	16,580,592	1,332,037	(15,197,325)	2,715,304
Total capital assets, not being depreciated	21,464,381	1,332,037	(15,197,325)	7,599,093
Capital assets, being depreciated:				
Equipment	4,217,844	178,080	-	4,395,924
Building and improvements	2,398,168	15,736,197	(221,027)	17,913,338
Infrastructure	33,990,293	128,781	-	34,119,074
Total capital assets, being depreciated	40,606,305	16,043,058	(221,027)	56,428,336
Less accumulated depreciation for:				
Equipment	(3,671,928)	(203,337)	-	(3,875,265)
Building and improvements	(1,693,155)	(336,422)	221,027	(1,808,550)
Infrastructure	(22,758,239)	(546,088)	-	(23,304,327)
	(28,123,322)	(1,085,847)	221,027	(28,988,142)
Total capital assets, being depreciated, net	12,482,983	14,957,211	-	27,440,194
Total governmental activities capital assets, net of accumulated depreciation	\$ 33,947,364	\$ 16,289,248	\$ (15,197,325)	\$ 35,039,287

Depreciation Allocations

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:	
General government	\$ 636,384
Public safety	75,050
Cultural and recreation	39,948
Transportation	334,465
Total Depreciation Expense - Governmental Activities	\$ 1,085,847

5. OTHER LONG-TERM RECEIVABLES

Housing and Community Development Loan Program

The City uses Federal Home Loan Reuse, Affordable Housing and CDBG Program Income funds to provide housing loans to eligible applicants. Such loans are made to low and moderate-income households to improve or rehabilitate residences. These loans have been reflected in the financial statements as loans receivable. The City accounts for this program in the Special Revenue Funds. Total detail of loans receivable of \$6.7 million at June 30, 2022, is listed below:

	CDBG Program Income	Federal Home Loan Reuse	Capitola Housing Successor	Total
Individual Loans	\$ 390,853	\$ 291,138	\$ 556,773	\$ 1,238,764
Bay Avenue Senior Apartments	-	3,518,897	1,803,583	5,322,480
Wharf Road Manor	-	151,644	-	151,644
Totals	<u>\$ 390,853</u>	<u>\$ 3,961,679</u>	<u>\$ 2,360,356</u>	<u>\$ 6,712,888</u>

6. LONG-TERM LIABILITIES

A summary of changes in long-term debt for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Lease - Cove Financing	\$ 934,557	\$ -	\$ (126,828)	\$ 807,729	\$ 113,021
Beach and Village Lot II Financing	960,092	-	(64,360)	895,732	62,938
Compensated Absences	981,426	473,158	(558,443)	896,141	321,000
Totals	<u>\$ 2,876,075</u>	<u>\$ 473,158</u>	<u>\$ (749,631)</u>	<u>\$ 2,599,602</u>	<u>\$ 496,959</u>

Loan Agreement Payable - Pacific Cove Debt Financing

On March 23, 2012, the City executed a \$2.39 million lease/sublease agreement to facilitate relocating the residents of the Pacific Cove Mobile Home Park. The City-owned mobile home park was permanently closed for safety reasons after a pipe failure flooded the park. This lease agreement used the existing City Hall site and the adjacent Upper Pacific Cove Parking lot as the subject lease property. The original lease agreement was for 20 years at 5.14% fixed interest rate for the first 10 years, with a reset to 10-year T-Bill plus 3%. The lease was renegotiated during fiscal year 2012/13 to a tax-exempt lease with a 3.25% interest rate, with a reset in year 10 to a 10-year T-Bill plus 1.5%. As a result of the refinancing, annual loan payments were reduced by approximately \$28,000. Savings on interest over the first nine years is estimated to be \$350,000.

In FY 2012/13, the City made a decision to apply \$500,000 from the disaster recovery insurance settlement to the Pacific Cove Lease. This resulted in a principal reduction of \$476,190, with a prepayment penalty of \$23,810.

6. LONG-TERM LIABILITIES, (continued)

Loan Agreement Payable - Pacific Cove Debt Financing, (continued)

Future payments under the agreement as of June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 120,548	\$ 44,518	\$ 165,066
2024	124,498	40,568	165,066
2025	128,577	36,489	165,066
2026	132,789	32,276	165,065
2027	137,140	27,926	165,066
2028-2029	164,177	41,305	205,482
Total	<u>\$ 807,729</u>	<u>\$ 223,082</u>	<u>\$ 1,030,811</u>

Loan Agreement Payable - Beach and Village Lot II Financing

On March 14, 2014, the City of Capitola executed a \$1,372,500 low-interest loan with the California Infrastructure and Economic Development Bank (IBank). This loan is considered a lease-lease back obligation with the General Fund as the source of repayment; and the City Public Works Corporation Yard serving as the leased asset. The loan term is 20 years at a fixed 2.26% interest rate.

Future payments under the agreement as of June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 65,815	\$ 19,500	\$ 85,315
2024	67,302	17,996	85,298
2025	68,823	16,457	85,280
2026	70,379	14,884	85,263
2027	71,969	13,276	85,245
2028-2032	384,991	40,950	425,941
2033-2034	166,453	3,783	170,236
Total	<u>\$ 895,732</u>	<u>\$ 126,846</u>	<u>\$ 1,022,578</u>

6. LONG TERM LIABILITIES, (continued)

Compensated Absences

Generally Accepted Accounting Principles identifies certain items that should be accrued as a liability as the benefits are earned by the employees but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement.

City employees accumulate earned but unused benefits that can be converted to cash at termination of employment. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, totals \$575,141 as of June 30, 2022.

7. FUND BALANCES

The details of the fund balances as of June 30, 2022, are presented below:

	General Fund	Federal Home Loan Reuse	Capitola Housing Successor	Capital Projects
Restricted for:				
Public safety	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	-	-
Community development	-	4,674,235	4,350,793	-
Culture and recreation	-	-	-	-
Retiree benefits	904,275	-	-	-
Assigned to:				
Debt service	-	-	-	-
Other capital projects	-	-	-	4,145,216
Emergency reserve	1,374,206	-	-	-
Unassigned:				
Contingencies	2,434,060	-	-	-
Unassigned	7,153,372	-	-	-
Total	\$ 11,865,913	\$ 4,674,235	\$ 4,350,793	\$ 4,145,216

7. FUND BALANCES, (continued)

	RTC Streets Fund	Non-Major Governmental Funds	Total Governmental Funds
Restricted for:			
Public safety	\$ -	\$ 154,484	\$ 154,484
Transportation	933,823	466,527	1,400,350
Community development	-	969,589	9,994,617
Culture and recreation	-	218,688	218,688
Retiree benefits	-	-	904,275
Assigned to:			
Debt service	-	55,143	55,143
Other capital projects	-	-	4,145,216
Emergency reserve	-	-	1,374,206
Unassigned:			
Contingencies	-	-	2,434,060
Unassigned	-	(38,986)	7,114,386
	<u>\$ 933,823</u>	<u>\$ 1,825,445</u>	<u>\$ 27,795,425</u>
Total	<u>\$ 933,823</u>	<u>\$ 1,825,445</u>	<u>\$ 27,795,425</u>

Deficit Fund Balances

The following fund reported deficit fund balances at June 30, 2022:

Beach and Village Lot II Debt Financing Fund	\$ <u>(38,986)</u>
Community Development Block Grant Programs	\$ <u>(18,773)</u>

This deficit is expected to be reduced by future revenues or transfers from other funds.

8. RISK MANAGEMENT

The City participates in the Monterey Bay Area Self-Insurance Agency (the Authority), a joint powers agency comprising the City and nine other local jurisdictions, created pursuant to California law for liability and workers compensation insurance services. The Authority's Board of Directors is elected from representatives of the member governments, and controls operations of the fund, including selection of management and approval of operating budgets. It is independent of the individual member influence, except for their representation on the board, and is therefore not a component unit of the City for reporting purposes.

The City is exposed to various risks including worker injuries, tort liability, theft, damage or destruction of assets, errors and omissions, and natural disasters. With respect to risks other than workers' compensation, the City and other pool participants pay an annual premium estimated by the pool administrator to be sufficient to cover all liability claims for which the pool is obligated. If a covered entity's losses exceed its premiums, there is no individual supplemental assessment, and if a covered entity's losses are lower than its assessment, it does not receive a refund. However, annual budget appropriations are experience-based. The pool views its activities in the aggregate and makes overall adjustments to the premiums charged and is therefore intended to be self-sustaining through member contributions (premiums). Risk of loss is retained by the City for general liability claims up to \$10,000 per occurrence. The fund carries excess loss coverage for general liability claims between \$990,000 and \$20,000,000 per insured event and is uninsured for losses in excess of \$20,000,000 per event. Unpaid claims at fiscal year-end, as reported by the fund, were not material. There was no reduction in the City's insurance coverage as compared to the previous fiscal year, nor have there been any losses exceeding coverage during any of the five previous years.

Premium payment amounts are determined by the fund's Board and are charged to the City's general fund as expenditures when paid.

In the proper course of operation, the Authority issued debt in the aggregate principal amount of \$5,150,000 on October 1, 2004. The Authority is required to collect and disburse the loan premiums in accordance with the loan agreement, Article VI, Section 6.03. The Member agencies are required by the Amended and Restated Joint Powers Agreement Relating to the Authority, Article 20 to pay to the Authority their individual debt service amount and associated expenses, as determined by the Authority. Furthermore, the Member Agencies contribution will be payable from any source of available funds of the Member, including amounts on deposit in the general fund of the Member. Audited financial statements of the Authority can be obtained at 1 Civic Center Drive, Scotts Valley, CA 90566.

9. JOINT VENTURES

Santa Cruz Consolidated Emergency Communications Center

The City is a member of the Santa Cruz Consolidated Emergency Communications Center, a Joint Powers Authority created to establish and operate a consolidated communications center which provides emergency call receiving and dispatching services. Other members of the Authority include the Cities of Santa Cruz and Watsonville, and the County of Santa Cruz. The members, including the City of Capitola, are responsible for funding the operations of the Authority through annual assessments. The annual assessments are based on percentages calculated for each member. Audited financial statements of the Authority can be obtained at 495 Upper Park Road, Santa Cruz, CA 95065.

In addition, the Authority and member agencies have entered into a Use Agreement relating to the issuance of the Authority's Santa Cruz County Public Financing Authority 2002 Lease Revenue Refunding Bonds, Series A, in the aggregate principal amount of \$5,760,000. These bonds were refunded in May as 2012 Lease Revenue Bonds, Series A with a principal of \$3,965,000. The proceeds were used to refinance the existing debt that was used for building costs; purchase additional equipment and make a lease termination payment to the County to acquire space that is currently being used for the Emergency Operations Center (EOC). The term bonds are due on June 15, 2034.

Other Activities

The City participates in other joint activities for the provisions of law enforcement activities, including the Santa Cruz County Narcotics Enforcement Team (SCCNET) and the Criminal Justice Council. None of these activities are conducted as a separate legal entity; therefore, they are not joint ventures, but are cost-sharing arrangements only. No separate financial statements are prepared for these activities, nor is the City exposed to risk of additional costs beyond reimbursement of its share of on-going operating costs.

10. DEFINED BENEFIT PENSION PLANS

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans operate under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration.

10. DEFINED BENEFIT PENSION PLANS, (continued)

Benefits Provided (continued)

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	52
Monthly benefits, as a % of eligible compensation	2%-2.5%	1.0%-2.5%
Required employee contribution rates	7.96%	6.75%
Required employer contribution rates*	12.20%	7.59%

*Annual employer UAL payment of \$966,725 is not included in the rates above

	Safety	
	Classic	PEPRA
Membership date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.0%-2.7%
Required employee contribution rates	8.99%	13.00%
Required employer contribution rates*	23.71%	13.13%

*Annual employer UAL payment of \$1,002,849 is not included in the rates above

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 for Safety Plan and Miscellaneous Plan were \$1,512,085 and \$1,173,195, respectively.

10. DEFINED BENEFIT PENSION PLANS, (continued)

Net Pension Liability

The City of Capitola's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases ⁽¹⁾	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽²⁾	7.15%	7.15%
Mortality Rate Table ⁽³⁾	Derived using CALPERS' membership data for all Funds.	Derived using CALPERS' membership data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.

⁽¹⁾ Annual increases vary by category, entry age, and duration of service.

⁽²⁾ Net pension plan investment and administrative expenses; includes inflation.

⁽³⁾ The mortality table used was developed based on CalPERS' 2017 Study using data from 1995 to 2015. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The 2017 Experience Study report can be obtained at CalPERS' website at:
www.calpers.ca.gov.

10. DEFINED BENEFIT PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

10. DEFINED BENEFIT PENSION PLANS, (continued)

Discount Rate, (continued)

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class ⁽¹⁾	Current Target Allocation	Real Return Years 1–10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.0%	4.8%	6.0%
Fixed Income	28.0%	1.0%	2.6%
Inflation Assets	0.0%	0.8%	1.8%
Private Equity	8.0%	6.3%	7.2%
Real Assets	13.0%	3.8%	4.9%
Liquidity	1.0%	0.0%	-0.9%
	100.0%		

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidities included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

10. DEFINED BENEFIT PENSION PLANS, (continued)

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous plan	\$ 8,161,252	\$ 2,192,450	\$ 7,920,554	\$ 4,165,391
Safety plan	8,946,935	3,348,630	6,223,325	1,965,249
Total pension plans	<u>\$ 17,108,187</u>	<u>\$ 5,541,080</u>	<u>\$ 14,143,879</u>	<u>\$ 6,130,640</u>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the Plan as of the June 30, 2021 and 2022 was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2021	0.294690%	0.205360%
Proportionate Share of NPL - June 30, 2022	0.429810%	0.254940%
Change - Increase (Decrease)	<u>0.135120%</u>	<u>0.049580%</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15 percent) or 1 percentage point higher (8.15 percent) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous plan	\$ 13,960,855	\$ 8,161,252	\$ 3,366,804
Safety plan	15,380,850	8,946,935	3,662,269
Total pension plans	<u>\$ 29,341,705</u>	<u>\$ 17,108,187</u>	<u>\$ 7,029,073</u>

10. DEFINED BENEFIT PENSION PLANS, (continued)

Recognition of Gains and Losses

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C). The EARSL for the Plan is 3.8 years.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City incurred a pension expense of \$4,165,391 and \$1,965,249 for the Miscellaneous plan and Safety plan, respectively.

10. DEFINED BENEFIT PENSION PLANS, (continued)**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, (continued)**

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,173,195	\$ -
Contributions in excess of proportionate share	-	(555,429)
Changes in assumptions	-	-
Difference in expected and actual experience	915,197	-
Adjustment due to differences in proportions	104,058	(240,783)
Net differences between projected and actual earnings on plan investments	-	(7,124,342)
Total	<u>\$ 2,192,450</u>	<u>\$ (7,920,554)</u>
Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,512,085	\$ -
Contributions in excess of proportionate share	-	(898,179)
Changes in assumptions	-	-
Difference in expected and actual experience	1,528,576	-
Adjustment due to differences in proportions	307,969	-
Net differences between projected and actual earnings on plan investments	-	(5,325,146)
Total	<u>\$ 3,348,630</u>	<u>\$ (6,223,325)</u>

10. DEFINED BENEFIT PENSION PLANS, (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, (continued)

The Contributions subsequent to the measurement date with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Miscellaneous Plan	
Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2023	\$ (1,594,828)
2024	(1,629,970)
2025	(1,707,700)
2026	(1,968,801)
	<u>\$ (6,901,299)</u>

Safety Plan	
Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2023	\$ (814,605)
2024	(931,254)
2025	(1,175,516)
2026	(1,465,405)
	<u>\$ (4,386,780)</u>

11. PUBLIC AGENCY RETIREMENT PLAN

Overview

The Federal Omnibus Budget Reconciliation Act of 1990 (FOBRA 90), mandated that all public-sector employees not covered by their employers' existing retirement system(s) as of January 1, 1992, be covered by Social Security or an alternate plan. The City has provided these employees with a plan called The Public Agency Retirement System, which qualifies under *Internal Revenue Code* Sections 401(a) and 501.

Plan Description

The Public Agency Retirement System (PARS) is a defined contribution plan covering part-time, temporary, or seasonal employees and all employees not covered by another retirement plan. The Plan is sponsored and paid for by employees and employer contributions. Members are 100% vested. Benefits are paid to the members in lump sum payments at termination, or if payment is in excess of \$3,500, the employee has the option of a lump sum payment at termination or at normal retirement age (60).

The City has the right to terminate or amend the Plan at any time.

Contributions

A total annual contribution of 7.5% of covered earnings is contributed to the PARS account for each eligible employee. The City contributes 1.3% and the employee contributes 6.2%. During the fiscal year ending June 30, 2022, contributions totaled \$99,732. The City acts as administrator with a trustee managing the investments and accounts. Fees are charged by the trustee and are paid from member earnings. Employer liabilities under the Plan are limited to the amount of the current contributions.

12. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City's defined benefit postemployment healthcare plan, (City of Capitola Retiree Healthcare Plan, CRHP), provides medical benefits to eligible retired City employees and spouses. CRHP is an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statute within the Public Employees' Retirement Law. The CRHP's plan provisions are established and may be amended through negotiation and Memoranda of Understanding between the City Council and the various bargaining units. All contracts with CalPERS are approved through City resolution. CalPERS issues publicly available reports that can be found on the CalPERS' website at www.calpers.ca.gov.

Employees Covered

At the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

	Active employees	67
Inactive employees or beneficiaries currently receiving benefits payments		23
		<u>90</u>

Contributions

The obligation of the City to contribute to the plan is based on an actuarial determined rate. For the fiscal year ended June 30, 2022, the City's cash contributions were in the form implied of subsidy for \$41,323. The City makes contributions and participates in the California Employers' Retiree Benefit Trust (CERBT) Fund for the purpose of prefunding obligations for past services. Through this plan, the California Public Employees' Retirement System (CalPERS) Board of Administration has the sole and exclusive control and power over the administration and investment of the prefunding plan.

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, that was based on the following actuarial methods and assumptions:

Discount Rate	7.00%
Inflation	2.75%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	7.00%
Mortality Rate	Mortality Rates from 2017 CalPERS Experience Study
Healthcare Trend Rate	5.75% in 2020 dropping to 4.00% in 2070 and later years.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (Strategy 2)	5-Year Return (Strategy 2)
Global Equity	59%	5.5%
Fixed Income	25%	1.5%
TIPS	5%	1.2%
Real Estate	8%	3.7%
Commodities	3%	0.6%
	100%	

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

Discount Rate

The discount rate used to measure the total OPEB Liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability

The changes in the net OPEB liability for the City's Plan are as follows:

	Increase/(Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 2,111,747	\$ 380,524	\$ 1,731,223
Changes recognized for year:			
Service Cost	104,614	-	104,614
Interest	151,868	-	151,868
Changes of benefit terms	-	-	-
Difference in expected and actual experience	(168,232)	-	(168,232)
Changes of assumptions	94,950	-	94,950
Contributions	-	155,509	(155,509)
Net investment income	-	116,763	(116,763)
Administrative expenses	-	(164)	164
Benefit payments, including refunds of employee contributions	(95,259)	(95,259)	-
Net changes	87,941	176,849	(88,908)
Balance at June 30, 2021	\$ 2,199,688	\$ 557,373	\$ 1,642,315

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent) than the current rate, for measurement period ended June 30, 2021:

Net OPEB Liability		
Discount Rate -1% (6%)	Current Discount Rate (7%)	Discount Rate +1% (8%)
\$ 1,887,183	\$ 1,642,315	\$ 1,433,025

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage higher than the current rate, for measurement period ended June 30, 2021:

Net OPEB Liability		
Trend Rate - 1% (4.75%-3.0%)	Healthcare Cost Trend Rates (5.75%-4.0%)	Trend Rate + 1% (6.75%-5.0%)
\$ 1,392,671	\$ 1,642,315	\$ 1,945,469

OPEB expense and Deferred Items Summary

For the year ended June 30, 2022, the City recognized OPEB expenses of \$301,946. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 99,732	\$ -
Changes of Assumptions	930,673	-
Differences between Expected and Actual Experiences	-	(294,458)
Net differences between projected and actual earnings on plan investments	-	(61,543)
Total	\$ 1,030,405	\$ (356,001)

12. OTHER POST EMPLOYMENT BENEFITS, (continued)**OPEB expense and Deferred Items Summary, (continued)**

For the year ended June 30, 2022, the City reported deferred outflows of resources related to OPEB in the amount of \$41,323 for its contributions subsequent to the measurement date. This amount will be recognized as an OPEB expense in fiscal year 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized as OPEB expense as follows:

Year Ended June 30		
2023	\$	77,182
2024		77,152
2025		76,654
2026		74,069
2027		91,650
Thereafter		<u>177,965</u>
Total	\$	<u><u>574,672</u></u>

13. COMMITMENTS AND CONTINGENT LIABILITIES

Claims and lawsuits have been filed against the City in the normal course of business. The outcome of these matters is not presently determinable. However, in the opinion of management, the resolution of these matters is not expected to have a significant impact on the financial condition of the City.

14. SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 that provided for the dissolution of all redevelopment agencies in the State of California. Most cities in California established a redevelopment agency that was included in the reporting entity of the city as a blended component unit (since the governing board of the city or county in many cases, also served as the governing board for those agencies). The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government could agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 12, 2012, the City Council met and created a Successor Agency in accordance with the Bill as part of City resolution number 3906.

7

After the law was enacted on June 28, 2011, redevelopment agencies in the State of California could not enter into new projects, obligations, or commitments. Upon the date of dissolution, February 1, 2012, significant matters previously controlled by the City Councils of the cities that created each redevelopment agency were now subject to the approval of the seven-member Oversight Board, and typically the California Department of Finance (DOF):

- Sale and distribution of assets
- Any change in obligation of terms
- Prepayment or defeasance of debt
- Acceptance of grants
- Funding of debt service reserves
- Budget for any remaining activities

In the current and future years, successor agencies are only allocated tax revenue in the amount that is necessary to pay the estimated annual payments on approved Recognized Obligation Payment Schedules (ROPS) until all enforceable obligations are paid in full. All obligations listed on the Capitola ROPS were approved by the Successor Agency and the Oversight Board, however the Department of Finance disallowed payment requests on two City/RDA loans. These loans included a \$618,028 Loan and Repayment Agreement and a \$1.35 million loan to purchase the City-owned Rispin Mansion property.

In June 2012, the California legislature passed AB 1484. This legislation provided clarification regarding the dissolution process and imposed new requirements. AB 1484 declared Successor Agencies are separate legal entities distinct from the sponsoring government, clarified matters pertaining to the affordable housing programs previously performed by the former RDA; and clarified matters pertaining to Enforceable Obligation and Recognized Obligation Payment Schedules (EOPS/ROPS). The legislation also established a requirement for all Successor Agencies to complete a due diligence review, established a process to receive a Finding of Completion that will provide significant benefits to local agencies (allowing them to begin spending debt proceeds and providing a formula for the repayment of money previously borrowed from the sponsoring government); and made a number of other significant changes in the dissolution process and the post-dissolution activities of Successor Agencies.

14. SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY, (continued)

In FY 2012/13, the Successor Agency completed two Due Diligence Reviews as required by the legislation. The Due Diligence review resulted in a recapture of the residual fund balance in the Successor Agency's primary operating account of \$89,536 and a disallowed payment to the City in the amount of \$47,895 for a City/RDA loan. While the Successor Agency and the City disagreed with this determination, the combined amount of \$137,431 was remitted to the County Auditor-Controller to maintain compliance. The completion of these two reviews resulted in the Successor Agency receiving a finding of Completion on May 24, 2013.

The Bill also directed the California State Controller to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers was not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller was required to order the available assets to be transferred to the public body designated as the Successor Agency. The Capitola Successor Agency completed the Asset Transfer Review on October 7, 2013. The report findings required the City to return \$52,313 to the Successor Agency for an interest payment on a City/RDA loan. The Successor Agency and the City also disagreed with this determination.

The Successor Agency and Oversight Board have approved reinstatement of the \$618,028 Loan and Repayment Agreement at a reduced interest rate; however, this reinstatement was initially denied by the Department of Finance. The Department of Finance has indicated that application for this reinstatement should be subject to the timelines established in AB 1484.

The Successor Agency, City, and the Oversight Board approved a resolution to terminate the Rispin Property Purchase Loan in exchange for the return of the property. This would result in the reduction of \$1.35 million dollars in Successor Agency debt. The Department of Finance requested the Oversight Board reconsider this decision; and the Oversight Board unanimously reaffirmed their property transfer decision in August. The City did not receive a response from the Department of Finance in relation to this action, and the statutory time to deny the action has elapsed. The City's RDA attorney believed the action was effective due timing; however, the official property transfer was delayed until after the Successor Agency successfully completed a Long-Range Property Management Plan. This plan was completed on March 21, 2014; followed by the termination of the Rispin Purchase Loan and the City's acceptance of the property by Resolution on October 10, 2013. This transaction relieved the Successor Agency of all capital assets.

After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the financial statements of the City. The assets and liabilities relating to the Successor Agency are provided in the following sections:

Long-Term Debt

In accordance with the provisions of California AB X 1 26 (Bill), the obligations of the former Redevelopment Agency became vested with the funds established for the Successor Agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former Redevelopment Agency are distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

15. RISKS AND UNCERTAINTIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

City/Successor Agency Obligations

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2022 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. Over the last fiscal year, the Successor Agency has been successful in receiving funding for all approved obligations, with the exception of City/RDA loans. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time as to be immaterial or not.

This page intentionally left blank



REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank



CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 104,614	\$ 113,292	\$ 32,631
Interest	151,868	140,891	62,516
Differences between expected and actual experience	(168,232)	-	(203,258)
Change of assumptions	94,950	-	1,202,217
Benefit payments, included refunds of employee contributions	(95,259)	(82,353)	(28,801)
Net change in total OPEB liability	87,941	171,830	1,065,305
Total OPEB liability - beginning of year	2,111,747	1,939,917	874,612
Total OPEB liability - end of year (a)	<u>\$ 2,199,688</u>	<u>\$ 2,111,747</u>	<u>\$ 1,939,917</u>
Fiduciary Net Position			
Net investment income	\$ 116,763	\$12,995	\$17,834
Contributions			
Employer	155,509	82,353	88,801
Benefit payments, including refunds of employee contributions	(95,259)	(82,353)	(28,801)
Administrative expense	(164)	(180)	-
Other	-	-	-
Net change in plan fiduciary net position	176,849	12,815	77,834
Fiduciary net position - beginning of year	380,524	367,709	289,875
Fiduciary net position - end of year (b)	<u>557,373</u>	<u>380,524</u>	<u>367,709</u>
Net OPEB liability - end of year = (a) - (b)	<u>\$ 1,642,315</u>	<u>\$ 1,731,223</u>	<u>\$ 1,572,208</u>
Fiduciary net position as a percentage of the total OPEB liability	25.34%	18.02%	18.95%
Covered employee payroll	\$ 6,286,092	\$ 5,757,120	\$ 5,567,350
Discount rate	7.00%	7.00%	7.00%
Measurement date	6/30/2021	6/30/2020	6/30/2019

* Fiscal year 2018 was the first year of implementation of the OPEB standards.

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

<u>2019</u>	<u>2018</u>
\$ 27,267	\$ 26,537
57,232	51,739
-	-
-	-
<u>(27,697)</u>	<u>(26,632)</u>
56,802	51,644
<u>817,810</u>	<u>766,166</u>
<u><u>\$ 874,612</u></u>	<u><u>\$ 817,810</u></u>
\$ 16,868	\$ 15,205
87,697	81,540
(27,697)	(26,632)
(397)	(127)
31	-
<u>76,502</u>	<u>69,986</u>
<u>213,373</u>	<u>143,387</u>
<u>289,875</u>	<u>213,373</u>
<u><u>\$ 584,737</u></u>	<u><u>\$ 604,437</u></u>
33.14%	26.09%
\$ 5,361,855	\$ 5,787,564
7.00%	7.00%
6/30/2018	6/30/2017

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 99,732	\$ 36,774	\$ 91,600
Contributions in relation to the actuarially determined contribution	<u>(99,732)</u>	<u>(36,774)</u>	<u>(91,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,286,092	\$ 6,145,766	\$ 5,757,120
Contributions as a percentage of covered employee payroll	1.59%	0.60%	1.59%

* Fiscal year 2018 was the first year of implementation of the OPEB standards.

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

2019	2018
\$ 88,801	\$ 86,090
<u>(88,801)</u>	<u>(86,090)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 5,567,350	\$ 5,361,855
1.60%	1.61%

This page intentionally left blank



CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

Schedule of City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios
Last 10 Years*

Miscellenaous Plan	2022	2021	2020
Proportion of the Collective Net Pension Liability	0.42981%	0.29469%	0.29039%
Proportionate Share of the Collective Net Pension Liability	\$ 8,161,252	\$ 12,430,057	\$ 11,628,468
Covered Payroll	\$ 2,040,667	\$ 3,799,393	\$ 3,504,309
Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	399.9%	327.2%	331.8%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	90.5%	77.7%	77.7%
Measurement Date	6/30/2021	6/30/2020	6/30/2019
Discount Rate	7.15%	7.15%	7.15%
Safety Plan	2022	2021	2020
Proportion of the Collective Net Pension Liability	0.25494%	0.20536%	0.20056%
Proportionate Share of the Collective Net Pension Liability	\$ 8,946,935	\$ 13,681,501	\$ 12,519,942
Covered Payroll	\$ 2,300,530	\$ 2,371,092	\$ 2,381,492
Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	388.9%	577.0%	525.7%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	86.6%	73.1%	73.4%
Measurement Date	6/30/2021	6/30/2020	6/30/2019
Discount Rate	7.15%	7.15%	7.15%

* Fiscal year 2015 was the first year of implementation of the pension standards.

2019	2018	2017	2016	2015
0.28641%	0.27777%	0.27444%	0.27813%	0.23223%
\$ 10,793,804	\$ 10,949,665	\$ 9,533,602	\$ 7,630,270	\$ 5,739,418
\$ 3,434,216	\$ 3,370,438	\$ 3,245,529	\$ 3,147,103	\$ 258,938
314.3%	324.9%	293.7%	242.5%	2216.5%
77.7%	75.4%	75.9%	79.9%	81.2%
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
7.15%	7.15%	7.65%	7.65%	7.50%
2019	2018	2017	2016	2015
0.19718%	0.19088%	0.19118%	0.18590%	0.17280%
\$ 11,569,787	\$ 11,405,601	\$ 9,901,586	\$ 7,660,071	\$ 6,481,759
\$ 2,487,719	\$ 2,402,133	\$ 2,308,245	\$ 2,283,732	\$ 5,207,351
465.1%	474.8%	429.0%	335.4%	124.5%
73.4%	71.7%	72.7%	77.3%	78.8%
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
7.15%	7.15%	7.65%	7.65%	7.50%

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2022

Schedule of Pension Contributions
Last 10 Years*

Miscellenaous Plan	2022	2021	2020
Contractually Determined Contribution	\$ 1,173,195	\$ 1,024,725	\$ 913,110
Contributions in Relation to the Contractually Determined Contribution	<u>(1,173,195)</u>	<u>(1,024,725)</u>	<u>(913,110)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,337,504	\$ 2,040,667	\$ 3,799,393
Contributions as a Percentage of Covered Payroll	50.19%	50.22%	24.03%
Safety Plan	2022	2021	2020
Contractually Determined Contribution	\$ 1,512,085	\$ 1,307,218	\$ 1,199,415
Contributions in Relation to the Contractually Determined Contribution	<u>(1,512,085)</u>	<u>(1,307,218)</u>	<u>(1,199,415)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,632,190	\$ 2,300,530	\$ 2,371,092
Contributions as a Percentage of Covered Payroll	57.45%	56.82%	50.58%

* Fiscal year 2015 was the first year of implementation of the pension standards.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 838,617	\$ 832,631	\$ 516,728	\$ 448,910	\$ 261,550
<u>(838,617)</u>	<u>(832,631)</u>	<u>(516,728)</u>	<u>(448,910)</u>	<u>(261,550)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,504,309 23.93%	\$ 3,434,216 24.25%	\$ 3,370,438 33%	\$ 3,245,529 14%	\$ 3,147,103 8%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 954,292	\$ 937,396	\$ 536,507	\$ 741,692	\$ 640,785
<u>(954,292)</u>	<u>(937,396)</u>	<u>(536,507)</u>	<u>(741,692)</u>	<u>(640,785)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,381,492 40.07%	\$ 2,487,719 37.68%	\$ 2,402,133 33%	\$ 2,308,245 32%	\$ 2,283,732 28%

CITY OF CAPITOLA
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$13,154,111	\$13,799,111	\$ 14,514,217	\$ 715,106
Licenses and permits	601,550	631,550	713,489	81,939
Fines and forfeitures	517,000	517,000	588,832	71,832
Intergovernmental	1,080,525	1,330,525	1,372,585	42,060
Charges for services	1,764,397	1,764,397	1,944,003	179,606
Use of money and property	90,200	90,200	(391,053)	(481,253)
Other revenue	96,597	127,597	144,474	16,877
Total revenues	<u>17,304,380</u>	<u>18,260,380</u>	<u>18,886,547</u>	<u>626,167</u>
Expenditures:				
Current:				
General government:				
City council	91,666	93,666	96,777	(3,111)
City manager	900,586	957,086	1,006,133	(49,047)
Personnel	364,191	403,288	1,736,940	(1,333,652)
City attorney	255,000	273,500	191,591	81,909
Finance	817,232	811,232	837,290	(26,058)
Community grants	125,000	101,650	281,046	(179,396)
Public safety	7,603,272	7,676,395	6,960,070	716,325
Community development	833,189	890,281	935,926	(45,645)
Culture and recreation	1,129,269	1,217,752	1,103,799	113,953
Transportation	2,835,249	2,877,153	2,760,480	116,673
Total expenditures	<u>14,954,654</u>	<u>15,302,003</u>	<u>15,910,052</u>	<u>(608,049)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,349,726</u>	<u>2,958,377</u>	<u>2,976,495</u>	<u>18,118</u>
Other financing sources (uses):				
Transfers In	-	-	764,899	764,899
Transfers out	(2,348,343)	(3,608,343)	(3,188,343)	420,000
Total Other Financing Sources (Uses)	<u>(2,348,343)</u>	<u>(3,608,343)</u>	<u>(2,423,444)</u>	<u>1,184,899</u>
Net change in fund balance	1,383	(649,966)	553,051	1,203,017
Fund balance, beginning of year	<u>11,312,862</u>	<u>11,312,862</u>	<u>11,312,862</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,314,245</u>	<u>\$ 10,662,896</u>	<u>\$ 11,865,913</u>	<u>\$ 1,203,017</u>

CITY OF CAPITOLA
Required Supplementary Information
Federal Home Loan Reuse Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 96,379	\$ 96,379
Total revenues	-	-	96,379	96,379
Expenditures:				
Current:				
Community development	39,950	39,950	3,201	36,749
Net change in fund balance	(39,950)	(39,950)	93,178	133,128
Fund balance, beginning of year	4,581,057	4,581,057	4,581,057	-
Fund balance, end of year	<u>\$ 4,541,107</u>	<u>\$ 4,541,107</u>	<u>\$ 4,674,235</u>	<u>\$ 133,128</u>

CITY OF CAPITOLA
Required Supplementary Information
Capitola Housing Successor Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 35,159	\$ 35,159
Total revenues	-	-	35,159	35,159
Expenditures:				
Current:				
Community development	62,500	71,050	97,969	(26,919)
Net change in fund balance	(62,500)	(71,050)	(62,810)	8,240
Fund balance, beginning of year	4,413,603	4,413,603	4,413,603	-
Fund balance, end of year	<u>\$ 4,351,103</u>	<u>\$ 4,342,553</u>	<u>\$ 4,350,793</u>	<u>\$ 8,240</u>

CITY OF CAPITOLA
Required Supplementary Information
RTC Streets Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 384,195	\$ 134,195
Use of money and property	-	-	1,497	1,497
Total revenues	250,000	250,000	385,692	135,692
Expenditures:				
Current:				
Transportation	250,000	250,000	-	250,000
Capital outlay	-	-	96,916	(96,916)
Total expenditures	250,000	250,000	96,916	153,084
Excess (deficiency) of revenues over (under) expenditures	-	-	288,776	288,776
Fund balance, beginning of year	645,047	645,047	645,047	-
Fund balance, end of year	\$ 645,047	\$ 645,047	\$ 933,823	\$ 288,776

CITY OF CAPITOLA
Notes to Required Supplementary Information
Year Ended June 30, 2022

BUDGETS AND BUDGETARY ACCOUNTING

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in April of each fiscal year, the City Manager must submit a preliminary budget that includes projected expenditures and the means of financing them, to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the following fiscal year. After adoption of the final budget, transfers of appropriations within a general fund department, or within each fund can be made by the City Manager. Budget modifications between funds, increases, or decreases to a fund's overall budget, transfers between general fund departments or transfers that affect capital projects must be approved by the City Council or Agency Board. Numerous properly authorized amendments are made during the fiscal year. Appropriations lapse at fiscal year-end.

Budgetary control is enhanced by integrating the budget into the general ledger. Encumbrance accounting is employed (e.g., purchase orders) to avoid over-expenditure. Encumbrances outstanding at fiscal year-end are automatically rebudgeted in the following fiscal year, unless specifically cancelled by Council action. Per *Capitola Municipal Code* 3.20.060.C: "The appropriation for the uncompleted balance of executory contracts should not lapse at year-end but is automatically appropriated for the succeeding fiscal year unless specifically cancelled by council action".

There were no excess expenditures over appropriations in the General Fund departments.

SUPPLEMENTARY INFORMATION

CITY OF CAPITOLA
Capital Projects Fund
Major Capital Projects Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 18,273	\$ 18,273
Intergovernmental	890,000	890,000	812,774	(77,226)
Other revenue	-	-	(6,834)	(6,834)
Total revenues	890,000	890,000	824,213	(65,787)
Expenditures:				
General government	-	-	14,515	(14,515)
Capital outlay	1,700,000	1,760,000	1,460,418	299,582
Total expenditures	1,700,000	1,760,000	1,474,933	285,067
Excess (deficiency) of revenues over (under) expenditures	(810,000)	(870,000)	(650,720)	(350,854)
Other financing sources (uses):				
Transfers in	1,493,467	2,960,066	2,960,066	-
Transfers out	-	-	(6,134)	(6,134)
Total other financing sources (uses)	1,493,467	2,960,066	2,953,932	(6,134)
Net change in fund balance	683,467	2,090,066	2,303,212	213,146
Fund balance, beginning	1,842,004	1,842,004	1,842,004	-
Fund balance, ending	\$ 2,525,471	\$ 3,932,070	\$ 4,145,216	\$ 213,146

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statements
June 30, 2022

NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

SB1 Road Rehab Fund - This fund accounts for receipts and expenditures received from the passage of Senate Bill 1 – Road Repair and Accountability Act of 2017.

Supplemental Law Enforcement Fund - This fund accounts for the receipt and expenditure of Supplemental Law Enforcement revenues provided by the State of California.

Gas Tax Fund - This fund accounts for receipts and expenditures of gasoline tax revenues as provided by State law.

Wharf Fund - In accordance with the State law and contractual commitments, this fund accounts for wharf operating revenues and expenditures.

Parking Reserve Fund - This fund accounts for 16% of parking meter revenue from the village area (Parking Meter Zone A1). The fund was established to fund parking improvement projects throughout the village.

Technology Fees Fund - This fund accounts for revenues received from technology fees to be used for new permit processing program.

PEG Cable TV Access Fee Fund - This fund accounts for Public Education and Government (PEG) Cable TV access fees.

Capitola Village and Wharf BIA Fund - This fund accounts for the receipt and expenditure of assessments for the Business Improvement Area.

Community Development Block Grants (CDBG) Fund - This fund accounts for grant revenue applied for and received from the Federal Department of Housing and Urban Development (HUD) through the California Small Cities Grant Program administered by California Department of Housing and Community Development (HCD) to address local community development needs.

CDBG Program Income - This fund accounts for housing loan principal and interest repayments for the Community Development Block Grant (CDBG) Program.

Affordable Housing – This fund accounts for a flexible local source of funding for the creation of new affordable housing, rehabilitation of existing affording 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.

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

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statements
June 30, 2022

DEBT SERVICE FUNDS

Beach and Village Lot II Debt Financing Fund - This fund accounts for the debt proceeds and the corresponding expenditures for the Beach and Village Lot II project. This fund is also used for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the long-term debt issued by the City.

Pacific Cove Debt Financing Fund - This fund accounts for the debt proceeds and the corresponding expenditures for the Pacific Cove Mobile Home Park Relocation Plan. This fund is also used for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the long-term debt issued by the City.

2007 POB Debt Service Fund - Accounts for the accumulation of resources for, and payment of long-term debt principal and interest related to the 2007 Pension Obligation Bonds. This fund did not have an adopted budget.

CAPITAL PROJECTS FUNDS

Library Fund - This fund accounts for library project financial resources segregated for the acquisition of major capital facilities and equipment by the City.

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2022

	SPECIAL REVENUE FUNDS		
	SB1 Road Rehab and Maintenance	Supplemental Law Enforcement	Gas Tax
ASSETS			
Cash and investments	\$ 299,544	\$ 164,197	\$ 134,459
Accounts receivable	-	-	-
Due from other governments	18,286	-	18,979
Loans receivables, net	-	-	-
Total Assets	<u>\$ 317,830</u>	<u>\$ 164,197</u>	<u>\$ 153,438</u>
LIABILITIES			
Accounts payable	\$ 2,631	\$ 9,713	\$ 2,847
Deposits payable	-	-	-
Total Liabilities	<u>2,631</u>	<u>9,713</u>	<u>2,847</u>
FUND BALANCES			
Restricted	315,199	154,484	150,591
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>315,199</u>	<u>154,484</u>	<u>150,591</u>
Total Liabilities and Fund Balances	<u>\$ 317,830</u>	<u>\$ 164,197</u>	<u>\$ 153,438</u>

SPECIAL REVENUE FUNDS

Wharf	Parking Reserve	Technology Fees	PEG Cable TV Access Fee	Capitola Village and Wharf BIA	CDBG
\$ 167,021	\$ 737	\$ 92,528	\$ 85,299	\$ 34,073	\$ (189,058)
(6,843)	-	4,375	-	5,584	173,285
-	-	-	3,260	-	-
-	-	-	-	-	-
<u>\$ 160,178</u>	<u>\$ 737</u>	<u>\$ 96,903</u>	<u>\$ 88,559</u>	<u>\$ 39,657</u>	<u>\$ (15,773)</u>
\$ 4,291	\$ -	\$ -	\$ 24,758	\$ 262	\$ 3,000
1,000	-	-	-	-	-
<u>5,291</u>	<u>-</u>	<u>-</u>	<u>24,758</u>	<u>262</u>	<u>3,000</u>
154,887	737	96,903	63,801	39,395	(18,773)
-	-	-	-	-	-
-	-	-	-	-	-
<u>154,887</u>	<u>737</u>	<u>96,903</u>	<u>63,801</u>	<u>39,395</u>	<u>(18,773)</u>
<u>\$ 160,178</u>	<u>\$ 737</u>	<u>\$ 96,903</u>	<u>\$ 88,559</u>	<u>\$ 39,657</u>	<u>\$ (15,773)</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Balance Sheet (continued)
June 30, 2022

	SPECIAL REVENUE FUNDS		
	CDBG Program Income	Affordable Housing	Ristricted Transient Occupancy Tax
ASSETS			
Cash and investments	\$ 81,878	\$ 353,811	\$ 79,204
Accounts receivable	-	-	-
Due from other governments	-	-	-
Loans receivables, net	390,286	567	-
Total Assets	<u>\$ 472,164</u>	<u>\$ 354,378</u>	<u>\$ 79,204</u>
LIABILITIES			
Accounts payable	\$ 37,237	\$ -	\$ 16,445
Deposits payable	-	-	-
Total Liabilities	<u>37,237</u>	<u>-</u>	<u>16,445</u>
FUND BALANCES			
Restricted	434,927	354,378	62,759
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>434,927</u>	<u>354,378</u>	<u>62,759</u>
Total Liabilities and Fund Balances	<u>\$ 472,164</u>	<u>\$ 354,378</u>	<u>\$ 79,204</u>

DEBT SERVICE FUNDS			Capital Projects Fund	Non-Major Governmental Funds
Beach & Village Lot II Debt Financing	Pacific Cove Debt Financing	2007 POB Debt Service	Library	
\$ -	\$ 55,143	\$ -	\$ -	\$ 1,358,836
-	-	-	-	176,401
-	-	-	-	40,525
-	-	-	-	390,853
<u>\$ -</u>	<u>\$ 55,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,966,615</u>
\$ 38,986	\$ -	\$ -	\$ -	\$ 140,170
-	-	-	-	1,000
<u>38,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,170</u>
-	-	-	-	1,809,288
-	55,143	-	-	55,143
<u>(38,986)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,986)</u>
<u>(38,986)</u>	<u>55,143</u>	<u>-</u>	<u>-</u>	<u>1,825,445</u>
<u>\$ -</u>	<u>\$ 55,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,966,615</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS		
	SB1 Road Rehab and Maintenance	Supplemental Law Enforcement	Gas Tax
REVENUES			
Taxes	\$ -	\$ -	\$ 242,776
Licenses and permits	-	-	-
Intergovernmental	202,343	101,324	-
Charges for services	-	-	-
Use of money and property	506	217	220
Other revenue	-	-	-
Total Revenues	<u>202,849</u>	<u>101,541</u>	<u>242,996</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	35,118	-
Community development	-	-	-
Culture and recreation	-	-	-
Transportation	-	-	160,281
Capital outlay	96,915	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>96,915</u>	<u>35,118</u>	<u>160,281</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>105,934</u>	<u>66,423</u>	<u>82,715</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,134	-	-
Transfers out	-	(11,000)	-
Total Other Financing Sources (Uses)	<u>6,134</u>	<u>(11,000)</u>	<u>-</u>
Net change in fund balances	112,068	55,423	82,715
Fund Balances, beginning of year	<u>203,131</u>	<u>99,061</u>	<u>67,876</u>
Fund Balances, end of year	<u>\$ 315,199</u>	<u>\$ 154,484</u>	<u>\$ 150,591</u>

SPECIAL REVENUE FUNDS

Wharf	Parking Reserve	Technology Fees	PEG Cable TV Access Fee	Capitola Village and Wharf BIA	CDBG
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	14,085	-	-
-	-	-	-	-	220,191
-	-	17,845	-	51,619	-
119,190	-	-	165	89	-
-	-	-	-	15,395	-
<u>119,190</u>	<u>-</u>	<u>17,845</u>	<u>14,250</u>	<u>67,103</u>	<u>220,191</u>
-	-	4,375	34,285	-	-
-	-	-	-	-	-
-	-	-	-	95,846	265,954
98,523	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>98,523</u>	<u>-</u>	<u>4,375</u>	<u>34,285</u>	<u>95,846</u>	<u>265,954</u>
<u>20,667</u>	<u>-</u>	<u>13,470</u>	<u>(20,035)</u>	<u>(28,743)</u>	<u>(45,763)</u>
-	-	-	-	38,738	-
-	-	-	-	-	-
-	-	-	-	38,738	-
20,667	-	13,470	(20,035)	9,995	(45,763)
<u>134,220</u>	<u>737</u>	<u>83,433</u>	<u>83,836</u>	<u>29,400</u>	<u>26,990</u>
<u>\$ 154,887</u>	<u>\$ 737</u>	<u>\$ 96,903</u>	<u>\$ 63,801</u>	<u>\$ 39,395</u>	<u>\$ (18,773)</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS		
	CDBG Program Income	Affordable Housing	Restricted Transient Occupancy Tax
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	6,391	-
Use of money and property	9,782	(1,841)	-
Other revenue	-	794	-
Total Revenues	<u>9,782</u>	<u>5,344</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	-	-	(38,799)
Public safety	-	-	-
Community development	64,907	-	-
Culture and recreation	-	-	-
Transportation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>64,907</u>	<u>-</u>	<u>(38,799)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(55,125)</u>	<u>5,344</u>	<u>38,799</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(25,000)	(44,482)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,000)</u>	<u>(44,482)</u>
Net change in fund balances	(55,125)	(19,656)	(5,683)
Fund Balances, beginning of year	<u>490,052</u>	<u>374,034</u>	<u>68,442</u>
Fund Balances, end of year	<u>\$ 434,927</u>	<u>\$ 354,378</u>	<u>\$ 62,759</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures (continued)
and Changes in Fund Balances
Year Ended June 30, 2022

DEBT SERVICE FUNDS			Capital Projects Fund	Non-Major Governmental Funds
Beach and Village Lot II Debt Financing	Pacific Cove Debt Financing	2007 POB Debt Service	Library	
\$ -	\$ -	\$ -	\$ -	\$ 242,776
-	-	-	-	14,085
-	-	-	-	523,858
-	-	-	-	75,855
-	8	-	1,180	129,516
-	-	-	550,000	566,189
-	8	-	551,180	1,552,279
-	-	-	33,648	33,509
-	-	-	-	35,118
-	-	-	-	426,707
-	-	-	-	98,523
-	-	-	-	160,281
-	-	-	523,521	620,436
64,360	126,828	-	-	191,188
23,851	38,237	-	-	62,088
88,211	165,065	-	557,169	1,627,850
(88,211)	(165,057)	-	(5,989)	(75,571)
88,211	165,066	-	-	298,149
-	-	-	(748,155)	(828,637)
88,211	165,066	-	(748,155)	(530,488)
-	9	-	(754,144)	(606,059)
(38,986)	55,134	-	754,144	2,431,504
\$ (38,986)	\$ 55,143	\$ -	\$ -	\$ 1,825,445

CITY OF CAPITOLA
Senate Bill 1 – Road Rehab Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 194,178	\$ 194,178	\$ 202,343	\$ 8,165
Use of money and property	-	-	506	506
Total revenues	<u>194,178</u>	<u>194,178</u>	<u>202,849</u>	<u>8,671</u>
Expenditures:				
Current:				
Capital Outlay	<u>194,178</u>	<u>194,178</u>	<u>96,915</u>	<u>97,263</u>
Total expenditures	<u>194,178</u>	<u>194,178</u>	<u>96,915</u>	<u>97,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>105,934</u>	<u>(88,592)</u>
Other financing sources (uses):				
Transfers In	<u>-</u>	<u>-</u>	<u>6,134</u>	<u>6,134</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,134</u>	<u>6,134</u>
Net change in fund balance	-	-	112,068	(82,458)
Fund balance, beginning of year	<u>203,131</u>	<u>203,131</u>	<u>203,131</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 203,131</u></u>	<u><u>\$ 203,131</u></u>	<u><u>\$ 315,199</u></u>	<u><u>\$ (82,458)</u></u>

CITY OF CAPITOLA
Supplemental Law Enforcement Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 101,324	\$ 1,324
Use of money and property	400	400	217	(183)
Total revenues	<u>100,400</u>	<u>100,400</u>	<u>101,541</u>	<u>1,141</u>
Expenditures:				
Current:				
Public safety	<u>90,000</u>	<u>90,000</u>	<u>35,118</u>	<u>54,882</u>
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>35,118</u>	<u>54,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,400</u>	<u>10,400</u>	<u>66,423</u>	<u>(53,741)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
Net change in fund balance	10,400	10,400	55,423	56,023
Fund balance, beginning of year	<u>99,061</u>	<u>99,061</u>	<u>99,061</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 109,461</u></u>	<u><u>\$ 109,461</u></u>	<u><u>\$ 154,484</u></u>	<u><u>\$ 56,023</u></u>

CITY OF CAPITOLA
Gas Tax Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 247,505	\$ 247,505	\$ 242,776	\$ (4,729)
Use of money and property	-	-	220	220
Total revenues	247,505	247,505	242,996	(4,509)
Expenditures:				
Current:				
Transportation	247,505	247,505	160,281	87,224
Net change in fund balance	-	-	82,715	82,715
Fund balance, beginning of year	67,876	67,876	67,876	-
Fund balance, end of year	\$ 67,876	\$ 67,876	\$ 150,591	\$ 82,715

CITY OF CAPITOLA
Wharf Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 88,100	\$ 88,100	\$ 119,190	\$ 31,090
Expenditures:				
Current:				
Culture and recreation	88,100	88,100	98,523	(10,423)
Net change in fund balance	-	-	20,667	20,667
Fund balance, beginning of year	134,220	134,220	134,220	-
Fund balance, end of year	<u>\$ 134,220</u>	<u>\$ 134,220</u>	<u>\$ 154,887</u>	<u>\$ 20,667</u>

CITY OF CAPITOLA
Parking Reserve Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	(100,000)	(100,000)	-	100,000
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	737	737	737	-
Fund balance, end of year	<u>\$ 737</u>	<u>\$ 737</u>	<u>\$ 737</u>	<u>\$ -</u>

CITY OF CAPITOLA
Technology Fees Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 9,000	\$ 9,000	\$ 17,845	\$ 8,845
Expenditures:				
Current:				
General government:			4,375	
Community development	9,000	9,000	-	9,000
Total expenditures	9,000	9,000	4,375	9,000
Net change in fund balance	-	-	13,470	17,845
Fund balance, beginning of year	83,433	83,433	83,433	-
Fund balance, end of year	\$ 83,433	\$ 83,433	\$ 96,903	\$ 17,845

CITY OF CAPITOLA
PEG Cable TV Access Fee Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 14,085	\$ (915)
Use of money and property	-	-	165	165
Total revenues	15,000	15,000	14,250	(750)
Expenditures:				
Current:				
General government	15,000	60,000	34,285	25,715
Net change in fund balance	-	(45,000)	(20,035)	24,965
Fund balance, beginning of year	83,836	83,836	83,836	-
Fund balance, end of year	\$ 83,836	\$ 38,836	\$ 63,801	\$ 24,965

CITY OF CAPITOLA
Capitola Village and Wharf BIA Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 50,745	\$ 50,745	\$ 51,619	\$ 874
Use of money and property	-	-	89	89
Other revenue	47,000	47,000	15,395	(31,605)
Total revenues	<u>97,745</u>	<u>97,745</u>	<u>67,103</u>	<u>(30,642)</u>
Expenditures:				
Current:				
Community development	122,700	122,700	95,846	26,854
Excess (deficiency) of revenues over (under) expenditures	<u>(24,955)</u>	<u>(24,955)</u>	<u>(28,743)</u>	<u>(3,788)</u>
Other financing sources (uses):				
Transfers In	<u>28,089</u>	<u>28,089</u>	<u>38,738</u>	<u>10,649</u>
Net change in fund balance	3,134	3,134	9,995	6,861
Fund balance, beginning of year	<u>29,400</u>	<u>29,400</u>	<u>29,400</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 32,534</u></u>	<u><u>\$ 32,534</u></u>	<u><u>\$ 39,395</u></u>	<u><u>\$ 6,861</u></u>

CITY OF CAPITOLA
CDBG Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 316,484	\$ 220,191	\$ (96,293)
Total revenues	-	316,484	220,191	(96,293)
Expenditures:				
Current:				
Community development	1,000	316,484	265,954	50,530
Total expenditures	1,000	316,484	265,954	50,530
Excess (deficiency) of revenues over (under) expenditures	(1,000)	-	(45,763)	(45,763)
Net change in fund balance	(1,000)	-	(45,763)	(45,763)
Fund balance, beginning of year	26,990	26,990	26,990	-
Fund balance, end of year	\$ 25,990	\$ 26,990	\$ (18,773)	\$ (45,763)

CITY OF CAPITOLA
CDBG Program Income Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 9,782	\$ 9,782
Expenditures:				
Current:				
Community development	-	80,632	64,907	15,725
Net change in fund balance	-	(80,632)	(55,125)	(5,943)
Fund balance, beginning of year	490,052	490,052	490,052	-
Fund balance, end of year	<u>\$ 490,052</u>	<u>\$ 409,420</u>	<u>\$ 434,927</u>	<u>\$ (5,943)</u>

CITY OF CAPITOLA
Affordable Housing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	\$ 6,391	\$ (43,609)
Use of money and property	-	-	(1,841)	(1,841)
Other revenue	-	-	794	794
Total revenues	50,000	50,000	5,344	(44,656)
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	25,000	25,000	(19,656)	(44,656)
Fund balance, beginning of year	374,034	374,034	374,034	-
Fund balance, end of year	\$ 399,034	\$ 399,034	\$ 354,378	\$ (44,656)

CITY OF CAPITOLA
Restricted TOT Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:	\$ 49,156	\$ 49,156	\$ (38,799)	\$ 87,955
Excess (deficiency) of revenues over (under) expenditures	(49,156)	(49,156)	38,799	87,955
Other financing sources (uses):				
Transfers In	77,244	77,244	-	(77,244)
Transfers out	(28,088)	(28,088)	(44,482)	(16,394)
Total Other Financing Sources (Uses)	49,156	49,156	(44,482)	(93,638)
Net change in fund balance	-	-	(5,683)	(5,683)
Fund balance, beginning of year	68,442	68,442	68,442	-
Fund balance, end of year	\$ 68,442	\$ 68,442	\$ 62,759	\$ (5,683)

CITY OF CAPITOLA
Beach and Village Lot II Debt Financing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service expenditures:				
Principal	\$ 64,360	\$ 64,360	\$ 64,360	\$ -
Interest	23,851	23,851	23,851	-
Total expenditures	<u>88,211</u>	<u>88,211</u>	<u>88,211</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,211)</u>	<u>(88,211)</u>	<u>(88,211)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	<u>88,211</u>	<u>88,211</u>	<u>88,211</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>88,211</u>	<u>88,211</u>	<u>88,211</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>(38,986)</u>	<u>(38,986)</u>	<u>(38,986)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (38,986)</u>	<u>\$ (38,986)</u>	<u>\$ (38,986)</u>	<u>\$ -</u>

CITY OF CAPITOLA
Pacific Cove Debt Financing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 8	\$ 8
Total revenues	-	-	8	8
Expenditures:				
Debt service expenditures:				
Principal	126,828	126,828	126,828	-
Interest	38,238	38,238	38,237	1
Total expenditures	165,066	165,066	165,065	1
Excess (deficiency) of revenues over (under) expenditures	(165,066)	(165,066)	(165,057)	7
Other financing sources (uses):				
Transfers in	165,066	165,066	165,066	-
Total Other Financing Sources (Uses)	165,066	165,066	165,066	-
Net change in fund balance	-	-	9	7
Fund balance, beginning of year	55,134	55,134	55,134	-
Fund balance, end of year	\$ 55,134	\$ 55,134	\$ 55,143	\$ 7

CITY OF CAPITOLA
Library Capital Projects Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$	\$	\$ 1,180	\$ 1,180
Other revenue	=	=	550,000	550,000
Total revenues	=	=	551,180	551,180
Expenditures:				
Current:				
General government:	-	-	33,648	(33,648)
Capital outlay	-	-	523,521	(523,521)
Total expenditures	-	-	557,169	(557,169)
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,989)	(5,989)
Other financing sources (uses):				
Transfers out	-	-	(748,155)	(748,155)
Total Other Financing Sources (Uses)	-	-	(748,155)	(748,155)
Net change in fund balance	-	-	(754,144)	(754,144)
Fund balance, beginning of year	754,144	754,144	754,144	-
Fund balance, end of year	\$ 754,144	\$ 754,144	\$ -	\$ (754,144)

This page intentionally left blank



CITY OF CAPITOLA
 Comprehensive Annual Financial Report
 Statistical Section (Unaudited)
 Table of Contents
 Fiscal Year Ended June 30, 2022

This part of The City of Capitola's Annual Comprehensive Financial Report presents detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information and provides additional information useful in assessing the City's economic condition.

Financial Trends

The financial trends shown on the following charts are designed to help the reader understand the City's performance trends and relative well-being over time.

Net Position by Component	112
Changes in Net Position	113
Fund Balances of Government Funds	115
Change in Fund Balances of Governmental Funds	117
General Revenues by Source	119

Revenue Capacity

The sources and relative value of revenues shown on the following charts are designed to assist the reader in assessing the City's most significant sources of revenue and the performance of these sources over time.

Net Taxable Assessed Value History	120
Assessed Value of Taxable Property	121
Direct and Overlapping Property Tax Rates	122
Top Ten Property Taxpayers	123
Property Tax Levies and Collections	124
Top 25 Sales Tax Taxpayers	125

CITY OF CAPITOLA
 Comprehensive Annual Financial Report
 Statistical Section (Unaudited)
 Table of Contents, Continued
 Fiscal Year Ended June 30, 2022

Debt Capacity

Debt is a useful tool for financing capital acquisition, construction, and meeting long term financing needs. The following charts present information to help the reader assess the City's current debt levels and capacity for future debt.

Ratios of Outstanding Debt by Type	126
Ratios of General Bonded Debt Outstanding	127
Direct and Overlapping Debt	128
Legal Debt Margin Information	129
Pledged-Revenue Coverage	130

Demographic and Economic Information

The demographic and economic information provided in the charts below is designed to help the reader understand the general socio-economic environment in which the City's financial activities take place.

Demographic and Economic Statistics	131
Principal Employers - Top Ten	132
Full-time and Part-time City Employees by Function	133

Operating Information

The following charts provide information to show the size and nature of the City's operations in order to assist the reader in understanding the services the City is able to provide and activities it is able to undertake within its available financial framework.

Operating Indicators by Function	134
Capital Asset Statistics by Function	135

Unless otherwise noted, the source of the information noted in the tables below were from the prior year's City's Annual Comprehensive Financial Reports.

CITY OF CAPITOLA, CALIFORNIA
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022
Primary Government activities										
Net Investment in Capital Assets	\$ 11,521	\$ 12,751	\$ 11,604	\$ 13,154	\$ 14,457	\$ 15,773	\$ 18,563	\$ 27,367	\$ 32,053	\$ 33,336
Restricted for										
Public Safety	101	119	101	98	8	10	17	72	99	154
Transportation	1,513	416	393	113	119	420	630	26	917	1,400
Community Development	3,511	3,852	6,357	6,599	8,811	11,191	14,105	14,221	10,821	9,995
Culture and Recreation	77	116	141	143	159	121	146	175	218	219
Total Restricted	5,202	4,503	6,992	6,953	9,097	11,742	14,896	14,493	12,055	11,768
Unrestricted	4,893	5,957	(9,381)	(8,884)	(9,883)	(11,536)	(10,563)	(12,887)	(10,987)	(11,571)
Total Primary Government net position	<u>\$ 21,616</u>	<u>\$ 23,211</u>	<u>\$ 9,215</u>	<u>\$ 11,223</u>	<u>\$ 13,671</u>	<u>\$ 15,978</u>	<u>\$ 22,896</u>	<u>\$ 28,974</u>	<u>\$ 33,121</u>	<u>\$ 33,533</u>

NOTES: The City of Capitola has no business-type activities; governmental and primary government figures are the same.

*FY 2014/15 reflects the first year of the implementation of GASB Statement Nos. 68 and 71, which resulted in a prior period restatement of (\$15,436,035) to the Governmental Activities.

Source: City of Capitola Finance Department.

CITY OF CAPITOLA, CALIFORNIA
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

EXPENSES:	Fiscal Year			
	2013	2014	2015*	2016
Primary government activities				
General government	\$ 4,862	\$ 3,403	\$ 3,582	\$ 3,557
Public safety	5,411	5,412	6,181	6,211
Community development	727	741	809	1,076
Culture and recreation	1,398	970	974	1,150
Transportation	2,456	3,070	2,866	3,218
Interest and other charges	288	211	217	158
Total primary government expenses	15,142	13,807	14,629	15,370
PROGRAM REVENUES:				
Primary government activities				
Charges for services:				
General government	948	1,109	1,012	970
Public safety	732	782	806	701
Community development	523	683	633	727
Culture and recreation	685	749	765	751
Transportation	145	131	120	112
Operating grants and contributions	2,292	313	657	400
Capital grants and contributions	3	15	12	511
Total primary govt program revenues	5,328	3,782	4,005	4,172
NET PRIMARY GOVT REV/(EXP)	(9,814)	(10,025)	(10,624)	(11,198)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION:				
Primary government activities				
Taxes:				
Property Taxes	1,778	1,849	2,041	2,194
Transaction and Use Tax (.25%)	1,510	-	-	-
Sales and Use tax	4,531	2,036	7,330	7,860
Transient occupancy taxes	1,074	1,263	1,276	1,452
Franchise taxes	479	497	508	524
Business license tax	292	287	284	298
Other taxes				
Intergovernmental	241	327	265	226
Investment income	131	107	119	227
Other general revenues	497	238	242	424
Transfers				
Extraordinary Item	1,118	-	-	-
Total primary government activities	11,651	6,604	12,065	13,205
CHANGES IN NET POSITION:				
Total primary government activities	\$ 1,837	\$ (3,421)	\$ 1,441	\$ 2,007

* Fiscal year 2014-15 reflects the first year of the implementation of GASB Statement Nos. 68 and 71, which resulted in a prior restatement of (\$15,436,035) to the Governmental Activities. GASB 75 restatement was relected in 2018 for \$172,688.

Source: City of Capitola Finance Department

CITY OF CAPITOLA, CALIFORNIA
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	3,975	\$	3,594	\$	3,595	\$	3,876	\$	3,736	\$	6,117
	7,462		6,822		7,037		7,810		7,237		7,554
	1,090		1,057		956		1,097		979		1,998
	1,302		1,228		1,192		1,793		1,107		1,421
	3,212		3,382		3,384		3,263		3,092		4,222
	119		77		76		68		67		56
	<u>17,160</u>		<u>16,160</u>		<u>16,240</u>		<u>17,907</u>		<u>16,218</u>		<u>21,368</u>
	911		1,057		1,132		1,022		1,057		1,678
	597		601		579		554		509		509
	637		695		528		619		539		539
	640		636		614		633		274		274
	116		34		44		47		39		39
	3,329		1,832		650		501		3,125		2,970
	146		413		5,678		7,357		1,167		865
	<u>6,376</u>		<u>5,268</u>		<u>9,225</u>		<u>10,733</u>		<u>6,710</u>		<u>6,874</u>
	<u>(10,784)</u>		<u>(10,892)</u>		<u>(7,015)</u>		<u>(7,174)</u>		<u>(9,508)</u>		<u>(14,494)</u>
	2,288		2,498		2,630		2,712		2,794		2,883
	-		-		-		-		-		-
	7,959		7,688		8,077		7,441		7,705		8,485
	1,458		1,457		1,582		1,263		1,529		2,171
	535		555		545		557		562		635
	302		308		308		330		292		316
	201		223		224		233		232		341
	264		237		450		699		335		(129)
	225		406		119		16		204		204
	-		-		-		-		-		-
	<u>13,232</u>		<u>13,372</u>		<u>13,935</u>		<u>13,251</u>		<u>13,653</u>		<u>14,906</u>
\$	<u>2,448</u>	\$	<u>2,480</u>	\$	<u>6,920</u>	\$	<u>6,077</u>	\$	<u>4,145</u>	\$	<u>412</u>

CITY OF CAPITOLA, CALIFORNIA
Fund Balances of Government Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015	2016	2017
GENERAL FUND					
Fund Balance GASB 54					
Nonspendable	2,024	620	618	524	426
Restricted	-	-	-	300	300
Assigned	570	584	1,049	1,262	1,277
Unassigned	2,846	3,686	4,338	4,599	5,345
Total General Fund	<u>5,440</u>	<u>4,890</u>	<u>6,005</u>	<u>6,685</u>	<u>7,348</u>
ALL OTHER GOVERNMENT FUNDS					
Fund Balance GASB 54					
Restricted	1,497	1,043	985	736	834
Assigned	1,046	1,764	2,457	2,745	1,927
Unassigned	(19)	(2)	(41)	(215)	(39)
Total All Other Govt Funds	<u>2,524</u>	<u>2,805</u>	<u>3,401</u>	<u>3,266</u>	<u>2,722</u>
TOTAL	<u>\$ 7,964</u>	<u>\$ 7,695</u>	<u>\$ 9,406</u>	<u>\$ 9,951</u>	<u>\$ 10,070</u>

Source: City of Capitola Finance Department.

2018	2019	2020	2021	2022
58	21	-	-	-
816	867	917	1,016	904
1,277	1,344	1,344	1,374	1,374
4,603	5,627	5,044	8,923	9,588
<u>6,755</u>	<u>7,859</u>	<u>7,305</u>	<u>11,313</u>	<u>11,866</u>
11,742	14,896	14,493	12,110	11,768
1,633	2,110	2,603	1,842	4,200
(39)	(39)	(365)	(39)	(39)
<u>13,336</u>	<u>16,968</u>	<u>16,731</u>	<u>13,913</u>	<u>15,929</u>
<u>\$ 20,091</u>	<u>\$ 24,826</u>	<u>\$ 24,036</u>	<u>\$ 25,226</u>	<u>\$ 27,795</u>

CITY OF CAPITOLA
 Change in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2013	2014	2015	2016
REVENUES:				
Taxes	\$ 9,607	\$11,112	\$11,416	\$12,250
Licenses & permits	520	703	629	671
Intergovernmental	837	637	757	656
Fines and forfeitures	688	731	671	787
Charges for services	1,862	2,053	2,078	2,165
Use of money and property	235	219	228	324
Other	238	128	132	328
Total revenues	<u>13,987</u>	<u>15,583</u>	<u>15,911</u>	<u>17,181</u>
EXPENSES:				
Current:				
General government	3,865	2,749	2,443	2,712
Public safety	5,369	5,838	5,917	6,134
Community development	712	722	823	1,005
Culture and recreation	1,118	966	978	1,039
Transportation	2,157	2,782	2,577	2,744
Capital outlay	551	3,328	535	2,074
Subtotal	<u>13,772</u>	<u>16,385</u>	<u>13,273</u>	<u>15,708</u>
Debt service:				
Debt issuance costs	38	12	-	-
Principal retirement	1,031	616	699	764
Interest and agent fees	320	210	229	163
Subtotal	<u>1,389</u>	<u>838</u>	<u>928</u>	<u>927</u>
Total expenditures	<u>15,161</u>	<u>17,223</u>	<u>14,201</u>	<u>16,635</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(1,174)</u>	<u>(1,640)</u>	<u>1,710</u>	<u>546</u>
OTHER FINANCING SOURCES/(USES):				
Sale of capital assets	99	-	-	-
Transfers in	2,151	1,861	2,091	2,784
Transfers out	(2,151)	(1,861)	(2,091)	(2,784)
Issuance of bonds	-	1,372	-	-
Total other financing sources/(uses)	<u>99</u>	<u>1,372</u>	<u>-</u>	<u>-</u>
Special Items				
Flood Disaster loss/recovery	1,118	-	-	-
Gain/Loss on RDA dissolution	-	-	-	-
Net change in fund balances	<u>43</u>	<u>(268)</u>	<u>1,710</u>	<u>546</u>
Beginning fund balance, as restated	7,920	7,963	7,695	9,405
Changes in fund balance	43	(268)	1,710	546
Ending fund balance	<u>\$ 7,963</u>	<u>\$ 7,695</u>	<u>\$ 9,405</u>	<u>\$ 9,951</u>

Debt Service as a percentage of non-capital expenditures

Total Expenditures	\$15,161	\$17,223	\$14,201	\$16,635
Capitalized Portion of Capital Outlay	306	3,809	(153)	2,079
Total Non-Capitalized Expenditures	<u>14,855</u>	<u>13,414</u>	<u>14,354</u>	<u>14,556</u>
Debt service: Principal and Interest	1,389	838	928	927
Debt service as a percentage of noncapital expenditures	9.35%	6.25%	6.47%	6.37%

Note: Debt service as a percentage of noncapital expenditures reflects total governmental fund expenditures less the capital outlay shown separately in the Changes in Fund Balances schedule and any expenditures for capitalized assets contained within the functional expenditure categories. The sum of these items is reported in this calculation, as well as appearing as a reconciling item in the reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.

2017	2018	2019	2020	2021	2022
\$12,436	\$12,416	\$13,097	\$12,307	\$13,064	\$14,757
626	766	663	726	679	746
560	558	522	520	496	589
1,475	2,250	6,030	7,521	3,832	3,093
1,970	2,007	2,020	1,959	1,536	2,020
376	237	450	699	335	(129)
114	406	378	252	422	704
<u>17,557</u>	<u>18,641</u>	<u>23,159</u>	<u>23,985</u>	<u>20,364</u>	<u>21,780</u>
3,153	2,824	2,819	2,965	3,021	4,198
6,495	6,333	6,552	6,467	6,075	6,995
976	967	913	963	859	1,464
1,137	1,154	1,130	1,710	1,026	1,202
2,637	2,852	2,981	2,714	2,529	2,921
2,113	1,924	3,770	9,698	5,410	2,178
<u>16,511</u>	<u>16,054</u>	<u>18,165</u>	<u>24,518</u>	<u>18,921</u>	<u>18,958</u>
-	-	-	-	-	-
788	829	182	186	187	191
139	95	78	71	67	62
<u>927</u>	<u>924</u>	<u>259</u>	<u>257</u>	<u>253</u>	<u>253</u>
<u>17,438</u>	<u>16,977</u>	<u>18,424</u>	<u>24,775</u>	<u>19,174</u>	<u>19,211</u>
<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>	<u>2,569</u>
-	-	-	-	-	-
1,815	2,865	1,676	1,734	324	4,023
(1,815)	(2,865)	(1,676)	(1,734)	(324)	(4,023)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>	<u>2,569</u>
<u>9,951</u>	<u>10,070</u>	<u>20,091</u>	<u>24,826</u>	<u>24,036</u>	<u>25,226</u>
<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>	<u>2,569</u>
<u>\$10,070</u>	<u>\$11,734</u>	<u>\$24,826</u>	<u>\$24,036</u>	<u>\$25,226</u>	<u>\$27,795</u>
\$17,438	\$16,977	\$18,424	\$24,775	\$19,174	\$19,211
2,231	2,063	3,681	9,535	5,410	2,178
<u>15,207</u>	<u>14,914</u>	<u>14,743</u>	<u>15,240</u>	<u>13,764</u>	<u>17,033</u>
927	924	259	257	253	253
6.10%	6.19%	1.76%	1.69%	1.84%	1.49%

Source: City of Capitola Finance Department.

CITY OF CAPITOLA, CALIFORNIA
 General Revenues by Source
 Last Ten Fiscal Years
 (amounts expressed in thousands)
 General Revenue By Source

Fiscal Year	General Revenue By Source							Total General Revenues
	Sales Tax Revenue ⁽¹⁾	Property Taxes ⁽²⁾	Transient Occupancy Tax	Franchise Taxes	Business Licenses	Investment Income	Miscellaneous, Intergovernmental and Other Revenues	
2013	\$ 6,040,542	\$ 1,778,037	\$ 1,074,507	\$ 478,627	\$ 291,642	\$ 131,166	\$ 398,320	\$ 10,192,841
2014	7,179,727	1,849,375	1,263,175	496,759	286,638	107,218	564,801	11,747,693
2015	7,330,443	2,041,248	1,275,716	507,517	284,474	118,770	506,803	12,064,971
2016	7,859,511	2,193,588	1,451,512	524,214	298,020	227,142	650,656	13,204,643
2017	7,959,086	2,288,341	1,457,704	534,513	301,545	264,040	426,525	13,231,754
2018	7,687,959	2,721,299	1,456,899	555,475	308,236	237,383	406,456	13,373,707
2019	8,076,583	2,854,103	1,581,864	545,424	307,930	450,099	119,011	13,935,014
2020	7,440,745	2,945,342	1,262,816	556,708	329,711	699,199	16,383	13,250,904
2021	7,705,348	3,026,024	1,529,015	561,969	291,590	335,472	203,806	13,653,224
2022	8,484,799	3,224,366	2,170,541	634,511	315,604	(128,502)	205,129	14,906,448

NOTES:

⁽¹⁾ A 0.25% District Transactions and Use Tax took effect April 1, 2005 and in 2008 was extended through December 2017. An additional 0.25% Permanent Retail Transactions and Use Tax took effect April 1, 2013, bringing the local tax rate to 0.50%.

⁽²⁾ As of 2006, Property Taxes In Lieu of Vehicle License Fees were included as part of Property Tax distributions by the State of California. Dissolution of California Redevelopment Agencies in February 2012 lowered agency property tax receipts by the size of the previous redevelopment tax increment.

Source: City of Capitola Finance Department.

CITY OF CAPITOLA, CALIFORNIA
 Net Taxable Assessed Value History
 Last Ten Fiscal Years
 (amounts expressed in thousands)

City of Capitola					
Fiscal Year	Secured	Unsecured	SBE Nonunitary	Total Assessed Value	% Change
2013	\$ 1,726,023	\$ 71,136	\$ 83	\$ 1,797,242	0.69%
2014	1,784,629	75,387	84	1,860,100	3.50%
2015	1,906,637	81,887	84	1,988,608	6.91%
2016	2,026,035	76,862	83	2,102,980	5.75%
2017	2,156,464	77,622	84	2,234,170	6.24%
2018	2,294,174	84,389	84	2,378,647	6.47%
2019	2,412,636	87,922	111	2,500,669	5.13%
2020	2,530,955	81,815	111	2,612,881	4.49%
2021	2,657,657	77,632	111	2,735,400	4.69%
2022	2,785,901	79,332	111	2,865,344	4.75%

NOTES: California Constitution Article 13A establishes a county assessor "full cash value" property valuation formulated on varying base years and not at current fair market value. As a result, there is not a reasonable basis available for estimating actual value of taxable property for the City of Capitola for comparative purposes.

Source: HdL Companies, Santa Cruz County Assessor 2021-22 Combined Tax Rolls.

CITY OF CAPITOLA, CALIFORNIA
 Assessed Value of Taxable Property
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential	\$ 1,233,173	\$ 1,289,844	\$ 1,413,964	\$ 1,515,227	\$ 1,590,959	\$ 1,681,534	\$ 1,782,996	\$ 1,878,890	\$ 1,981,312	\$ 2,093,954
Commercial	387,425	384,916	379,721	392,427	439,224	476,377	487,098	501,612	523,379	524,820
Industrial	13,869	14,079	14,130	14,437	14,612	19,124	19,557	21,914	22,319	22,545
Institutional	15,078	14,662	14,716	15,134	15,966	15,054	9,927	10,943	9,290	19,436
Miscellaneous	6	6	6	6	6	267	272	277	283	293
Recreational	10,401	10,609	8,844	9,705	9,791	9,996	10,311	10,525	10,592	8,849
Vacant	13,370	13,823	14,934	15,263	16,274	15,393	21,333	19,848	19,308	21,278
SBE Nonunitary	83	84	84	83	84	84	110	110	111	111
Cross Reference	52,701	56,690	60,322	63,836	69,632	76,429	81,138	86,943	91,174	94,726
Unsecured	71,136	75,387	81,887	76,862	77,622	84,389	87,922	81,815	77,632	79,332
TOTALS	\$ 1,797,242	\$ 1,860,100	\$ 1,988,608	\$ 2,102,980	\$ 2,234,170	\$ 2,378,648	\$ 2,500,664	\$ 2,612,877	\$ 2,735,400	\$ 2,865,344
Total Direct Property Tax Rate	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05372	0.05372

NOTES: Exempt values are not included in Total.

In 1978, the voters of the State of California passed Proposition 13, which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Companies, Santa Cruz County Assessor 2012-13 and 2021-22 Combined Tax Rolls.

CITY OF CAPITOLA, CALIFORNIA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of taxable value)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Direct Property Tax Rates										
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Redevelopment Rate ⁽²⁾	-2.00000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Direct Property Tax Rate ⁽³⁾	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05372	0.05372
Overlapping Property Tax Rates ⁽⁴⁾										
Santa Cruz High School	0.02615	0.02333	0.02087	0.01961	0.01848	0.04461	0.04272	0.03889	0.03800	0.03706
Soquel Elementary School	0.02435	0.02238	0.02045	0.01846	0.01811	0.04539	0.04251	0.03948	0.04140	0.04123
Live Oak Elementary School	0.05514	0.05383	0.05279	0.04600	0.03574	0.01988	0.02117	0.02072	0.02106	0.02116
Cabrillo College	0.04048	0.04047	0.03694	0.03669	0.03260	0.02425	0.02102	0.02117	0.02475	0.02370
Total Overlapping Property Tax Rate ⁽³⁾	0.14612	0.14001	0.13105	0.12076	0.10493	0.13413	0.12742	0.12026	0.12521	0.12315
City Share of 1% levy per Proposition 13 ⁽⁵⁾	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471
Total Direct Rate ⁽³⁾	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05438	0.05434
Total Direct & Overlapping Rate	1.14612	1.14001	1.13105	1.12076	1.10493	1.13413	1.12742	1.12026	1.12521	1.12315

NOTES:

(1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(2) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

(3) Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

(4) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(5) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ration figures.

SOURCE: HdL Companies, Santa Cruz County Assessors Office.

CITY OF CAPITOLA, CALIFORNIA
 Top Ten Property Taxpayers
 Last Ten Fiscal Years

Taxpayer	2021-22			2012-13		
	Net Assessed Valuation	Rank	Percent of Total City Net Assessed Valuation	Net Assessed Valuation	Rank	Percent of Total City Net Assessed Valuation
MGP XI Capitola LLC	\$115,885,323	1	4.11%			
Santa Cruz Seaside Company	33,358,390	2	1.18%			
Aspromonte Hotels LLC	20,284,316	3	0.72%	\$ 18,064,732	3	1.01%
Target Corporation	19,008,159	4	0.67%	8,498,000	7	0.47%
George Ow Jr. Trustees	15,846,878	5	0.56%	13,656,353	4	0.76%
Loma Vista Estates Owners Assoc. Inc.	14,607,696	6	0.52%			
Brown Ranch Properties	12,635,202	7	0.45%	11,018,631	5	0.61%
Blai LP	11,908,561	8	0.42%			
Melanie Kett Wirtanen Trustee	9,416,210	9	0.33%	8,115,441	8	0.45%
850 Rosedale LLC	9,179,487	10	0.33%	7,911,701	9	0.44%
Macerich Partnership LP				61,963,872	1	3.45%
Macerich Capitola Adjacent LP				25,500,000	2	1.42%
Macquire Capitola Villas INC				10,126,114	6	0.56%
Macy's						
1100 41st Avenue LLC				7,430,140	10	0.41%
	<u>\$ 262,130,222</u>		<u>9.29%</u>	<u>\$ 172,284,984</u>		<u>9.58%</u>
Memo: Gross Assessed Value	\$ 2,821,642,690		100.00%	\$ 1,797,242,490		100.00%

Source: HdL Companies, Santa Cruz County Assessor 2012-13 and 2021-22 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

CITY OF CAPITOLA, CALIFORNIA
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Property Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	\$ 899,974	\$ 899,974	100%	\$ -	\$ 899,974	100%
2014	927,676	927,676	100%	-	927,676	100%
2015	1,060,919	1,060,919	100%	-	1,060,919	100%
2016	1,104,034	1,104,034	100%	-	1,104,034	100%
2017	1,203,689	1,203,689	100%	-	1,203,689	100%
2018	1,331,609	1,331,609	100%	-	1,331,609	100%
2019	1,406,900	1,406,900	100%	-	1,406,900	100%
2020	1,452,553	1,452,553	100%	-	1,452,553	100%
2021	1,420,380	1,420,380	100%	-	1,420,380	100%
2022	1,503,589	1,503,589	100%	-	1,503,589	100%

NOTES: Figures presented include City property taxes and Redevelopment Agency tax increment, as well as amounts collected by the City and Redevelopment Agency that are pass throughs for other agencies, and real and personal property. The figures do not include Property Taxes In Lieu of Vehicle License Fees. In FY 1993-94, Santa Cruz County adopted the Teeter Plan under which the City of Capitola receives its entire tax levy, regardless of delinquencies as long as it qualifies for the Teeter Plan.

Reduction in property taxes levied from 2011 through 2020 reflects the 2/1/2012 State of California dissolution of Redevelopment Agencies and the associated elimination of tax increment received by the City of Capitola.

Source: Santa Cruz County Auditor-Controller, City of Capitola Finance Department.

CITY OF CAPITOLA, CALIFORNIA
Top 25 Sales Tax Taxpayers
Listed alphabetically

TOP 25 SALES TAX TAXPAYERS

As of June 30, 2022

- Ajs Fuel Market Of Capitola Service Stations
- AT&T Mobility Electronics/Appliance Stores
- Bed Bath & Beyond Home Furnishings
- BevMo Convenience Stores/Liquor
- Big 5 Sporting Goods Sporting Goods/Bike Stores
- Capitola Coast Service Stations
- Capitola Shell Service Stations
- Capitola Union 76 Service Stations
- Chevron Service Stations
- CVS Pharmacy Drug Stores
- Kohls Department Stores
- Lucky Grocery Stores
- Macys Department Stores
- Nob Hill General Store Grocery Stores
- O Neill Surf Shop Sporting Goods/Bike Stores
- Outdoor Supply Hardware Building Materials
- Ross Family Apparel
- Santa Cruz Subaru New Motor Vehicle Dealers
- Santa Cruz Toyota New Motor Vehicle Dealers
- Shadowbrook Fine Dining
- Target Discount Dept Stores
- Toyota Lease Trust Auto Lease
- Trader Joes Grocery Stores
- Verizon Wireless Electronic/Appliance Stores
- Whole Foods Market Grocery Stores

NOTES:

The list is in alphabetical order and is not indicative of relative nor total sales volume.

Source: HdL

CITY OF CAPITOLA, CALIFORNIA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in dollars unless otherwise noted)

Government/Total Primary Government Activities							
Fiscal Year Ended June 30	General Obligation Bonds	Lease Revenue Bonds	Other debt	Tot. Gov't./ Primary Gov't. Activities	Debt as a % of Taxable Assessed Property Value	Debt as a % of Total Personal Income	Debt per Capita
2013	\$ 2,890,000	\$ -	\$ 1,882,272	\$ 4,772,272	0.27%	1.43%	478
2014	2,375,000	-	3,153,788	5,528,788	0.30%	1.55%	545
2015	1,830,000	-	3,000,243	4,830,243	0.24%	1.32%	483
2016	1,255,000	-	2,811,059	4,066,059	0.19%	1.07%	401
2017	645,000	-	2,632,952	3,277,952	0.15%	0.84%	323
2018	-	-	2,449,251	2,449,251	0.10%	0.58%	232
2019	-	-	2,267,652	2,267,652	0.09%	0.58%	221
2020	-	-	2,081,485	2,081,485	0.08%	0.47%	206
2021	-	-	1,894,649	1,894,649	0.07%	0.45%	188
2022	-	-	1,703,461	1,703,461	0.06%	0.41%	174

NOTES: The City of Capitola has no business-type activities; governmental and total primary government figures are the same. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

In July 2007, the City of Capitola issued a \$5,040,000 Pension Obligation Bond (POB), which was used to pay off the City's CalPERS unfunded pension liability as of that point in time.

Other debt includes tax anticipation notes, county library long term debt, capital leases, notes payable, and RDA deferred pass throughs. Compensated absences, OPEB liability and net pension liability amounts are no longer included per GASB implementation guidelines.

Source: City of Capitola Financial Statements.

CITY OF CAPITOLA, CALIFORNIA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in dollars unless otherwise noted)

Fiscal Year Ended June 30	Government/Total Primary Government Activities			
	General Obligation Bonds	Debt as a % of Taxable Assessed Property Value	Debt as a % of Total Personal Income	Debt per Capita
2013	\$ 2,890,000	0.16%	0.87%	\$ 289
2014	2,375,000	0.13%	0.67%	234
2015	1,830,000	0.10%	0.50%	183
2016	1,255,000	0.06%	0.33%	124
2017	645,000	0.03%	0.17%	63
2018	-	0.00%	0.00%	-
2019	-	0.00%	0.00%	-
2020	-	0.00%	0.00%	-
2021	-	0.00%	0.00%	-
2022	-	0.00%	0.00%	-

NOTES: The City of Capitola has no business-type activities; governmental and total primary government figures are the same. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

In July 2007, the City of Capitola issued a \$5,040,000 Pension Obligation Bond (POB), which was used to pay off the City's CalPERS unfunded pension liability as of that point in time.

CITY OF CAPITOLA, CALIFORNIA
 Direct and Overlapping Debt
 Fiscal Year ended June 30, 2022

2021-22 Assessed Valuation			\$	2,821,642,690
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable ⁽¹⁾</u>	<u>Total Debt</u>		<u>City's Share of Debt</u>
		<u>6/30/2022</u>		<u>6/30/2022</u>
Cabrillo Joint Community College District	5.360%	\$ 104,214,571	\$	5,585,901
Santa Cruz City High School District	11.559%	145,243,365		16,788,681
Live Oak School District	5.836%	9,151,000		534,052
Soquel Union School District	39.161%	44,045,000		17,248,462
Santa Cruz Libraries Facilities Community Facilities District	5.979%	37,725,000		2,255,578
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 340,378,936</u>	\$	<u>42,412,674</u>
Santa Cruz County Certificates of Participation	5.405%	\$ 87,894,145	\$	4,750,679
Santa Cruz County Office of Education Certificates of Participation	5.405%	7,409,779		400,499
Santa Cruz City High School District Certificates of Participation	11.559%	1,401,383		161,986
Live Oak School District Certificates of Participation	5.836%	11,783,973		687,713
Soquel Union School District Certificates of Participation	39.161%	5,617,205		2,199,754
Santa Cruz City Schools Certificates of Participation	11.559%	720,000		83,225
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 114,826,485</u>	\$	<u>8,283,854</u>
TOTAL CITY'S DIRECT DEBT			\$	<u>1,703,461</u>
COMBINED TOTAL DEBT			\$	<u>50,696,528 ⁽²⁾</u>
<u>RATIOS TO 2021-22 ASSESSED VALUATION:</u>				
Total Overlapping Tax and Assessment Debt				1.50%
Total Direct Debt				0.06%
Combined Total Debt				1.80%

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: MuniServices, LLC, City of Capitola Finance Department

CITY OF CAPITOLA
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuation	\$ 1,797,242	\$ 1,860,100	\$ 1,988,608	\$ 2,102,980	\$ 2,234,170	\$ 2,378,648	\$ 2,500,669	\$ 2,612,882	\$ 2,735,400	\$ 2,821,643
RDA Base Valuation	242,272	246,771	256,500	264,195	272,121	280,284	288,693	297,354	306,274	315,463
Adj. assessed valuation	1,554,970	1,613,329	1,732,108	1,838,785	1,962,049	2,098,364	2,211,976	2,315,528	2,429,125	2,506,180
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	233,246	241,999	259,816	275,818	294,307	314,755	331,796	347,329	364,369	375,927
Total net applicable debt										
Gen. obligation bonds	2,890	2,375	1,830	1,255	645	-	-	-	-	-
Legal debt margin	<u>\$ 230,356</u>	<u>\$ 239,624</u>	<u>\$ 257,986</u>	<u>\$ 274,563</u>	<u>\$ 293,662</u>	<u>\$ 314,755</u>	<u>\$ 331,796</u>	<u>\$ 347,329</u>	<u>\$ 364,369</u>	<u>\$ 375,927</u>
Ratio of Total Net Applicable Debt to Debt Limit	1.25%	0.99%	0.71%	0.46%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES: The bonded indebtedness of the City may not in the aggregate exceed the sum of fifteen (15%) of the total assessed valuation of property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending, or maintaining municipally owned assets for which purposes a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the City of Capitola bylaws and the State Constitution.

Source: Santa Cruz County Auditor-Controller, Santa Cruz County Assessor, City of Capitola Finance Department.

CITY OF CAPITOLA
 Pledged-Revenue Coverage
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year Ended June 30,	Other Revenue Bonds				Tax Allocation Bonds			
	Available Revenue	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	\$ -	n/a
2014	-	-	-	n/a	-	-	-	n/a
2015	-	-	-	n/a	-	-	-	n/a
2016	-	-	-	n/a	-	-	-	n/a
2017	-	-	-	n/a	-	-	-	n/a
2018	-	-	-	n/a	-	-	-	n/a
2019	-	-	-	n/a	-	-	-	n/a
2020	-	-	-	n/a	-	-	-	n/a
2021	-	-	-	n/a	-	-	-	n/a
2022	-	-	-	n/a	-	-	-	n/a

NOTES: The City of Capitola has no tax allocation bonds or other revenue bonds.

SOURCE: City of Capitola Finance Department.

CITY OF CAPITOLA
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
2012	9,988	\$ 334,029	\$ 33,443	41.1	5.5%
2013	10,136	357,112	35,232	40.9	5.0%
2014	10,004	364,656	36,451	41.5	7.0%
2015	10,150	381,027	37,540	43.3	6.0%
2016	10,162	390,369	38,414	42.8	5.5%
2017	10,563	421,494	39,902	42.6	3.3%
2018	10,240	388,326	37,922	42.0	2.2%
2019	10,108	440,760	43,605	42.7	1.4%
2020	10,091	419,398	41,561	42.2	2.1%
2021	9,794	484,927	49,512	45.3	2.1%

Sources: HdL Companies, California State Department of Finance, California Employment Development Department, ESRI, U. S. Census Bureau, American Community Survey.

CITY OF CAPITOLA
Principal Employers - Top Ten
Current year and nine years ago

Employer	2022			2013		
	Ranking	Number of Employees	% of Total Employment	Ranking	Number of Employees	% of Total Employment
Soquel Union School District	1	198	3.60%			
Subaru, Toyota, Kia of Santa Cruz	2	180	3.27%	3	177	2.57%
Target*	3	170	3.09%	1	200	2.90%
Culinary Enterprises Inc	4	150	2.73%	6	119	1.72%
Gayle's Bakery & Rosticceria	5	140	2.55%	4	159	2.30%
Whole Foods Market	6	135	2.45%	5	127	1.84%
Pacific Coast Manor*	7	129	2.35%			
Oceanside Supported Living	8	120	2.18%			
Trader Joe's	9	110	2.00%	7	108	1.57%
City of Capitola**	10	99	1.80%			
Macy's				2	200	2.90%
Sears				9	100	1.45%
Nob Hill				10	96	1.39%
Kohls				8	102	1.39%
		1,431	26.02%		1,388	20.03%
Total Labor Force		5,500	100.00%		6900	100.00%

*Includes full-time and part-time employees.

**Includes full-time and seasonal employees.

SOURCE: MuniServices, LLC

CITY OF CAPITOLA
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
City Manager	7.65	7.65	7.65	7.65	6.50	6.50	6.00	7.50	5.50	5.50
Finance	4.38	4.50	4.50	4.50	4.50	3.75	3.75	3.75	2.75	3.00
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
	<u>13.03</u>	<u>13.15</u>	<u>13.15</u>	<u>13.15</u>	<u>12.00</u>	<u>11.25</u>	<u>10.75</u>	<u>11.25</u>	<u>8.25</u>	<u>8.50</u>
Police										
Chief, Captain, Sgts.	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Officers	15.00	15.00	15.00	16.00	16.00	16.00	15.00	15.00	14.00	15.00
CSOs	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Administrative	4.25	4.65	4.65	4.65	4.50	4.50	4.50	4.50	4.50	4.00
	<u>30.25</u>	<u>31.65</u>	<u>30.65</u>	<u>31.65</u>	<u>31.50</u>	<u>31.50</u>	<u>30.50</u>	<u>30.50</u>	<u>29.50</u>	<u>30.00</u>
Public Works										
Streets	7.33	8.00	9.00	9.00	11.00	12.00	11.50	10.00	10.00	10.00
Parks	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Fleet Maintenance	1.00	1.00	1.50	1.25	1.00	1.00	1.50	2.00	1.00	1.00
	<u>12.33</u>	<u>13.00</u>	<u>14.50</u>	<u>14.25</u>	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>	<u>15.00</u>	<u>14.00</u>	<u>14.00</u>
Recreation										
Supervisor	1.00	1.00	2.00	2.00	2.50	2.50	2.50	1.00	1.00	1.00
Other - full year	2.00	2.00	2.25	2.75	1.25	1.25	1.25	4.00	4.00	3.50
	<u>3.00</u>	<u>3.00</u>	<u>4.25</u>	<u>4.75</u>	<u>3.75</u>	<u>3.75</u>	<u>3.75</u>	<u>5.00</u>	<u>5.00</u>	<u>4.50</u>
Community Development	2.00	2.50	3.00	3.50	3.50	3.50	3.00	3.00	3.00	3.00
Building	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.75
Total City Employees	<u>62.61</u>	<u>65.30</u>	<u>67.55</u>	<u>69.30</u>	<u>68.75</u>	<u>68.00</u>	<u>67.00</u>	<u>67.75</u>	<u>62.75</u>	<u>62.75</u>

NOTES: Full time equivalents (FTE); does not include temporary or seasonal employees.

SOURCE: City of Capitola Finance Department.

CITY OF CAPITOLA
 Operating Indicators by Function
 Last Ten Fiscal Years (except as noted)

INDICATOR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Police department</u>										
Adult arrests	693	856	956	904	939	692	587	503	317	345
Calls for service (thousands)	16	20	18	17	20	19	15	19	15	14
<u>Public works</u>										
Miles paved	26	26	26	26	26	26	26	26	26	26
<u>New construction</u>										
<u>Commercial units</u>										
Valuation (millions)	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 1	\$ 1	\$ -	\$ -	\$ -
<u>Residential units ⁽¹⁾</u>										
Valuation (millions)	\$ 9	\$ 9	\$ 3	\$ 3	\$ 9	\$ 6	\$ 8	\$ 9	\$ 9	\$ 9
<u>Recreation Revenue (thousands)</u>										
Classes	\$ 298	\$ 338	\$ 282	\$ 275	\$ 260	\$ 240	\$ 231	\$ 214	\$ 79	\$ 199
Sports fees	53	41	32	19	21	24	23	19	8	26
Junior Guard	240	268	312	328	258	238	244	160	85	268
Camp Capitola	94	103	139	129	100	96	111	100	105	175
Aquatics	-	-	-	-	-	-	-	24	48	52
Events	-	-	-	-	-	-	-	-	-	1
Net Class Revenue	\$ 685	\$ 750	\$ 765	\$ 751	\$ 639	\$ 598	\$ 609	\$ 517	\$ 325	\$ 721
Jade St. Rental	7	5	7	7	6	8	5	5	-	7
Net Recreation Rev	\$ 692	\$ 755	\$ 772	\$ 758	\$ 645	\$ 606	\$ 614	\$ 522	\$ 325	\$ 728

(1) Residential units and associated valuations are total additional, new or substantially new (by code definition) units.

CITY OF CAPITOLA
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Indicator	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26	26	26	26	26	26	26	26	26	26
Streetlights	71	71	71	71	71	71	71	71	71	71
Traffic signals	8	8	8	8	8	8	8	8	8	8
Parks and recreation										
Parks	8	8	8	8	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
General										
Commercial buildings	2	2	2	2	2	2	2	2	2	2

Source: City of Capitola Public Works Department.



January 27, 2023

To the Honorable Members of the City Council of
City of Capitola
Capitola, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for City of Capitola (City), California, as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated July 11, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City major federal program compliance, is to express an opinion on the compliance for each of the City major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the City’s internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated the City. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated the City.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks.

- **Management Override of Controls** – professional standards require auditors to address the possibility of management overriding controls. As per the audit professional standard, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.
- **Improper Revenue Recognition** – professional standards require auditors to presume that revenue recognition is a fraud risk. Therefore, improper revenue recognition was identified as a fraud risk due to possibility that revenue is not recorded in the proper period, in the incorrect amount, etc. either due to error or fraud

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to the City Pension and Other Postemployment Benefits (OPEB) liabilities.

Management's estimate of these is based on actuarial estimated performed by management specialists. We evaluated the key factors and assumptions used to develop these actuarial estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to: the Discount rates used in estimated pension and OPEB liabilities.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

There was no corrected or uncorrected misstatement.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 30, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Modification of the Auditor's Report

We have made no modification to our auditor's report.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing board and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Menlo Park, California

Capitola City Council

Agenda Report

Meeting: January 26, 2023

From: City Manager Department

Subject: Letter of Support for Zero Emission Rail Transit & Trail Project



Recommended Action: Authorize Mayor Keiser to sign a letter of support for the Zero Emission Rail Transit & Trail Project.

Background: The Santa Cruz County Regional Transportation Commission (RTC) submitted a request for a letter of support from the City of Capitola for the Zero Emission (ZE) Rail Transit & Trail Project on January 12, 2023. The letter may be included in multiple future grant applications as RTC pursues funding sources for this project.

Discussion: The ZE Rail Transit & Trail Project proposes new high-capacity passenger service and stations on approximately 22 miles of the Santa Cruz Branch Rail Line, from the City of Santa Cruz to the Union Pacific Coast Route. The project also proposes to construct 13 miles of Coastal Rail Trail Segments 13-20 (as defined in the Monterey Bay Sanctuary Scenic Trail Network Master Plan) primarily within the rail right-of-way from Rio Del Boulevard, through the community of La Selva and City of Watsonville, to Pajaro in northern Monterey County. Additional information can be found on the fact sheet included as an attachment to this report.

Fiscal Impact: There is no fiscal impact to the City related to the submission of the letter of support.

Attachments:

1. Project Fact Sheet
2. Proposed Letter of Support

Report Prepared By: Julia Moss, City Clerk

Reviewed By: Samantha Zutler, City Attorney

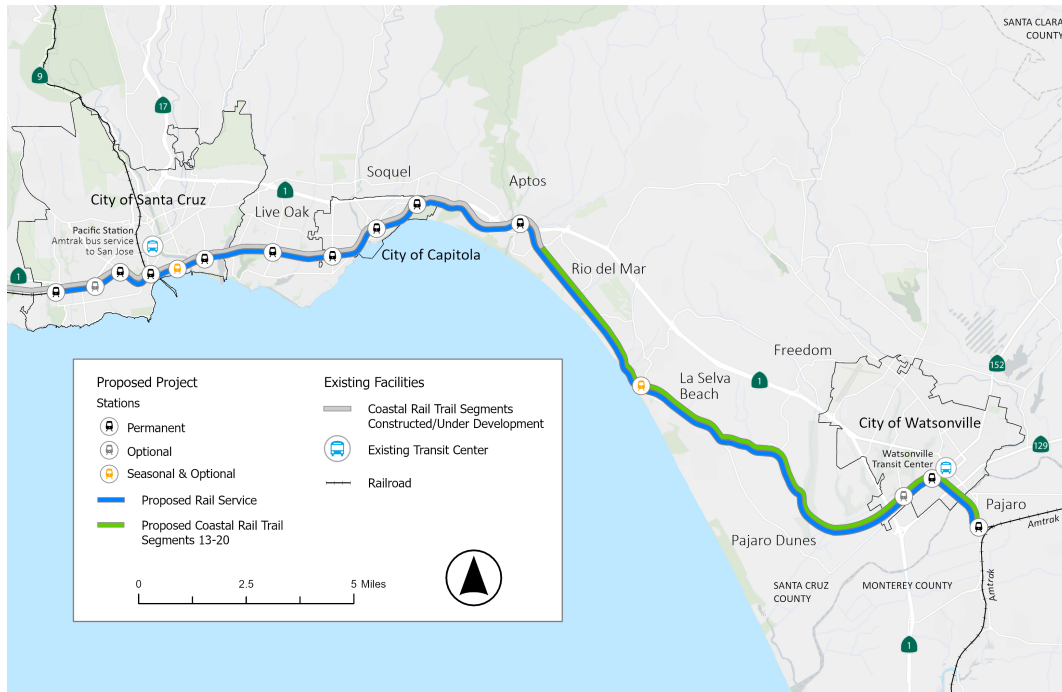
Approved By: Jamie Goldstein, City Manager

FACT SHEET

Updated January 2023



Zero Emission Rail Transit & Trail Project



Project Description

The project proposes new high-capacity passenger service and stations on approximately 22 miles of the Santa Cruz Branch Rail Line, from the City of Santa Cruz in the north to the Union Pacific Coast Route in the south. The project also proposes to construct 13 miles of Coastal Rail Trail Segments 13-20 (as defined in the Monterey Bay Sanctuary Scenic Trail Network Master Plan) primarily within the rail right-of-way from Rio Del Boulevard, through the community of La Selva and City of Watsonville, to Pajaro in northern Monterey County.

The new rail service will take advantage of a publicly-owned rail right-of-way to provide all-day service connecting the most populated areas of Santa Cruz County to each other and to the greater region. At the Pajaro Junction, existing Amtrak and planned expanded regional service to the north and south will provide a seamless intercity travel option for riders on the Central Coast. The dedicated right-of-way will bypass highly congested Highway 1 and local arterials and re-connect cities to each other.

The trail will complete the 32-mile Coastal Rail Trail which provides a dedicated travel facility that serves all of the rail stations and is a part of the California Coastal Trail. A part of this project (a portion of Segment 18) was accelerated ahead of the rest of the segments and was completed in 2021 to connect the City of Watsonville downtown area to the Watsonville Slough Wetlands.

Project Highlights

- ▶ Provides high-capacity rail transit service and stations on approximately 22 miles of the Santa Cruz Branch Rail Line
- ▶ Connects the most populated areas of Santa Cruz County to each other and to the greater region
- ▶ Provides a public transit network built on frequency and predictability
- ▶ Provides new bicycle and pedestrian access along 13 miles of the rail right-of-way
- ▶ Includes new bicycle and pedestrian bridges across Hidden Beach Gulch, Bush Gulch, and La Selva Gulch
- ▶ Improves safety and mobility of non-automobile users, and provides high-quality connections to key destinations and recreational facilities
- ▶ Passes within only 1 mile of more than 90 parks, 40 schools, and approximately half of the county's population

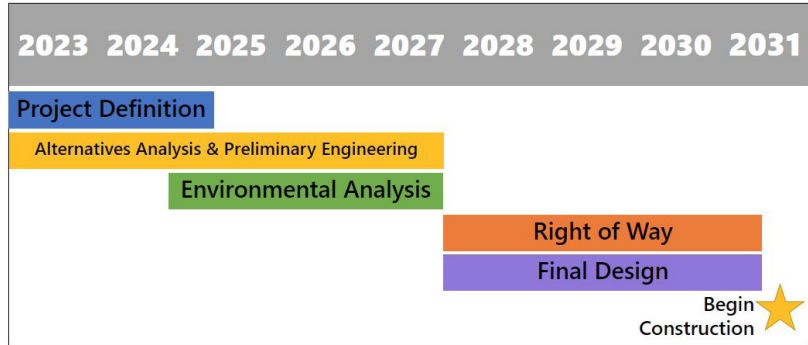


FACT SHEET

Updated January 2023

Zero Emission Rail Transit & Trail Project

Project Schedule



Project Delivery Strategy

The RTC is currently advancing Zero Emission Rail Transit on the Santa Cruz Branch Rail Line from the planning phase to the design and environmental phase of project development. Development of Segments 13-20 of the Coastal Rail Trail is being done as part of the Electric Rail Transit Project in order to achieve efficiencies and expand the bicycle and pedestrian network. The RTC is funding development of Segments 13-20 through the Measure D Active Transportation Program. The RTC is seeking state and federal funds to advance the combined Zero Emission Rail Transit and Trail project. Further development and construction of Segments 13-20 can be phased to smaller sections as funding becomes available.





Santa Cruz County Regional Transportation Commission
1101 Pacific Ave, Ste 250
Santa Cruz, CA 95060
Attn: Executive Director Guy Preston

January 26, 2023

RE: Support for Zero Emission (ZE) Rail Transit & Trail Project

Dear Director Preston,

The City of Capitola is pleased to share our strong support for the Zero Emission (ZE) Rail Transit & Trail Project, and we urge state and federal agencies to provide funding for this important project. The proposed rail service would provide access to residents and visitors in the City of Capitola and we wholeheartedly believe that this addition to public transit would benefit our community.

The ZE Rail Transit & Trail Project proposes new high-capacity rail transit service along 22 miles of the Santa Cruz Branch Rail Line, from the City of Santa Cruz in the north to the Union Pacific Coast Route just south of the Watsonville city limits in Pajaro, Monterey County. The project also includes 12 miles of the Coastal Rail Trail, a parallel paved bicycle and pedestrian trail within the rail right-of-way.

Santa Cruz County suffers from severe congestion, long and unreliable transit travel times, inequitable land use patterns, and limited transit connectivity to the rest of the Monterey Bay Area and the San Francisco Bay Area. New rail service will utilize the publicly-owned Santa Cruz Branch Rail right-of-way to provide all-day service connecting the most populated areas of Santa Cruz County to the greater region. In addition to increasing transit options within Santa Cruz County, at the Pajaro Junction, the Project will provide a new intercity transportation option for riders traveling to and from the Central Coast, San Francisco Bay Area, and the Central Valley, as well as a connection to High-Speed Rail at Gilroy. Santa Cruz County residents and visitors will also have improved transit access to Silicon Valley's central rail hub, Diridon Station, via the Highway 17 Express Amtrak connector service, which runs directly from downtown Santa Cruz.

The dedicated right-of-way will bypass congested roadways and re-connect cities and town centers. This service will increase mobility for low-income and historically disadvantaged priority populations, providing improved access to employment and educational opportunities in the Monterey Bay Area. Furthermore, this new rail service will also complement Santa Cruz Metropolitan Transit District's ongoing efforts to increase network frequency and reliability.

Once complete, the 32-mile Coastal Rail Trail will provide a nearly entirely off-street transportation facility connecting riders to rail stations. The rail and trail combine to provide a safe, sustainable, healthy, reliable, affordable, and enjoyable alternative to driving for Santa Cruz County residents and visitors. The corridor serves numerous schools, central business districts, affordable housing projects, parks, and beaches.



420 Capitola Ave.
Capitola, California 95010
Telephone: (831) 475-7300
FAX: (831) 479-8879
Website: <http://www.cityofcapitola.org>

Passenger rail is an essential component of America's transportation system and supports economic development, connects rural communities to urban job centers, and helps reduce roadway congestion. This project closely aligns with local, regional, state, and federal transportation objectives and will improve safety, increase mobility, reduce congestion, and enhance the quality of life for residents, students, and visitors. We are pleased to support this work and thank you for considering this critical project.

Sincerely,

Mayor Margaux Keiser
City of Capitola

Capitola City Council

Agenda Report

Meeting: January 26, 2023

From: City Manager Department

Subject: Update on the 2022–2023 Winter Storm Event



Recommended Action: Receive update regarding the 2022-2023 Winter Storm Event.

Background: On January 6, 2023, the City Council adopted Resolution No. 4301 ratifying the Emergency Services Director’s Proclamation Declaring the Existence of a Local Emergency. During the meeting, Council Member Brooks requested an update on the emergency response at the next regularly scheduled meeting.

Discussion: Staff intends to provide regular updates to the City Council until the emergency is terminated. Staff actions since January 12th have included:

City Manager:

- Staff has coordinated approximately 13 social media posts, 2 newsletters, and 3 press releases since the storm began. In addition, staff has coordinated 10 interview opportunities and multiple visits from government officials.
- Staff has created a Recovery Webpage to provide additional resources and updates to residents and businesses affected by the storms.
- Staff has offered a temporary staffing opportunity at City Hall to those whose jobs have been impacted by the storm.

Community Development:

- The Building Official continues to work with businesses and residences, providing day-of gas, water, and sewer inspections. Heavily impacted sites continue to do exploratory demo of structure.
- The Building Official continues to host Zoom meetings with impacted businesses and Venetian owners. PG&E, Santa Cruz County Sanitation, Santa Cruz County Health, and Soquel Creek Water District are also invited to meetings. During the meetings, the Building Official reports out new information and attendees provide updates. The meetings conclude with time for questions and answers.
- 231 Esplanade – Capitola Bar and Grill, Mr. Toots, and the three residential spaces may be reoccupied. Margaritaville has railing, window, and door repairs to make prior to reopening.
- The Community Development Director in coordination with Santa Cruz County, City of Watsonville, CalOES, and FEMA to set up Disaster Relief Center. Capitola Mall was considered but the decision was made to have Disaster Relief Centers in Watsonville and Felton.
- The Community Development Director coordinated efforts with Federal Small Business Association (SBA) to set up Business Recovery Center in Capitola Community Room.
- Coordination with the City Manager Department to establish a Recovery Webpage for the City website.

Finance:

- The Finance Director submitted Initial Damage Estimate (IDE) to Santa Cruz County Office of Response, Recovery & Resiliency (as a part of County-wide submittal to CalOES) Initial damages as estimated by the Public Works Department:
 - *Capitola Wharf* - \$1,000,000

- Riverview pathway - \$175,000
- Jetty - \$100,000
- Depot Hill path - \$10,000
- Stockton Ave. bridge - \$100,000
- Hoopers stairway - \$40,000
- Hoopers ramp - \$250,000
- Parking pay stations - \$20,000
- Cliff Dr. erosion - \$400,000
- Debris removal / protective measures - \$450,000
- Seawall outfalls - \$80,000
- TOTAL EST. = \$2,625,000

Police:

- Police Department staff maintains regular communication with business owners.
- Police Department staff continue to patrol areas affected by storms
- Police Chief participated in the FEMA visit on 1/14.
- Police Department staff are continuing to attend daily operational assessment meetings with the Santa Cruz County EOC.

Public Works:

- Public Works staff continues cleanup of waterways, filling potholes, and addressing fallen trees.
- Public Works Director in coordination with CalOES and attended a meeting with CalOES on 1/18.
- Public Works staff placed a fence on Depot Hill and are restricting access to landslide/erosion areas.

Recreation:

- Recreation Division Manager coordinated with Save Our Shore to hold a Capitola Beach/Esplanade clean up event on Sunday, January 22nd from 2 to 4 PM. The event had limited attendance to appropriately manage crowd size and interested volunteers were asked to register in advance. City Council and City staff were not required to register.

Fiscal Impact: There is no fiscal impact associated with this report. All initial damage estimates are included earlier in the report.

Report Prepared By: Julia Moss, City Clerk

Reviewed By: Tamar Burke, Assistant City Attorney

Approved By: Jamie Goldstein, City Manager

Capitola City Council

Agenda Report



Meeting: January 26, 2023

From: City Manager Department

Subject: "Armed Forces Flag" Request in Accordance with Policy V-18: Outdoor Display of Governmental and Non-Governmental Flags on City Property

Recommended Action: Consider request to fly the "Armed Forces Flag" the week of May 13 through May 20, 2023, in accordance with Policy V-18: Outdoor Display of Governmental and Non-Governmental Flags on City Property and either 1) approve request or 2) deny request.

Background: On May 27, 2021, the City Council adopted Policy V-18: Outdoor Display of Governmental and Non-Governmental Flags on City Property. Section IV: Non-Governmental Flag Procedure states that: "Any person wishing for the City to display a Non-Governmental flag that is not on the "Approved Non-Governmental Flags List" [...] must submit a request to the City Manager's office. Requests should be submitted at least 60 days in advance of the first date on which the flag is requested to be flown. The request must include a photograph and dimensions of the flag, and the dates on which the flag is requested to be flown. The City Council shall determine whether the request will be granted, denied, or granted in part."

The full Flag Policy is included as Attachment 1.

Discussion: On November 2, 2022, a member of the public submitted a flag request to fly the "Armed Forces Flag" the week of May 13 through May 20, 2023 (Attachment 2).

Armed Forces Day was first proclaimed in 1950 by President Truman, with the intention to pay tribute to all branches of the U.S. Military and those who actively serve. The day was first officially celebrated on May 20, 1950. On March 18, 1961, President John F. Kennedy signed Presidential Proclamation 3399, which officially declared Armed Forces Day a national holiday on every third Saturday in May. Armed Forces Day is not one of the 12 permanent federal holidays observed by the United States Government. Armed Forces Day is May 20, 2023.

The most current presidential proclamation for Armed Forces Day reads as follows:

NOW, THEREFORE, I, JOSEPH R. BIDEN JR., President of the United States of America, and Commander in Chief of the Armed Forces of the United States, continuing the precedent of my predecessors in office, do hereby proclaim the third Saturday of each May as Armed Forces Day.

I direct the Secretary of Defense, on behalf of the Army, Navy, Air Force, Marine Corps, Space Force, and the Secretary of Homeland Security on behalf of the Coast Guard, to plan for appropriate observances each year, with the Secretary of Defense responsible for soliciting the participation and cooperation of civil authorities and private citizens. I invite the Governors of the States, the Commonwealth of Puerto Rico, and other areas subject to the jurisdiction of the United States to provide for the observance of Armed Forces Day within their respective jurisdictions each year in an appropriate manner designed to increase public understanding and appreciation of the Armed Forces of the United States. I also invite veterans, civic leaders, and other organizations to join in the observance of Armed Forces Day each year.

Finally, I call upon all Americans to display the flag of the United States at their homes and businesses on Armed Forces Day, and I urge citizens to learn more about military service by attending and participating in the local observances of the day.

Fiscal Impact: Minimal; if approved, the City would pay for the cost to purchase and maintain an Armed Forces Flag.

Attachments:

1. Flag Policy
2. Flag Request Received Nov. 2, 2022

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

Reviewed By: Julia Moss, City Clerk; Tamar Burke, Assistant City Attorney

Approved By: Jamie Goldstein, City Manager

ADMINISTRATIVE PROCEDURE

Number: V-18
Issued: May 27, 2021
Jurisdiction: City Council

Outdoor Display of Governmental and Non-Governmental Flags on City Property

I. Purpose

The purpose of this administrative policy is to establish uniform policies to govern the flying of the United States and California flags (“Governmental Flags”) on City-owned flagpoles, and the flying of flags other than the United States and California flag (“Non-Governmental Flags”) as an expression of the City’s official sentiments on City-owned flagpoles. The City’s flagpoles are intended to serve as a forum for expression by the City, and not a forum for expression by the public.

II. Applicability

The City shall regularly fly, on official, City-owned flagpoles, the flags of the United States of America and the State of California, and Non-Governmental flags pursuant to this Policy. Nothing set forth in this Policy is intended to prohibit or curtail individuals from displaying a flag on private property under his or her control or wearing or carrying a flag. City employees must comply with City policy.

III. Half-Staff

National flags and/or the California flag on City-owned property shall be flown at half-staff upon order of the President of the United States, or authorization by the Governor of California or the City Council of the City.

National and/or California flags on City-owned property shall also be flown at half-staff upon the death of:

- A City Councilmember, past or present;
- A current City employee;
- A City retiree having served the City for 25 or more years;
- A public safety officer (police officer, Sheriff’s deputy, or firefighter) killed in the line of duty and employed by an agency in Santa Cruz County, San Mateo County, Santa Clara County, San Benito County or Monterey County; and
- A person whose accomplishments and contributions to the community demonstrated a significant commitment to the Capitola community, as determined by the City Manager and the Mayor.

In most of the above circumstances, flags will ordinarily be flown at half-staff as soon as practicable following the notification of a death, and for an additional 48 hours. For public safety officer line of duty deaths, the flag will fly at half-staff immediately from notification of death to sunset on the day of service/funeral.

IV. Non-Governmental Flag Procedure

Any person wishing for the City to display a Non-Governmental flag that is not on the “Approved Non-Governmental Flags List” below must submit a request to the City Manager’s office. Requests should be

submitted at least 60 days in advance of the first date on which the flag is requested to be flown. The request must include a photograph and dimensions of the flag, and the dates on which the flag is requested to be flown. The City Council shall determine whether the request will be granted, denied, or granted in part.

If the request is approved, this policy may be updated to include the approved flag, time when the flag shall be displayed, and approved flag image. If the request is not approved, it shall be deemed to have been denied and shall not be reconsidered for a period of six (6) months. The City Council’s determination shall be final and not subject to appeal.

Unless otherwise noted herein, or approved by the City Council, Non-Governmental flags shall only be flown at City Hall and, when raised, shall replace the flag of the State of California, not the flag of the United States.


If, while a Non-governmental flag is flying for its approved time, there is reason to fly flags at Half-Staff, the Non-governmental flag shall follow the same protocol as outlined above.

The City will take responsibility for obtaining and paying for any approved Non-Governmental Flags.

Nothing set forth in this Policy is intended to prohibit or curtail individuals from displaying a flag on private property under his or her control or wearing or carrying a flag. City employees must comply with City policy.

V. Approved Non-Governmental Flag List

The following flag(s) are approved for the following locations and time periods. The City Council may update this list at its discretion.

Flag	Location	Time Period	Approved Flag Image
LGBTQ+ Pride “Progress” Flag	City Hall	June 1 – June 30	

APPROVED:

DocuSigned by:

 D05A9A7B5900485

Jamie Goldstein, City Manager

Matt Arthur
1360 49th Ave
Capitola, CA 95010

November 2, 2022

City of Capitola City Manager
Capitola City Hall
420 Capitola Avenue
Capitola, CA 95010

Dear Mr. Goldstein,

I am writing to formally request the addition of the Armed Forces flag to the approved list of Non-Governmental Flags per the City Flag Policy Number: V-18, issued May 27, 2021.

Armed Forces Day 2023 is a federal holiday observed annually on the third Saturday of May. It is a day dedicated to paying tribute to men and women who currently serve in the United States' armed forces. Additionally, Armed Forces Day 2023 forms part of Armed Forces Week. It should be noted, that because of their unique training schedules, National Guard and Reserve units may celebrate Armed Forces Day/Week over any period in the month of May.

The inception of this Armed Forces Day dates back to 31 August 1949, it was a day dedicated to honor Americans who were currently serving in the five U.S. military branches – the U.S. Army, U.S. Navy, U.S. Marine Corps, U.S. Air Force and U.S. Coast Guard – following the consolidation of the military services in the United States Department of Defense. It was intended to replace the separate Army-, Navy-, Air Force-, Marine Corps- and Coast Guard Days but, today, the separate holidays are still observed independently.

On 20 May 1950, the holiday was first observed. The theme for that day was “Teamed for Defense” which expressed the unification of all military forces. Armed Force Day 2023 still remains as a day focused on expanding public knowledge and understanding on what type of job was performed within the army, the role of the military within civilian life and as a day of honor for all those serving in military forces.

Traditionally, Armed Forces Day 2023 is viewed as a time of honor. The first Armed Forces Day was celebrated by parades, open houses, receptions and air shows. Today, many events and activities take place and may include: Multi-service military displays in areas open for the public, various educational activities that teach children about the armed forces and large parades and other local celebrations. The United States' longest continuously running Armed Forces Day Parade is held in Chattanooga, Tennessee. Certain types of music are also played at Armed Forces Day 2023 events as a way of showing respect those in the armed forces who died for their country.

Armed Forces Day 2023 is a federal holiday and falls on the third Saturday of May, annually. The date on which the holiday falls on, changes each year but the day remains the same.

- Armed Forces Week May 13, 2023 – May 20, 2023
- Armed Forces Day May 20, 2023.

On behalf of my late grandfather George (Dick) Arthur who served honorably as a United States Marine Officer in the Korean conflict and all of those who served or are currently serving in our armed services, I am requesting the adoption of the Armed Services flag to be flown over the Armed services holiday and Armed Forces Week May 13, 2023 – May 20, 2023

Flag Description: A white banner with each of the 6 armed forces represented (picture attached).



Capitola City Council

Agenda Report

Meeting: January 26, 2023

From: City Manager Department/Recreation Division

Subject: Lifeguard Program Update



Recommended Action: Receive report on plans to establish a Capitola Lifeguard Program beginning in summer 2023.

Background: On June 23, 2022, the City Council approved the Fiscal Year 2022-23 Budget which included the development of a City-run Lifeguard Program. Previously, the City held an agreement with the City of Santa Cruz Fire Department (Santa Cruz) for lifeguard services, which began in 2012 and ended in September 2022. Under the agreement, Santa Cruz provided tower lifeguard services on Capitola Beach with lifeguards trained consistent with United States Lifesaving Association (USLA) Certification. The agreement included lifeguard services beginning Memorial Day weekend and concluding Labor Day weekend. In February 2022, Santa Cruz requested an increase to the contract citing increased costs due to increases in wages. Additionally, the geographic distance between Capitola and Santa Cruz presented a challenge for Santa Cruz to provide supervisors to the entire region during high traffic months.

The City entered a separate contract in 2019 with Central Fire District (CFD) to provide lifeguard training services to Capitola Junior Lifeguard Instructors. As a Fire District with marine emergency response responsibilities, CFD has been an excellent partner to provide training services that meet or exceed the USLA standards for Open Water Lifesaving. As part of the 2019 Agreement, the City and CFD had discussed plans for CFD to provide lifeguard tower services, however, CFD is in the process of developing a strategic plan and is unable to allocate resources for a Capitola Beach lifeguard program. During the 2022 season, CFD participated in Santa Cruz's supervisor training and assigned staff to Capitola towers as supervisors to support Santa Cruz lifeguards.

On July 28, 2022, the City Council approved a permanent position in the Recreation Division, Recreation Coordinator: Beach Lifeguard Services, to assist in the development and supervision of the Capitola Lifeguard Program.

Discussion: The City intends to apply for USLA Lifeguard Agency Certification in April 2023. USLA is a national organization that certifies lifeguard agencies and ensures that their training program meets or exceeds USLA standards. The application process includes development of a training program appropriate for the conditions and geographic features of the area, development of agency policy and procedures that support USLA guidelines, verification of required equipment, and verification of staff qualifications for implementing training and supervision of the operation.

In order to successfully obtain USLA certification, staff identified a need to bridge training services between Santa Cruz, CFD, and Capitola. Past experience has highlighted the benefits of regional partnership between Santa Cruz, CFD, and the City. On January 13, 2023, staff entered into an agreement with Santa Cruz to provide USLA training to Capitola lifeguards. This will allow the City to ensure current and seasonal staff are properly trained for this season and gain necessary experience for the long-term operation of Capitola's Lifeguard Program. CFD staff will support Santa Cruz by providing qualified trainers as well. This agreement also supports the City's goal to be an independent USLA certified lifeguard agency, as Capitola supervisors will participate in the training program alongside Santa Cruz trainers.

Fiscal Impact: The adopted FY 22/23 budget included \$17,000 intended for a continued contract with CFD for training services. The agreement with Santa Cruz is under \$15,000 therefore sufficient funds are available.

Report Prepared By: Nikki Bryant LeBlond; Recreation Division Manager

Reviewed By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager