Closed Session – 5 PM

Closed Sessions are not open to the public and held only on specific topics allowed by State Law (noticed below). An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the Open Session Meeting.

i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
   Negotiator: Chloé Woodmansee, Assistant to the City of Manager
   Employee Organizations: Association of Capitola Employees, Police Officers Association, Mid-Management Employees, Confidential Employees, Police Captains, and Management

ii. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Gov. Code § 54956.9)
   Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one case

Regular Meeting of the Capitola City Council – 6 PM

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

1. Roll Call and Pledge of Allegiance

   Council Members 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. United Way Grant Report Presentation
   B. Staff Introduction - Jennifer Davis, Finance Account Clerk

4. Report on Closed Session

5. Additional Materials

   Additional information submitted to the City after distribution of the agenda packet.
   A. Additional Materials - Item 9A - Updated Administrative Policy Attachment
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.** City Council Meeting Minutes  
   **Recommended Action:** Approve minutes from the regular meeting on July 27, 2023.

   **B.** City Check Register  
   **Recommended Action:** Approve City Check Register Dated July 21, 2023.

   **C.** Comprehensive Fee Study Agreement  
   **Recommended Action:** Authorize the City Manager to execute a Professional Services Agreement with Willdan Financial Services to conduct a Comprehensive User Fee Study and Overhead Cost Allocation Plan in an amount not-to-exceed $34,910.

   **D.** Freeway Maintenance Agreement with the State of California Department of Transportation  
   **Recommended Action:** Approve the Freeway Maintenance Agreement with the State of California Department of Transportation (Caltrans) and authorize the Mayor to execute the agreement.

   **E.** Stockton Bridge Debris Mitigation Project Funding  
   **Recommended Action:** Adopt a resolution authorizing the acceptance of $500,000 in grant funds from the California Department of Water Resources (CDWR) for the Stockton Bridge Debris Mitigation Project, amending the FY 2023-24 Adopted Budget, and authorizing the City Manager to execute the grant agreement on behalf of the City.

   **F.** Donation Acceptance  
   **Recommended Action:** Accept donation of $30,000 from the Soquel Union Elementary School District for the Afterschool Rec Club Participant Scholarship; and authorize the City Manager, or his designee, to sign the Memorandum of Understanding.

   **G.** ABC Alcohol Policing Partnership Program Grant  
   **Recommended Action:** Adopt a resolution accepting a State of California Department of Alcoholic Beverage Control Grant in the amount of $38,002 and amending the FY 2023-24 general fund operating budget to increase revenues and expenditures by $38,002; and authorize the Police Chief to execute the grant agreement with the State of California Department of General Services.
H. Purchase Police Motorcycle
   **Recommended Action:** Authorize the Police Department to purchase a replacement motorcycle in an amount not to exceed $34,000; and adopt a resolution amending the Fiscal Year 2022-23 Budget in the amount of $34,000.

I. City Investment Policy Amendment
   **Recommended Action:** Approve changes to Administrative Policy Number III-1: Investment Policy, as recommended by the Finance Advisory Committee.

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. Capitola Wharf Enhancement Project Fundraising Partnership
      **Recommended Action:** Adopt a resolution outlining expectations and understanding between the City and the community-led fundraising campaign for the Capitola Wharf Enhancement Project and approve a donor recognition policy for wharf enhancements.

   B. Octoberfest Event Permit
      **Recommended Action:** Consider approving a new single-day General Special Event Permit on October 14, 2023, for a Capitola Village benefit concert to fundraise for the Capitola Wharf Enhancement Project.

   C. CDBG-CV Grant Closeout
      **Recommended Action:** Conduct a duly noticed public hearing to receive a report summarizing the allocation of grant funding under State CDBG-CV Agreements and direct staff to proceed with submitting required closeout documents to the State.

   D. Chapter 18.02 Affordable (Inclusionary) Housing
      **Recommended Action:** Introduce, by title only, waiving further reading of the text, an ordinance of the City of Capitola amending Chapter 18.02 of the Capitola Municipal Code, Affordable (Inclusionary) Housing.

   E. League of California Cities Annual Conference Voting Delegate
      **Recommended Action:** Designate the City of Capitola’s voting delegate and alternate to the League of California Cities Annual Conference.

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**
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.
June 14, 2023

Via Email

jgoldstein@ci.capitola.ca.us
Szutler@bwslaw.com

Jamie Goldstein (City Manager)
Samantha Zutler (City Attorney)
City of Capitola
420 Capitola Ave
Capitola, CA 95010

Re: Proposed Amendment To Rent Control Ordinance

Dear Mr. Goldstein and Ms. Zutler,

Following up on our phone call, I am writing on behalf of the owners of Surf and Sand to propose an amendment to the recently adopted rent control ordinance that would exempt parks which offered long term leases in compliance with amended rent control ordinance adopted in 2011.

Without belaboring the points at great length, we contend the recently adopted rent control ordinance is inconsistent with the settlement agreement between the City and Surf and Sand and denies Surf and Sand a substantial portion of the benefit bargained for in that agreement. It is not an exaggeration to state that Surf and Sand has forgone hundreds of thousands of dollars in space rents it could have collected over the past 12 years based on the promise of deregulation when the leases expire. Surf and Sand has met its part of the bargain but the City has adopted re-regulation. Surf and Sand believes it can state claims against the City for breach of the agreement and/or seek to rescind the 34 year leases it offered in compliance with the agreement.

In addition, we believe if the ordinance is maintained in its current form, it will lead to Surf and Sand increasing rents at a higher rate than it has for existing tenants out of fear of more stringent regulation and it may ultimately lead to the Park being subdivided, thereby ultimately removing the property entirely from the rental market.
City of Capitola  
June 14, 2023  
Page 2

It is important to emphasize that the rent issues that have arisen in Capitola over space rents have nothing to do with Surf and Sand. As your staff confirmed, there have been no complaints about space rents at Surf and Sand in recent years and, as we mentioned, residents who leave the park have continued to sell their homes in place for prices that substantially exceed their inherent value because Surf and Sand has remained conservative in setting rents. Unfortunately, the City's decision to re-adopt rent control undoes an extremely hard fought and extremely successful settlement agreement.

In order to avoid this dispute and restore to the parties what was bargained for, Surf and Sand proposes the following change to the recently adopted ordinance. Surf and Sand proposes that the City amends Chapter 2.18 of the Capitola Municipal Code (establishing mobile home rent stabilization) to include an additional exemption in 2.18.031(F) as follows:

F. This ordinance shall not apply to any Mobile Home Spaces located in a mobile home park which offered long term leases in compliance with formerly adopted Section _____ ¹ of the Capitola Municipal Code.

I do not believe this proposed amendment raises any serious equal protection issues because any park owner had the opportunity to offer leases in compliance with the amended ordinance. Even if this would be viewed as treating Surf and Sand differently from other park owners, there is substantial reason for that because adoption of the proposed amendment would be, in part, to avoid a breach of contract and other claims Surf and Sand may otherwise be able to pursue against both the City and existing residents.

We request that the City place this proposed amendment (or an alternative in substantially this form) at the next regularly noticed meeting. Please feel free to contact me should you have any questions. Thank you for your consideration.

Dated: June 14, 2023

Gregory Beam and Associates, Inc.

By: Mark D. Alpert

Cc: Randy Reed via email

¹ This was left blank because I am not certain of the correct reference to 2011 ordinance.
United Way of Santa Cruz County
Who we are

• Founded in 1941, we are one of the legacy organizations in Santa Cruz County dedicated to creating a thriving community for all.

We want Santa Cruz County to be a healthy and thriving community – a place where we can achieve our dreams, no matter where we live or how much money we make; a place where our children are in great schools, learning skills to prepare them for college and career pathways; a place where hard-working families earn enough to make ends meet and save for a rainy day.

This is our vision of Santa Cruz County – the place we call home.
Our Impact in 2022

211’s impact is captured by the number of connections that are made to resources through our phone service, our website, and through our community partners. The numbers captured through our database not only show who accessed 211 and how we’ve helped them, but it also gives us a glimpse into what the specific needs are in our community.

- **6,032** Number of distinct calls
  - Capitola – 165 distinct calls
- **9,980** Number of referrals
  - Capitola – 297 referrals
- **95** Number of 2-way text
Why People Call 211?

**Additional Categories**

<table>
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<tr>
<td>Mental Health Care/Services</td>
<td>249</td>
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<tr>
<td>Individual and Family Support Services</td>
<td>203</td>
</tr>
<tr>
<td>Material Goods</td>
<td>194</td>
</tr>
<tr>
<td>Domestic Animal Services</td>
<td>149</td>
</tr>
</tbody>
</table>
2022 Highlights

Our 211 Helpline provided COVID-19 information and services 24 hours per day, 7 days per week.

Delivered nearly 2,591 pantries/meals to homebound residents through the 211 and DoorDash Food Pantry Delivery program, supporting the Second Harvest Food Bank participating food pantries.

Delivered nearly 497 pet food* to homebound residents through the 211 and DoorDash Pet Food Delivery program, supporting the Santa Cruz SPCA participating pet food agency.

*Program created for disaster only

2022 other 211 Programs:

1. Grocery Worker’s Appreciation Fund | United Way Worldwide this one opens every month 1st till 15th
2. Tobacco Cessation Referrals
3. Affordable Connectivity Program: connects low-income families to discounted internet services
4. Provide 2 non-emergency Lyft rides up to $22 dollars
5. Help Families With Rent Assistance Through the Housing is Key program
Making the Invisible Visible Data Snapshot (2020) and SCCBHMI Spotlight (2021)
“There is so much involved with being one of the few in the room or community. People leave because of this. We have to address this.”
– FG Participant

“I feel isolated and very alone as a person of color in this County. Even though, it is a beautiful place to live, I wish it was more diverse.”
– Survey Participant

“Being Black in Santa Cruz can feel very isolated.”
– Survey Participant

SURVEY QUESTION – How often have you experienced social isolation as a result of being Black/African American in Santa Cruz County? (“Very Often” and “Often” Combined)

- Often: 42%
- Sometimes: 24%
- Rarely: 19%
- Never: 14%

(Overall n=m82)
Source: Santa Cruz County Black Health Matters Initiative Survey, (2021)
Note: Percentages may not add up to 100 due to rounding
Note: Preliminary findings, full report in production
Our Focus

**Youth**
Amplifying Youth Voice & Youth Leadership

**Action**
Youth & Adults working together to create positive change!

**Network**
A space where youth, Network members, & adult allies can connect, collaborate, & support one another
Capitola City Youth Partnership

Problems Addressed

- **Unsafe Behavior:** There is a concern about unsafe behavior of youth in Capitola, which includes loitering, vandalism, & potential conflicts.
- **Lack of Positive Engagement:** Some youth aren't engaged in positive opportunities, leading to boredom & potentially fostering negative behaviors.
Capitola City Youth Partnership

Approach to Addressing the Problems

- **Strength-based Approach:** The project aims to shift away from punitive responses for addressing unsafe behavior. Instead, it intends to create an atmosphere that promotes positive interactions & behaviors among the youth and adults.

- **Youth-Centered Space:** The project includes the establishment of a designated Youth-Centered Space within the mall. This space is designed to cater to the interests & needs of the youth, providing them with a safe & engaging environment.

- **Collaborative Approach:** To tackle the problem collectively, the project involves collaboration between various entities, such as Capitola PD, Capitola City, Capitola Mall, County Office of Education, Capitola Library, Cradle to Career, & other allied organizations.
Engaging Youth

- Countywide survey & youth listening sessions
- Youth were asked questions including the following:
  - What kinds of activities would you like to see at the Mall & Village?
  - Ideas for creating safe & inclusive youth spaces in Capitola?
Next Steps

- Star Card: will continue with program in the Village & do something similar at the Mall
- CPD Space at the Mall: work with youth & agencies to plan out a Fall series of youth-centered program
Recruiting Youth for

YAN Steering Committee
Youth Participatory Action Research Project
Capitola City Youth Partnership
Stay Connected!

www.sccyan.org

@yan_santacruzcounty

@YAN Santa Cruz County

Sarah Emmert
Director of Community Impact
United Way of Santa Cruz County
semmert@unitedwaysc.org

Malena Ronga
Community Impact Intern
United Way of Santa Cruz County
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@yan_santacruzcounty

@YAN Santa Cruz County
Memo

To: City Council
From: City Manager Goldstein
Date: August 24, 2023
Re: Item 9A: Capitola Wharf Enhancement Project Fundraising Partnership

Please find attached an updated Donor Recognition Administrative Policy which includes language to clarify for how long the City will maintain donor recognition on the Wharf.
CAPITOLA WHARF ENHANCEMENT PROJECT
DONOR RECOGNITION

I. PURPOSE/POLICY

To establish a policy and procedure for Wharf Enhancement Project donor recognition on the Capitola Wharf. Sponsorship opportunities provide resources to meet strategic fundraising objectives. This policy establishes the procedure by which the City will name components of the Wharf as requested by donors, consistent with the schedule included below.

— If within 10 years of installation, the elements are upgraded or modified then the donor recognition will be carried forward in a similar capacity, as determined by the City in consultation with Major Sponsors, as feasible.

— If within 10 years of installation, the wharf is closed, deconstructed, destroyed, severely damaged or undergoes an end-of-life renovation, then the donor recognition will cease.

The City agrees it will make reasonable efforts to maintain donor recognition for 20 years. Thereafter the City shall be under no obligation to further maintain or display the donor recognition. However, if within that 20-year period, the wharf is closed, deconstructed, destroyed, severely damaged or undergoes an end-of-life renovation, then the donor recognition will cease.

III. PROCESS

Donor Recognition & Sponsorship Opportunities

<table>
<thead>
<tr>
<th>Space</th>
<th>Required Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Donor” element or design feature, such as artistic bench(es)</td>
<td>All donations of $1,000 or more, unless donor requests anonymity</td>
</tr>
<tr>
<td>Major Sponsorship Opportunities:</td>
<td>As determined by CWEP group</td>
</tr>
<tr>
<td>4 to 8 elements like the following:</td>
<td></td>
</tr>
<tr>
<td>Shade structure</td>
<td></td>
</tr>
<tr>
<td>Fish cleaning station</td>
<td></td>
</tr>
<tr>
<td>Educational kiosk</td>
<td></td>
</tr>
<tr>
<td>Game Zone</td>
<td></td>
</tr>
</tbody>
</table>

Fundraising & Donor Recognition: The CWEP volunteer group (CWEP Group) shall coordinate the fundraising campaign and donor recognition effort. The CWEP Group shall determine donation amounts required for Major Sponsorship Opportunities and other playground components.
All donors, including Major Sponsors (those who donate an amount qualifying as a “Major Sponsor”, will be recognized the donor element (or other design feature). Only Major Sponsors may be indicated with a sign on the corresponding element.

This Policy is Approved and Authorized by:

___________________________________
Jamie Goldstein, City Manager
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: City Manager Department
Subject: City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on July 27, 2023.

Background: Attached for Council review and approval are the draft minutes from the regular City Council meeting on July 27, 2023.

Attachments:
1. 7/27/2023 Minutes

Report Prepared By: Julia Moss, City Clerk
Approved By: Jamie Goldstein, City Manager
City of Capitola
City Council Meeting Minutes
Thursday, July 27, 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

Closed Session – 5 PM

i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Negotiator: Chloé Woodmansee, Assistant to the City of Manager
Employee Organizations: Association of Capitola Employees, Police Officers Association, Mid-
Management Employees, Confidential Employees, Police Captains, and Management

ii. CONFERENCE WITH LEGAL COUNSEL—LIABILITY CLAIMS (Gov. Code § 54956.95)
1) Graciela Cardiel
Claim against the City of Capitola

iii. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Gov. Code § 54956.9)
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one case

Regular Meeting of the Capitola City Council – 6 PM

1. Roll Call and Pledge of Allegiance

The meeting was called to order at 6:00 PM. In attendance: Council Members Brooks, Clarke, Pedersen, and Mayor Keiser. Absent: Vice Mayor Brown

2. Additions and Deletions to the Agenda - None

3. Report on Closed Session – The City Council met and discussed three items on the Closed Session Agenda. No reportable action was taken.

4. Additional Materials
   A. Updated Attachments for Item 7F
   B. Correspondence Received - Item 8C (2 emails)
   C. Correspondence Received - Item 8E (3 emails)
   D. Correspondence Received - Item 8F (3 emails)

5. Oral Communications by Members of the Public - None

6. Staff / City Council Comments
   - Police Chief Dally reminded the public of National Night Out on August 1st from 5-7 PM.
   - Council Member Clarke commended the Random Acts of Capitola Kindness group for their efforts on the Depot Hill fence repair.

7. Consent Items
   A. City Council Meeting Minutes
Recommended Action: Approve the June 22, 2023, City Council meeting minutes.

B. City Check Registers

C. Liability Claim of Graciela Cardiel
   Recommended Action: Reject liability claim.

D. Grand Jury Response – Cyber Security
   Recommended Action: Approve the responses to the Grand Jury Report and direct the City Clerk to submit the completed response packet pursuant to California Penal Code Section 933.05.

E. Grand Jury Response – Housing our Workers
   Recommended Action: Approve the responses to the Grand Jury Report and direct the City Clerk to submit the completed response packet pursuant to California Penal Code Section 933.05.

F. Jade Street Park Universally Accessible Playground Fundraising Partnership
   Recommended Action: 1) Authorize the City Manager to execute a Memorandum of Understanding with the Friends of Santa Cruz County Parks for a fundraising campaign and administration of donations for the Jade Street Park Universally Accessible Playground Project; and 2) approve an administrative policy regarding the Universally Accessible Playground at Jade Street Park Donor Recognition.

G. Plein Air Public Art Prize Amount
   Recommended Action: Approve the Art & Cultural Commission recommendation to increase the Plein Air Public Art Festival Competition prize amount from $1,500 to $1,800 for first place and from $800 to $1,000 for second place.

   Motion to adopt the Consent Calendar: Council Member Clarke
   Seconded: Council Member Brooks
   Voting Yea: Council Members Brooks, Clarke, Pedersen and Mayor Keiser
   Absent: Vice Mayor Brown

8. General Government / Public Hearings

   A. State Budget Update from Senator John Laird
      Senator John Laird provided a presentation on the State of California Budget.

   B. Children and Youth Bill of Rights
      Recommended Action: Adopt a resolution adopting the City of Capitola Children and Youth Bill of Rights.

      Deputy City Clerk Westly presented the staff report.

      Council Member discussion included an overview of the partnership between the City and the Children’s Network and Youth Action Network.

      Motion to adopt the resolution adopting the Capitola Children and Youth Bill of Rights with direction to staff to research the addition of a $2,000 stipend for youth participation on City advisory boards: Council Member Brooks
      Seconded: Council Member Clarke
      Voting Yea: Council Members Brooks, Clarke, Pedersen and Mayor Keiser
      Absent: Vice Mayor Brown
C. Jade Street Park UA Playground Project
   **Recommended Action:** Approve the Final Conceptual Design for the Jade Street Park Universally Accessible (UA) Playground Project.

   *Public Works Director Kahn and Todd from Verde Design presented the staff report.*

   **Public Comments:**
   - Brenda, community member, spoke in support of the UA Playground Project.
   - Dan Hastley, County Park Friends, spoke in support of the UA Playground Project.
   - Lisa Duran, Capitola Aptos Rotary Member, spoke in support of the UA Playground Project.

   *Council Member discussion included thanks for the Santa Cruz County Park Friends for their fundraising efforts, and encouragement to the community to donate to the fundraiser.*

   **Motion to approve the Final Conceptual Design:** Council Member Brooks
   Seconded: Council Member Pedersen
   **Voting Yea:** Council Members Brooks, Clarke, Pedersen and Mayor Keiser
   **Absent:** Vice Mayor Brown

D. Community Center Renovation Project – Budget Update
   **Recommended Action:** 1) Receive update on external funding sources for the Community Center Renovation Project; and 2) authorize Amendment 1 to the Professional Services Agreement with Boone Low Ratliff Architects in the amount of $374,000 for final design documents, bidding support, and construction administration for the Community Center Renovation Project.

   *Public Works Director Kahn presented the staff report.*

   *Council Member discussion included clarification on funding sources and timelines.*

   **Motion to authorize Amendment 1 to the Agreement with Boone Low Ratliff Architects:**
   Council Member Pedersen
   Seconded: Council Member Clarke
   **Voting Yea:** Council Members Brooks, Clarke, Pedersen and Mayor Keiser
   **Absent:** Vice Mayor Brown

E. Capitola Wharf Enhancement Project Preliminary Conceptual Design
   **Recommended Action:** Direct staff to prepare a final concept plan, for consideration by the City Council on August 24, 2023, for the Capitola Wharf Enhancement Project (CWEP).

   *Public Works Director Kahn presented the staff report.*

   **Public Comments:**
   - Community member requested clarification on the conceptual design.
   - Gerry Jensen, CWET, thanked City staff and Wharf to Wharf staff for their collaboration efforts.
   - Skip Allen, community member, voiced concerns about enhanced lighting in the conceptual design.
Council Members expressed thanks to CWET for their efforts, an interest in the addition of a kiosk element, and additional outreach for volunteer opportunities.

Direction provided to staff to prepare a Final Conceptual Design with the addition of a kiosk: Council Member Brooks
Seconded: Council Member Clarke
Voting Yea: Council Members Brooks, Clarke, Pedersen and Mayor Keiser
Absent: Vice Mayor Brown

F. Capitola Road Pavement Rehabilitation Project
Recommended Action: Approve the plans, specifications, and construction budget of $1,700,000 for the Capitola Road Pavement Rehabilitation Project; adopt a resolution amending the FY 2023-24 budget; and authorize the Department of Public Works to advertise for construction bids.

Public Works Director Kahn presented the staff report.

The City Council requested that staff provide an update on the ADA recommendations for this project and associated electrical improvements.

Public Comments:
- Marianne Mahern, resident, requested further consideration of ADA accommodations in the pavement plan.

Motion to approve the plans, specifications, and budget for the Road Pavement Rehabilitation Project and adopt the resolution: Council Member Brooks
Seconded: Council Member Clarke
Voting Yea: Council Members Brooks, Clarke, Pedersen and Mayor Keiser
Absent: Vice Mayor Brown

G. City Council Appointments to City Advisory Bodies
Recommended Action: Appoint members of the public to the City of Capitola Arts and Cultural Commission and Historical Museum Board.

City Clerk Moss presented the staff report.

Motion to appoint Jennifer Major to the Arts and Cultural Commission to a term expiring 12/31/2024 and Brian Legakis to the Historical Museum Board to a term expiring 6/30/2024: Council Member Clarke
Seconded: Council Member Pedersen
Voting Yea: Council Members Brooks, Clarke, Pedersen and Mayor Keiser
Absent: Vice Mayor Brown

9. Adjournment – The meeting was adjourned at 7:36 PM to the next regularly scheduled meeting on August 24, 2023, at 6:00 PM.
Capitola City Council  
Agenda Report  
Meeting: August 24, 2023  
From: Finance Department  
Subject: City Check Register

Recommended Action: Approve City Check Register Dated July 21, 2023.

### Account: City Main

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The main account check register dated July 7, 2023, ended with check #103810.

### Account: Payroll

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The payroll account check register dated July 7, 2023, ended with check #5824.

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

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<tr>
<th>Check/ EFT</th>
<th>Issued to</th>
<th>Dept</th>
<th>Description</th>
<th>Amount</th>
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<td>Bone Low Ratliff Architects Inc</td>
<td>PW</td>
<td>Jade St Community Center renovation design services</td>
<td>$ 32,134.18</td>
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<tr>
<td>103833</td>
<td>Community Bridges</td>
<td>CDD</td>
<td>April-June CDBG-CV2-3 Meals on Wheels</td>
<td>$ 16,979.31</td>
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<tr>
<td>103834</td>
<td>Creative Pultrusions Inc</td>
<td>PW</td>
<td>Capitola Wharf Project</td>
<td>$ 83,765.51</td>
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<tr>
<td>103836</td>
<td>CSG Consultants</td>
<td>CDD</td>
<td>June building plan review services</td>
<td>$ 19,223.41</td>
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<td>Surveyor SR lifeguard tower</td>
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<td>103901</td>
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**Attachments:**
1. 7-21-23 Check Register

**Report Prepared By:** Luis Ruiz, Accountant I

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

**Approved By:** Jamie Goldstein, City Manager
City main account checks dated July 21, 2023, numbered 103811 to 103905 totaling $706,663.15, 6 EFTs totaling $144,886.36, 1 payroll check totaling $443.51, and 141 payroll EFTs totaling $246,351.15, for a grand total of $1,098,344.17, have been reviewed and authorized for distribution by the City Manager.

As of July 21, 2023, the unaudited cash balance is $6,575,334.67.

**CASH POSITION - CITY OF CAPITOLA**

**July 21, 2023**

<table>
<thead>
<tr>
<th>Account</th>
<th>7/21/2023</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Payroll Payables</td>
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<td>Capital Improvement Fund</td>
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<td>Stores Fund</td>
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<td>Information Technology Fund</td>
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<td>Equipment Replacement</td>
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<tr>
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<tr>
<td>Workers' Comp. Ins. Fund</td>
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<tr>
<td>Compensated Absences Fund</td>
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<tr>
<td><strong>TOTAL UNASSIGNED GENERAL FUNDS</strong></td>
<td><strong>$6,575,334.67</strong></td>
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</table>

The **Emergency Reserve Fund** balance is $1,387,855.54 (not included above).
The **PERS Contingency Fund** balance is $1,154,274.68 (not included above).

Jamie Goldstein, City Manager  
7/21/23

Jim Malberg, City Treasurer  
7/21/23
## City Checks Issued July 21, 2023

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Description</th>
<th>Payee Name</th>
<th>Transaction Amount</th>
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<td>Description</td>
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## City Checks Issued July 21, 2023

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Description</th>
<th>Payee Name</th>
<th>Transaction Amount</th>
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<td>B230952</td>
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<td>DELTA WIRES</td>
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Type Check Totals: $706,663.15

**EFT**

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Type EFT Totals: $144,886.36
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Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Finance Department
Subject: Comprehensive Fee Study Agreement

Recommended Action: Authorize the City Manager to execute a Professional Services Agreement with Willdan Financial Services to conduct a Comprehensive User Fee Study and Overhead Cost Allocation Plan in an amount not-to-exceed $34,910.

Background: The City’s last fee study was completed in October 2015. Resulting changes to the fee schedule were approved by the City Council on November 24, 2015, with the adoption of Resolution 4036. That resolution also included the City Council’s intention to annually develop and adopt a revised schedule of fees and charges based on the Consumer Price Index (CPI) for the San Francisco, Oakland, San Jose area. The City of Capitola Fee schedule has been revised annually by the CPI.

Discussion: The Government Finance Officers Association Best Management Practices recommends periodically reviewing and updating fees, typically every five years. This periodic review ensures the City’s fees are updated to reflect current practices, account for the true cost of providing City services, incorporate provisions for overhead rates and costs related to indirect support, and ensure maximum appropriate cost recovery, so that the revenues generated by fees cover the cost of those services to the greatest extent possible.

Staff had originally intended to conduct the fee study in 2020, however, put the project on hold due to the COVID-19 Pandemic. This project is now ready to move forward, and staff issued a Request for Proposals (RFP) to perform a Comprehensive Fee Study on July 5th with proposals due August 4th. The RFP was sent electronically to five well-known firms as well as posted on the California Society of Municipal Finance Officers web site.

Staff received proposals from five highly qualified firms which were reviewed by Finance Department staff and summarized for the Finance Advisory Committee at their August 15th meeting. Staff is recommending entering into an agreement with Willdan Financial Services based on their proposal, which had the lowest proposed cost, as well as staff’s previous work experience on similar projects with several members of the Willdan team.

The following table summarizes the proposed costs for each of the firms:

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<tr>
<th>Firm</th>
<th>Clear Source</th>
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Fiscal Impact: The Adopted FY 2023-24 Budget includes $50,000 within the Finance Department budget for the completion of the Comprehensive User Fee Study and Overhead Cost Allocation Plan.

Attachments:

1. Professional Services Agreement

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director
Reviewed By: Julia Moss, City Clerk, Samantha Zutler, City Attorney
Approved By: Jamie Goldstein, City Manager
THIS AGREEMENT is entered into on August 25, 2023, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Willdan Financial Services, hereinafter called "Consultant".

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

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

SECTION 1
Scope of Services

The services to be performed under this Agreement are for completion of a Comprehensive User Fee Study and Overhead Cost Allocation Plan and further detailed in Appendix One.

SECTION 2
Duties of Consultant

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

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

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

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

SECTION 3
Duties of the City

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

The Director may authorize a staff person to serve as his or her representative for conferring with Consultant relative to Consultant's services. The work in progress hereunder shall be reviewed from time to time by City at the discretion of City or upon the request of Consultant. If the work is satisfactory, it will be approved. If the work is not satisfactory, City will inform Consultant of the changes or revisions necessary to secure approval.
SECTION 4
Fees and Payment

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

SECTION 5
Changes in Work

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

SECTION 6
Time of Beginning and Schedule for Completion

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

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

Work shall begin on or about September 1, 2023.

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

SECTION 7
Termination

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

SECTION 8
Insurance

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

Minimum Scope of Insurance

Coverage shall be at least as broad as:

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

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: (including operations, products and completed operations) $1,000,000 per occurrence and $2,000,000 in aggregate (including operations, for bodily injury, personal and property damage).
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer’s Liability Insurance: $1,000,000 per accident for bodily injury and property damage.
4. Errors and Omissions Liability: $1,000,000 per claim and $2,000,000 in the aggregate.
Other Insurance Provisions

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

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

2. For any claims related to this project, the Consultant’s insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled except after prior written notice has been given to the City.

Acceptability of Insurers

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

Waiver of Subrogation

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

Verification of Coverage

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

SECTION 9
Indemnification

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

SECTION 10
Civil Rights Compliance/Equal Opportunity Assurance

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

SECTION 11
Legal Action/Attorneys' Fees

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

SECTION 12
Assignment

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

SECTION 13
Amendments

This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the City and Consultant. Consultant acknowledges that no such amendment shall be effective until approved and authorized by the City Council, or an officer of the City when the City Council may from time to time empower an officer of the City to approve and authorize such amendments. No representative of the City is authorized to obligate the City to pay the cost or value of services beyond the scope of services set forth in Appendix Two. Such authority is retained solely by the City Council. Unless expressly authorized by the City Council, Consultant’s compensation shall be limited to that set forth in Appendix Two.
SECTION 14
Miscellaneous Provisions

1. Project Manager. Director reserves the right to approve the project manager assigned by Consultant to said work. No change in assignment may occur without prior written approval of the City.

2. Consultant Service. Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.

3. Licensure. Consultant warrants that he or she has complied with any and all applicable governmental licensing requirements.

4. Other Agreements. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter, and no other agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.

5. City Property. Upon payment for the work performed, or portion thereof, all drawings, specifications, records, or other documents generated by Consultant pursuant to this Agreement are, and shall remain, the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with the City's use and/or occupancy of the project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.

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

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

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

9. Notices. All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed to the respective parties as follows:
CITY
CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
831-475-7300

CONSULTANT
WILLDAN FINANCIAL SERVICES
27368 Via Industria, Ste 200
Temecula, CA 92590
(800) 755-6864

By: _____________________________
Benjamin Goldstein, City Manager

By: _____________________________
Chris Fisher, Vice President

Dated: __________________________
Dated: August 9, 2023

Approved as to Form:

_______________________________
Samantha Zutler, City Attorney
APPENDIX ONE
Scope of Services

Overhead Cost Allocation Plan Work Plan
This scope of services addresses the completion of both the overhead and OMB compliant versions of the Cost Allocation Plan (CAP). We have noted where activities specific to the OMB compliant plan occur.

Task 1: Initial Document Request
Objective: Initial due diligence.
Description: Prior to the kick-off call, relevant documentation will be obtained and reviewed in order to enhance our understanding of the City’s current cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Prior year’s financial data, salary, position, and staffing data;
- Organizational structure;
- Prior cost allocation plan and/or user fee documentation and models; and
- Data related to various allocation bases that may be incorporated as part of the methodology, i.e., City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.

Deliverables:

**Willdan:** Submit information request to City.

**City:** Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

Task 2: Kick-off / Confirm Project Strategy / Refine Scope
Objective: Confirm project goals and objectives and develop overall project strategy. Identify and discuss policy considerations related to the study and determine appropriate fee categories.

Description: Willdan will identify and discuss policy matters typically associated with these studies and address data gaps in order to gain a full understanding of the City’s goals for the cost allocation plan.

We will establish effective lines of communication and processes for information gathering and review, and conduct discussions with City staff to verify the scope, purposes, and objectives for the CAP.

We will also discuss costs that may not be allocable for OMB purposes, and the potential impact on the OMB version of the CAP.

During this call, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project’s schedule.

We will obtain and review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City’s objectives, and to discuss and evaluate current and potential allocation factors.

Meetings:

One (1) project kick-off meeting or call to initiate the project, discuss data needs and methodologies, and to address policy issues. We would propose to conduct the user fee
study kick-off during this same meeting, to maximize efficiency and cost effectiveness of City staff and Willdan time.

Deliverables:  
**Willdan:** If needed, a revised project scope and schedule.  
**City:** Provide further data requirements and select/introduce City’s project manager.

**Task 3:**  
**Gather Staffing Information and Develop Cost Allocation Plan Model**

**Description:** This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the development of, and/or adjustment of existing, allocation bases, and the development and testing of a model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks.

The model will be developed to incorporate any recent changes in the provision of City services, identify the total cost of providing indirect overhead support services, fully allocate central service costs to operating groups such as Development Services, and will include provision for appropriate inflationary adjustments going forward.

The model will also be developed to allocate only those costs eligible under 2 CFR Part 200. This is accomplished by loading relevant data into the model, identifying which costs are not allocable under the OMB guidelines. The OMB Super Circular compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with Federal OMB regulations.

The model will include flexibility to add or delete support service and/or operating groups as changes occur and also the ability to adjust the model and the results annually for inflation, salary, and benefit increases, as well as contract rates.

We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss allocation bases, services provided by indirect groups, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology.

The model and methodology will produce indirect cost rates and overhead percentages which support the development of fully-burdened hourly City staff rates. These hourly rates can be used for a variety of purposes including incorporation into the User Fee Study’s fully burdened personnel rates, billing to Capital Improvement projects work orders, recovery of costs for services provided to City customers working with various City departments, and in the OMB Super Circular compliant CAP, to Federal grants.

**Meetings:**  
Online meetings with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.

**Deliverables:**  
**Willdan:** One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB Super Circular compliant cost allocation plan.

**Task 4:**  
**Test and Review Cost Allocation Methodology**

**Objective:** Test and review model and results with City.

**Description:** The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using WebEx™ as an element to our approach.
This allows us to remotely guide staff through the model review and allows you the opportunity to interactively change inputs and test approaches.

Meetings: One (1) online meeting and demonstration with City staff to review the model.

Deliverables: **Willdan and City**: Draft cost allocation plan model review.

**Task 5: Prepare and Present Draft Report**

**Objective:** Prepare the draft cost allocation report.

**Description:** This task involves the draft report preparation. The cost allocation plan’s background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables and provided to the City.

Meetings: One (1) online meeting to present the draft report to City staff.

Deliverables: **Willdan**: Draft report for City review and input.

City: Review of draft report, with comments, and edits.

**Task 6: Discuss and Revise Report**

**Objective:** Review of draft report, cost distribution methods, and model.

**Description:** An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type.

Often, through the course of an engagement, comments usually revolve around issues of understandability; appropriate levels of enterprise funds’ cost recovery, etc.; ease of calculation; and overhead costs’ distribution methods.

Our reports are structured to include both the overhead and OMB compliant plan, but in the course of review if a separate report is desired for each or just one of the plans, they will be split.

Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the Council.

Meetings: One (1) conference call with City staff to review the report with changes and revisions.

Deliverables: Draft report, and revised draft/final report.

**Task 7: Prepare and Present Final Report and Model**

**Objective:** Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.

**Description:** This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to City Council.

Meetings: One (1) meeting with the City Council to present the final plan if necessary. This meeting would be held in conjunction with the presentation of the user fee study results.

We will also provide staff training on the operation and use of the model.

Deliverables: **Willdan**: Provide one (1) electronic PDF file copy of the final report and models (full and OMB Super Circular compliant), and five (5) bound copies, and one (1) unbound copy to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will be provided on CD.
Comprehensive User Fee Study Work Plan

Task 1: Initial Document Request
Objective: Initial due diligence; obtain study-related data.
Description: Prior to the kick-off meeting, we will obtain and review relevant documentation to further enhance our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the City. Please note that Time Survey data is not part of this request and will be gathered during the on-site interviews described in Task 5.

We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the City has this level of detail.

Deliverables: Willdan: Submit information request to City.
City: Provide requested data to Willdan (prior to Task 3, Kick-off Meeting/Refine Scope). As with the cost allocation plan, we will follow up with the City to confirm receipt of requested data and information and highlight data elements that are outstanding.

Task 2: Compile Inventory of Current and Potential Fees
Objective: Willdan will identify a schedule of fees and methodology for calculating the fees.
Description: Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the City, to comprise the parameters of the fee study.

Meetings: It is possible that a conference call with the City may be necessary to discuss new fees to implement or existing fees that may no longer be required.

Deliverables: Willdan: One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call).
City: Review completed fee schedule with comments/revisions to be discussed during the kick-off meeting.

Task 3: Kick-off Conference Call / Refine Scope
Objective: Confirm goals and objectives for the User Fee Study. Identify and discuss policy considerations typically associated with a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).
Description: Verify our understanding of the City’s goals, the City’s cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the City and Willdan to identify and address any foreseeable problems and maintain open communication throughout the process.

During this call, we will ask that the City identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project’s schedule.

Meetings: One (1) project kick-off call to initiate the entire project, discuss data needs, and address policy objectives. As mentioned in the cost allocation plan work plan, we suggest combining the kick-off calls to increase efficiency.

Deliverables: Willdan: 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed).
City: 1) Provide further data needs; and 2) determine/introduce City’s project manager.

Task 4: Develop User Fee Model
Objective: Develop and test model.
Description: This task involves the development of the model ultimately used to calculate the departmental fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5.
Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits.

Most of this information will be developed during the cost allocation plan phase of this project and will be incorporated directly into the user fee model. We will request clarification and/or additional data if necessary.

The model will build upon the cost allocation plan results, to provide an allocation of administrative and overhead costs to fee related activities and departments providing services to customers, so that fees and billable rate schedules incorporate applicable costs.

Furthermore, the fees and rates charged to customers will also reflect the cost of the services being provided, to the extent possible given policy and/or political considerations.

**Deliverables:**

**Willdan:** One (1) user-friendly model in Microsoft Excel format, which, when finalized, City staff can use to calculate fee changes annually, or as often as deemed appropriate by the City Council.

**Task 5:** Staff Interviews and On-site Information Gathering

**Objective:** Meet with City staff to complete Time Surveys and understand service delivery processes.

**Description:**

In order to assist staff with the completion of the survey worksheets, we will schedule two (2) days of meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved.

The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each department involved in the user fee study to determine the average time required by City staff to provide each of the services for which a fee is collected.

The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels.

This will allow Willdan and City staff to conclude with a final meeting to review the draft full cost recovery fees and adjust any times as necessary once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

**Meetings:**

Two (2) business days of meetings/staff interviews. Depending upon circumstances and availability, we may discuss the option with City Staff of conducting these meetings via WebEx or Zoom. Over the past three years, since the beginning of the pandemic, we have used these tools very successfully and found them to be highly effective and efficient, particularly for follow-up questions and/or discussions.

**Deliverables:**

**Willdan and City:** Time surveys and draft full cost recovery fees.

**Task 6:** Data Analysis and Final User Fee Schedule

**Objective:** Incorporate information obtained from on-site surveys to fully develop model.

**Description:**

We will update the model, based on information received during the on-site surveys, to generate a comprehensive user fee schedule. In addition, it is very common that a supplemental data request may be necessary, based on new fees identified that the City is not currently collecting.

Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e., building fees) and suggest potential areas where fees could be collected where they are not currently.

We will calculate and present the full cost recovery level for fees, both current and projected under the new fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees.

Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels and include all appropriate direct and indirect costs and overhead. We will review fee programs for compliance with Propositions 218 and 26.
In developing the fee schedules for each division, we will make recommendations for new fees where appropriate, based on our experience with other cities. Some areas for new fees may be due to changes in law (legalized cannabis), or for activities that the City finds itself performing regularly, but for which no fee is collected.

Where possible, we will incorporate discussion of the City’s economic development policies, and where these may intersect with fee programs, for instance setting fees in a manner that encourages certain activities.

The user fee data analysis and model development may take three (3) to four (4) weeks with frequent correspondence with City staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.

Meetings: One (1) meeting, as necessary, to gather additional input, complete analysis and finalize fee schedule. Please see the note in Task 5 regarding in-person meetings.

Deliverables: Final user fee model for City Council presentation and discussion.

Task 7: Common Fees Comparison

Objective: Examine selected user fees charged by up to five (5) comparable cities in Santa Cruz County or other jurisdictions that are close in proximity or similar to the City of Capitola.

Description: We will access and use our knowledge of other jurisdictions to benchmark the City’s five (5) most common visible fees or highest yielding fees with comparable jurisdictions.

Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs. For this reason, Willdan takes a selection of the City’s most commonly used and/or highest yielding fees.

The survey will contain the following, a comparison of common or similar fees and charges used by the City and other jurisdictions; current and proposed fees and charges unique to the City of Capitola; fees and charges used by other public entities not currently used in the City; and If possible, identify characteristics and processes unique to the City that account for significant variances in fees and charges used by other jurisdictions.

Deliverables: Willdan: Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 8: Prepare and Present Draft Report

Objective: Prepare draft report.

Description: This task involves the preparation of the draft report that discusses the study’s background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the user fee study will be included textually, as well as in easy to understand tables. Individual fee summaries by department and a comprehensive fee schedule will be included.

The draft report will include the following:

- Key results and findings;
- Basic descriptions of each service;
- The full cost of each service at lowest reasonable activity level and current cost recovery levels;
- Costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery;
- Fee recommendations with associate levels of cost recovery;
- Projections of potential fee revenue;
- Assessment of reasonableness of each City’s costs;
- Review of reasonableness of current consultant cost structure (for Building Division services);
As appropriate, recommend alternative methodologies for building permit fee calculation; and
Summary and recommendations.

The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.

Meetings: One (1) conference call with City staff, to present draft results address questions and receive feedback.

Deliverables:  
Willdan: Draft report for City review and comment.
City: Review of draft report, with comments and edits.

Task 9: Revise Draft Report/Determine Cost Recovery Levels for Recommended Adoption

Objective: Review of draft report and fee model.

Description: The goal of this task is to conduct an in-depth review of the draft report and model, incorporate feedback and changes as a result of previous discussions, and arrive at an optimum fee structure.

Often through the course of an engagement, City staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best. Comments usually revolve around issues of:

- Understandability;
- Fairness to applicants;
- Ease of calculation;
- Appropriate levels of cost recovery; and
- Full cost recovery hourly rates.

When adjusting fee recovery levels, we believe it is important to address these concerns.

Following one (1) round of comments from City staff on the draft report and feedback from City staff, we will prepare the final report for presentation to the City Council.

Meetings: One (1) online demonstration (WebEx) to review the report and model, with any revisions.

Deliverables: Draft report, revised draft /final report.

Task 10: Prepare and Present Final Report/Instruct Staff on Model

Objective: Prepare and present final report to City Council. Instruct staff on the operation and use of the model for future modifications.

Description: This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.

Meetings: One (1) meeting with City Council to present the results and adopt the updated fee schedule. We will also provide staff training on the operation and use of the model on the same day, during regular business hours.

Deliverables: Provide one (1) electronic PDF file copy of the final report and models; and, if requested, provide five (5) bound copies, and one (1) unbound copy to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD.

City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of Capitola assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City’s project manager will: 1) Coordinate responses to requests for information; 2) Coordinate review of work products; and 3) Help resolve policy issues.

Willdan will endeavor to minimize the impact on City staff in the completion of this project. We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City’s project manager to steer the project back on track. We will keep the City’s project manager informed of data or feedback we need to keep the project on schedule.
APPENDIX TWO
Fees and Payments

For the services performed, City will pay consultant on a not-to-exceed, lump sum basis upon satisfactory completion of the services and delivery of work products. Payments will be issued monthly as charges accrue, the sum of consultant’s salary expenses and non-salary expenses.

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

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

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

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of $34,910 (Thirty-four Thousand Nine Hundred Ten Dollars and Zero Cents), without specific, written advance authorization from the City.

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

"I hereby certify as principal of the firm of Willdan Financial Services, that the charge of $34,910 as summarized above and shown in detail on the attachments is fair and reasonable, is in accordance with the terms of the Agreement dated August 25, 2023, and has not been previously paid."
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Public Works Department
Subject: Freeway Maintenance Agreement with the State of California Department of Transportation

Recommended Action: Approve the Freeway Maintenance Agreement with the State of California Department of Transportation (Caltrans) and authorize the Mayor to execute the agreement.

Background: In 1959 and 1961, Freeway Maintenance Agreements (FMA) were executed between the City of Capitola and Caltrans agreeing to certain adjustments of the local street and road system required for the development of that portion of State Highway Route (SR) 1 as a freeway within the jurisdictional limits of the City.

Four FMAs were executed between 1955 and 1963 between Caltrans and the City or County of Santa Cruz establishing respective maintenance responsibilities within the freeway limits (Caltrans right of way) and City limits.

The Highway 1 Bay Avenue/Porter Street to State Park Drive Auxiliary Lanes Project, currently under construction by the Santa Cruz County Regional Transportation Commission (RTC), includes the replacement of the Capitola Avenue Overcrossing and minor modifications to the freeway crossings at 41st, Bay, and Park Avenues.

Discussion: The proposed FMA (Attachment 1) will supersede all previous agreements along SR 1 within the City jurisdictional limits. This agreement does not impose additional obligations on the City but rather updates the legal and contract-related language pertaining to the areas of responsibility for both Caltrans and the City.

Under the FMA, the City and Caltrans agree to accept their respective operational and maintenance responsibilities, along with the associated costs. The City’s responsibilities for the right of way areas can be summarized as follows:

- Vehicular and Pedestrian Overcrossings – City will maintain the deck wearing surface and drainage inlets, lighting sidewalks, signs, pavement markings and bridge rails;
- Vehicular and Pedestrian Undercrossings – City will maintain the roadway sections, including the traveled way, shoulders, curbs, sidewalks, wall surfaces (including eliminating graffiti), drainage, and lighting;
- Walls and Columns – City will maintain City-side of any wall structure or column free of debris, dirt, and graffiti;
- Encampments - City will remove any encampment including any structures, personal property, debris, and/or other items related to the encampment. This does not preclude the California Highway Patrol (CHP) and other law enforcement agencies from encampment removal;
- Landscape Areas – City will maintain any plantings or other types of roadside improvements lying outside of the fenced right of way area reserved for exclusive freeway use; and
- Interchange Operations – City has no maintenance responsibilities dealing with the operations at interchanges. It is Caltrans’ responsibility to provide efficient operation of freeway interchanges, including ramp connections to local streets and roads.

Fiscal Impact: There are no new fiscal impacts related to execution of the new FMA. The City would continue to be responsible for the maintenance of City roads within the Caltrans right of way adjacent to SR 1.
California Environmental Quality Act (CEQA): The action is exempt from CEQA because it is not a “project” under Section 15378(b)(5) of CEQA Guidelines. The action involves an organizational or administrative activity of government that will not result in direct or indirect physical change in the environment.

Attachments:

1. Freeway Maintenance Agreement

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager
FREEWAY MAINTENANCE AGREEMENT
WITH
CITY OF CAPITOLA

THIS AGREEMENT is made effective this _____ day of ____________, 20__, by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as “STATE” and the CITY of Capitola; hereinafter referred to as “CITY” and collectively referred to as “PARTIES”.

SECTION I

RECITALS

1. Cooperative Agreement Number 05-0388 was executed between the Santa Cruz County Regional Transportation Commission and STATE on May 18, 2021 to construct Northbound and Southbound auxiliary lanes between the Bay Street/Porter Avenue and State Park Drive Interchanges on State Route 1, Bus-on-Shoulder elements, drainage facilities, construct retaining walls and sound walls, including the replacement of the Capitola Avenue Overcrossing with bicycle and pedestrian facilities on Capitola Avenue in both directions at the new bridge, and construction of a new bicycle and pedestrian overcrossing at Mar Vista Drive, on State Route (SR) 1, hereinafter referred to as “PROJECT”, and

2. On August 17, 1959 and February 24, 1961, Freeway Agreements were executed between CITY and STATE, wherein the PARTIES consented to certain adjustments of the local street and road system required for the development of that portion of STATE Highway Route (SR) 1, declared a freeway, within the jurisdictional limits of the CITY, and

3. Recent adjustments to said freeway have now been completed, or are nearing completion, and the PARTIES hereto mutually desire to identify the maintenance responsibilities of the CITY for areas lying within those modified freeway limits,

4. There are existing Freeway Maintenance Agreements, with CITY dated August 24, 1955 (‘55), May 18, 1962 (‘62), October 28, 1963 (‘63), and October 18, 1966 (‘66). This Agreement is meant to completely supersede the ‘55 and ‘63 agreements, and supersede portions of the ‘62 and ‘66 agreements relative to the CITY limits.

NOW THEREFORE IT IS AGREED:

SECTION II

AGREEMENT
1. PARTIES agree this Agreement shall supersede in its entirety the said Freeway Maintenance Agreement executed by PARTIES on August 24, 1955 and October 28, 1963.

2. PARTIES agree this Agreement shall supersede the portions of said Freeway Maintenance Agreements executed on My 18, 1962 and October 18, 1966, relative to the CITY limits.

3. Pursuant to Section 3 of the ______, 20 Freeway Agreement, CITY has resumed or will resume control and maintenance over each of the relocated or reconstructed CITY roads, frontage roads, and other STATE constructed local roads, except for any portion which is adopted by STATE as a part of the freeway proper.

4. The degree or extent of maintenance work to be performed, and the standards therefore, shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the then current edition of the State Maintenance Manual.

5. CITY agrees to continue their control and maintenance of each of the affected relocated or reconstructed CITY streets and roads as shown on that attached hereto, Exhibit A and C and made a part hereof by this reference.

6. When another planned future improvement has been constructed and/or a minor revision has been effected within the limits of the freeway herein described which will affect the PARTIES' maintenance responsibility as described herein, and there is mutual agreement on a change in the maintenance responsibilities between PARTIES, the PARTIES can revise the Exhibit A and/or C by a mutual written-execution of each of the exhibits.

7. CITY must obtain the necessary Encroachment Permits from STATE's District 5 Encroachment Permit Office prior to entering STATE right of way to perform CITY maintenance responsibilities. This permit will be issued at no cost to CITY.

8. VEHICULAR OVERCROSSINGS

8.1. CITY will maintain, at CITY expense, the deck wearing surface and structural drainage system (and shall perform such work as may be necessary to ensure an impervious and/or otherwise suitable surface) and all portions of the structure above the bridge deck, including, but without limitation, lighting installations (including all electrical costs), as well as all traffic service facilities (sidewalks, signs, pavement markings, bridge rails, etc.) and drainage facilities that may be required for the benefit or control of traffic using that overcrossing.
8.2. As directed by section 92.6 of the Streets and Highways Code, at locations determined by STATE, screening shall be placed on STATE freeway overpasses on which pedestrians are allowed. All screens installed under this program will be maintained by STATE, at STATE expense, excluding any decorative features added to the screening which shall be maintained by the CITY.

9. VEHICULAR AND PEDESTRIAN UNDERCROSSENGS

9.1. CITY will maintain the CITY paved roadway sections, including the traveled way, shoulders, curbs, sidewalks, slope paving, wall surfaces (including eliminating graffiti), drainage installations, lighting installations (including all electrical costs) and traffic service facilities that may be required for the benefit or control of traffic using that undercrossing.

9.2. CITY will request STATE's District Encroachment Permit Engineer to issue the necessary Encroachment Permit for any proposed change in minimum vertical clearances between CITY roadway surface and the structure that results from modifications to the roadway (except when said modifications are made by STATE). If the planned modifications will result in a reduction in the minimum clearance within the traveled way, an estimate of the clearance reduction must be provided to STATE’s Transportation Permit Engineer prior to starting work. Upon completion of that work, a vertical clearance diagram will be furnished to STATE's Transportation Permit Engineer that shows revised minimum clearances for all affected movements of traffic, both at the edges of the traveled way and at points of minimum clearance within the traveled way.

10. WALLS, SOUNDWALLS, AND COLUMNS – CITY is responsible for debris removal, cleaning, and painting to keep CITY's side of any wall structure or column free of debris, dirt, and graffiti. Any plantings or vegetation that grow over the top of or on the CITY side of any walls, soundwalls, or State R/W fence from State jurisdiction into CITY jurisdiction shall be the responsibility of the CITY to trim and/or limb.

11. ENCAMPMENTS REMOVAL - CITY shall remove Persons Experiencing Homelessness (PEH) and any structures, personal property, debris, and/or other items related to the encampment from CITY’s areas of responsibility shown on Exhibit A, subject to applicable State and Federal Law. Nothing in this Agreement grants or waives the right of California Highway Patrol (CHP) and other law enforcement agencies having jurisdiction.

12. LANDSCAPED AREAS CITY is responsible for the maintenance of any plantings or other types of roadside improvements of PROJECT lying outside of the fenced area restricting walk-on access to the freeway.
13. INTERCHANGE OPERATION - It is STATE's responsibility to provide efficient operation of freeway interchanges, including ramp connections to local streets and roads.

14. ELECTRICALLY OPERATED TRAFFIC CONTROL DEVICES

A separate "Electrical Facilities Cost Sharing Agreement" may be executed in the future allocating these costs between the PARTIES.

15. LEGAL RELATIONS AND RESPONSIBILITIES

15.1. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not PARTIES to this Agreement or to affect the legal liability of a PARTY to the Agreement by imposing any standard of care with respect to the operation and maintenance of STATE highways and local facilities different from the standard of care imposed by law.

15.2. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority or jurisdiction conferred upon STATE arising under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless CITY and their officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.

15.3. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction conferred upon CITY and arising under this Agreement. It is understood and agreed that CITY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.

16. PREVAILING WAGES:

16.1. Labor Code Compliance - If the work performed under this Agreement is done under contract and falls within the Labor Code section 1720(a)(1)
definition of a "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771. CITY must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. CITY agrees to include prevailing wage requirements in its contracts for public works. Work performed by CITY’s own forces is exempt from the Labor Code's Prevailing Wage requirements.

16.2. Requirements in Subcontracts - CITY shall require its contractors to include prevailing wage requirements in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in CITY’s contracts.

17. INSURANCE - CITY and its contractors shall maintain in force, during the term of this agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of $1 million per occurrence and $2 million in aggregate and $5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

18. TERMINATION - This Agreement may be terminated by timely mutual written consent by PARTIES, and CITY’s failure to comply with the provisions of this Agreement may be grounds for a Notice of Termination by STATE.

19. TERM OF AGREEMENT - This Agreement shall become effective on the date first shown on its face sheet and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the PARTIES or until terminated by STATE for cause.

PARTIES are empowered by Streets and Highways Code Section 114 and 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.
IN WITNESS WHEREOF, PARTIES hereto have set their hands and seals the day and
year first above written.

THE CITY OF

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: __________________________
Mayor

Initiated and Approved

By: __________________________
City Manager

By: __________________________
Deputy District Director
Maintenance District 5

ATTEST:

By: __________________________
City Clerk

By: __________________________
City Attorney
EXHIBIT “A”

(Plan map identifying the applicable STATE Routes (Freeway proper) and CITY roads and facilities)
EXHIBIT “C”

A separate “Electrical Facilities Cost Sharing Agreement” will be executed in the future allocating costs between parties.
FREEWAY MAINTENANCE AGREEMENT
WITH THE CITY OF CAPITOLA
ON STATE ROUTE 1 FROM PARK AVE TO 41ST ST
(PM 11.8 TO PM 13.7)

INDEX OF PLANS
1. VICINITY MAP
2. LOCATION #1 - PARK AVE UC
3. LOCATION #2 - CAPITOLA AVE OC
4. LOCATION #3 - BAY AVE/PORTER ST UC
5. LOCATION #4 - 41ST AVE OC

EXHIBIT "A"
VICINITY MAP
FREeway MAINTENANCE AGREEMENT
WITH THE CITY OF CAPITOLA

EXHIBIT "A"

PARK AVE UC

LOCATION #1
PARK AVE UC

AREA TO BE MAINTAINED
BY THE CITY
FREEWAY MAINTENANCE AGREEMENT

EXHIBIT "A"

4" Drainage Plastic Pipe

AREA TO BE MAINTAINED BY THE CITY

CAPITOLA AVE

STATE ROUTE 1

CALTRANS R/W

CALTRANS R/W
FREeway Maintenance Agreement
With The City Of Capitola

Exhibit "A"

Area To Be Maintained
By The City

Location #3
Porter St./Bay Ave. UC
FREEWAY MAINTENANCE AGREEMENT
WITH THE CITY OF CAPITOLA

EXHIBIT "A"

AREA TO BE MAINTAINED
BY THE CITY

LOCATION #4
41ST ST. OC
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Public Works Department
Subject: Stockton Bridge Debris Mitigation Project Funding

**Recommended Action:** Adopt a resolution authorizing the acceptance of $500,000 in grant funds from the California Department of Water Resources (CDWR) for the Stockton Bridge Debris Mitigation Project, amending the FY 2023-24 Adopted Budget, and authorizing the City Manager to execute the grant agreement on behalf of the City.

**Background:** The Stockton Avenue Bridge, constructed in 1934, is a beam bridge with three openings and two support piers. It spans Soquel Creek and is the furthest downstream bridge of the Creek. Soquel Creek is prone to large woody debris, which historically causes flooding by blocking bridges. Unlike the upstream bridges at Soquel Drive and Highway 1, the Stockton Avenue Bridge has smaller spans, increasing the risk of debris accumulation and flooding.

Due to its vulnerability, the Stockton Avenue Bridge is identified as a critical at-risk facility in the City's 2013 Local Hazard Mitigation Plan (LHMP). In 2016, a due diligence memorandum was completed to assess the potential impact of debris flow on the bridge during a catastrophic flooding event (Attachment 1). The memorandum recommended the installation of debris fins to guide debris through the larger center span of the bridge.

The development of a debris mitigation project for the Stockton Avenue Bridge involves conducting a feasibility study and detailed site study, including a hydraulic model, evaluation of alternative debris control measures, consideration of permits, infrastructure requirements, and cost analysis. The adopted FY 2022-23 budget allocated $350,000 for the initial phase of the "Stockton Bridge Reinforcement Project."

With support from State Senator John Laird, State Assembly Bill 102 was passed this summer, which allocated $500,000 for this project.

**Discussion:** To accept the funding, which will be administered by the California Department of Water Resources (CDWR), the City Council must adopt a resolution authorizing the City Manager to accept the funding and sign a grant agreement with CDWR.

The grant funding will cover planning, permitting, design and construction costs associated with the project. In the unlikely event the project costs exceed the awarded amount, the City may solicit a budget amendment through CDWR and request additional funding. This project is tentatively scheduled for construction in Spring of 2025.

**Fiscal Impact:** This will increase State Grant Funding in the FY 2023-24 Capital Improvement Program Adopted Budget by $500,000. The adopted FY 2022-23 budget allocated $350,000 for the initial phase of the "Stockton Bridge Reinforcement Project," bringing total project funding to $850,000. There is no match associated with this grant funding. There are no fiscal impacts associated with the recommended action.

**California Environmental Quality Act (CEQA):** This action does not constitute a “project” pursuant to Section 15378 of the California Environmental Quality Act.

**Attachments:**
1. Due Diligence Memorandum (2016)
2. Resolution
3. Agreement
MEMORANDUM

To: Steve Jesberg, PE  
   Public Works Director  
   City of Capitola
From: Tammie Moreno, PE  
   Kimley-Horn and Associates, Inc.
Date: December 15, 2016
Subject: Due Diligence, Stockton Avenue Bridge, City of Capitola, Ca

Project Background
The City of Capitola is located on the Pacific coast, in western Santa Cruz County, in west-central California. Capitola is situated approximately 4 miles east of the City of Santa Cruz and encompasses an area of approximately 1.9 square miles. The city’s largest stream is Soquel Creek which flows southeasterly through the center of the City of Capitola. Stockton Avenue crosses Soquel Creek with a beam bridge that was built in 1934. The City of Capitola is seeking to mitigate flood risk caused by large debris getting caught in the Stockton Avenue Bridge piers over Soquel Creek during a rain event. (Figure 1)

Figure 1. Project Location
Watershed Characteristics

Soquel Creek is a 16+ mile long creek with numerous tributaries (Figure 2). The creek begins in the Santa Cruz Mountains, winds around Soquel Demonstration State Forest and the western portion of the Forest of Nisene Marks state park, and then flows south through the community of Soquel and into Capitola Village where it empties into Monterey Bay. The Soquel Creek basin encompasses 43 square miles and is triangular, having a width of approximately 1 mile near the ocean and widening to approximately 12 miles in the upper portion of the basin. In the upper reaches, the terrain is steep and heavily forested. In the lower reaches the basin changes to terraces and rolling hills near the ocean at Capitola. The watershed basin is mostly underlain by erodible sandy loam. Landslides are common to the watershed because of the material, steep hills, seismic activity, and intense rainfall.

Historically, woody debris from the upper reaches has caused log jams at Soquel Drive Bridge that crosses Soquel Creek upstream of the Highway 1 and Stockton Avenue Bridges. The Soquel Drive Bridge has experienced multiple log jams and the bridge has been replaced multiple times, the latest in 2003 at which time a clear span bridge was constructed to minimize debris blockage.

Floodplain Review

Flood hazard areas identified on the FEMA Flood Insurance Rate Map are defined as a Special Flood Hazard Areas (SFHAs). SFHAs are areas that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood.

The project is located on Map Number 06087C0352E in Zone AE (Figure 3). Zone AE areas are subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. Base Flood Elevations (BFEs) are provided in Zone AE. Mandatory flood insurance purchase requirements and floodplain management standards apply in this zone.
Figure 2. Soquel Creek Watershed

Stockton Ave Bridge
Soquel Drive Bridge
Highway 1 Bridge
Flooding Problems

The rainy season extends from October through May. Flooding usually occurs in December, January and February. The December 1955 and the January 1982 storms are two of the largest flooding events on record for Santa Cruz County. Some of the results of these two flooding events are described below.

Major flooding occurred in December 1955 when a 72-hour period storm fell on the Soquel Creek Basin. The estimated peak flow for this event at the Soquel Creek gage was 15,800 cfs, which corresponds to a 1.43-percent-annual-chance recurrence event. Some damage from bank erosion and deposition of debris was done to commercial and residential property adjacent to Soquel Creek in Capitola. Most damage caused by the overflow of Soquel Creek occurred outside of Capitola. A major logjam occurred at the Soquel Drive Bridge, causing a severe backwater condition and displacing 350 persons.

Figure 3. FEMA Flood Insurance Map

Stockton Ave Bridge
Another major flood occurred in January 1982. The estimated peak flow for this event at the Soquel Creek gage was 9,700 cfs, which corresponds to a 6.67-percent-annual-chance recurrence event. A massive logjam occurred at the Soquel Drive Bridge (Figure 4). The floodwaters rose rapidly along Soquel Creek and caused major damage flooding one home on the eastern bank just south of State Highway 1 and eroding the banks of some homes along Riverview Drive in Capitola.

![Logjam upstream of Soquel Drive Bridge after January 1982 storm.](image)

**Debris Concerns at Stockton Avenue Bridge**

The Soquel Creek watershed has a history of forming log jams at Soquel Drive Bridge during large rain events, specifically in 1955 and 1982 which are the largest rain events on record. Log jams are formed when large, whole trees are introduced into the channel and are anchored to the bed or banks. The large trees act as a filter by trapping smaller floating debris causing constriction in flow and backwater effects upstream. The backwater effect diverts flood water from the channel onto the adjacent floodplain and causes bridge failure. The Soquel Drive Bridge was replaced in 1890, 1927, 1956 and 2003. To mitigate for log jams, the most recent replacement of Soquel Drive Bridge was built over three feet higher, compared to the previous bridge, and with no support piers in the river in to provide increased flood capacity. Soquel Drive Bridge now has a span of 140’ for debris to pass under Soquel Drive Bridge. The concern is that the debris that can now pass freely under Soquel Drive will cause a log jam upstream of the Stockton Avenue Bridge.

The Stockton Avenue Bridge is a beam bridge built in 1934 with three openings and two support piers. The bridge crosses Soquel Creek as it enters the Pacific Ocean. A study in 2011 by University of California Berkeley determined that the average tree length in the watershed is between 15 and 30 feet. The smallest span opening (Figure 5) is approximately 10-feet on the east abutment between the east pier and the concrete headwall, leaving the bridge susceptible to log jams. During field investigations, large tree branches were observed caught within the smaller span openings upstream of the bridge (Figure 6).
Figure 5. Stockton Avenue Bridge Record Drawing

Figure 6. Photo, Looking Downstream, Stockton Avenue Bridge
Potential Debris Control Countermeasures

The Stockton Avenue Bridge is furthest downstream bridge in the watershed. The watershed is known to have large woody debris that has historically caused flooding by damming up bridges. Upstream bridges at Soquel Drive and Highway 1 have larger spans than the Stockton Avenue Bridge. This creates the potential for debris to accumulate upstream of Stockton Avenue Bridge.

Characterization of the debris supply is important for proper drainage structure design and the selection of debris countermeasures depends on the type of debris transported to the site. From historical flooding summaries and photos and the 2011 University of California Berkley study, debris in Soquel Creek is mainly medium and large floating debris consisting of logs or trees and tree limbs and large sticks. Sources of this material comes from trees introduced into the stream by bank erosion and mass wasting. Floating debris accumulations initially form at the water surface, and without maintenance or removal, will grow toward and eventually become part of the streambed.

Debris control countermeasures, both structural and non-structural, have been used effectively to prevent or reduce the size of debris accumulations at bridges and culverts. Non-structural measures include management of the upstream watershed and maintenance. Structural measures include features that can either intercept debris, deflect debris, or orient debris to facilitate passage through the structure. Deflection and orientation measures are needed to redirect or reorient debris flows in Soquel Creek to prevent accumulation of the material upstream of the Stockton Avenue Bridge. A review of structural debris control countermeasures was conducted. A discussion of potential countermeasures to redirect and/or reorient debris in Soquel Creek is provided below with recommendations for the Stockton Avenue Bridge.

Debris Sweeper

A debris sweeper can be installed on the upstream side of the bridge pier to deflect debris. A debris sweeper is a polyethylene device that is rotated by the channel flow, causing the debris to be deflected away from the pier and through the bridge opening. The deflectors are intended to buffer the structure itself from impact and steer debris around the structure. Because sweepers rotate freely, they shed debris, greatly reducing the likelihood of accumulation. The device is attached to a vertical stainless steel cable so that it can travel vertically as the water surface rises and falls (Figures 7 and 8). The device is suitable for medium to large floating debris and requires low maintenance. Debris sweepers have been installed on bridges in Oklahoma, Virginia, Tennessee, Washington, and Oregon.

Since installation of this system does not require disturbance of the stream channel, installation causes little environmental impact. For the Stockton Avenue Bridge, a minimum of two debris sweepers would be needed, one on each pier to deflect debris into the wider, center span. Four sweepers, one on the water surface and one submerged on each pier, may result in better deflection. Installation of debris sweepers does not guarantee that all logs will be deflected. There will still be a chance that tree logs that do not get deflected would jam within the shortest 10-foot span.
Figure 7. Photo of a debris sweeper being installed on bridge in Virginia

Figure 8. Photo close-up of a debris sweeper in Washington
Debris Fins

Debris fins are thin walls built in the stream channel just upstream of the bridge to help align large floating trees so that their length is parallel to the flow (Figure 9). The fins’ purpose is to align the debris to the openings so that debris will move through. Debris fins have been successfully used to align debris within the waterway opening and to avoid the accumulation of debris on bridge piers. They are used when the debris consists mostly of floating material. An angled debris fin is recommended for the Stockton Avenue Bridge to direct debris to the larger, center span. Debris fins require maintenance for debris removal. If debris is not removed, flow conveyance is reduced.

Figure 9. Photo of timber debris fins with sloping leading edge.
Debris Deflectors
Debris deflectors are structures placed upstream of the bridge piers to deflect and guide debris through the bridge opening. They are normally "V"-shaped in plan with the apex upstream. The effectiveness of the structure is dependent on flow patterns which are difficult to predict. An example of this type of structure is shown in Figure 10. The Stockton Avenue Bridge would require several deflectors to direct debris through the larger center span.

Figure 10. Photo of debris deflectors used in Indiana

Bridge Replacement
Debris accumulation at bridges restricts the span openings and causes the water level to rise. The combination of debris accumulation and elevated water levels can damage the bridge and flood the surrounding area. The debris countermeasures discussed above can reduce debris accumulation; however, the most effective solution to mitigating debris accumulation is a full bridge replacement. Replacing the existing multi-span Stockton Bridge with an elevated bridge deck and a single clear span would increase flow and allow debris to pass without getting caught at the piers.

The Stockton Bridge is a major thoroughfare providing community access between Soquel Creek, and closing the bridge for replacement would be potentially disruptive for residents and businesses in the Capitola Downtown Village. A typical bridge construction project takes between six to nine months assuming traffic is closed and the bridge follows the same roadway alignment. Certain construction alternatives such as using prefabricated bridge sections to accelerate the construction timeline or phasing construction to have traffic open during construction can mitigate the disruptive impact but would add additional cost to the project. In addition to cost, environmental, and construction impacts, maintenance accessibility for debris removal should also be considered during design of a new bridge.
Summary and Recommendations

The debris control countermeasures designed to redirect and/or reorient medium and large floating debris include debris sweepers, debris fins, debris deflectors, or a full bridge replacement. Table 1 shown below summarizes the advantages, disadvantages, and preliminary project cost between each countermeasure.

Based on the comparative results from Table 1, it is recommended that the City consider installing debris fins to direct debris through the larger, center span of the Stockton Avenue Bridge. Debris fins are recommended over the other countermeasures due to the high failure potential of debris sweepers, the potential for debris deflectors to trap instead of redirect debris upstream of the bridge, and the high cost/impacts of bridge replacement.

Modeling of channel flows and possible debris should be considered for proper design of the recommended method and to determine flow conditions at bridge during low and high flow events. This analysis will help determine the vertical clearance under the bridge during higher flow events to identify if there is enough space to pass the range in diameters expected (between 9 inches and 2 feet). Developing a two-dimensional hydraulic model is recommended to evaluate the hydraulic characteristics upstream and downstream of the bridge and to define the possible flow paths of floating debris.

Table 1. Summary of Advantages and Disadvantages of Selected Debris Control Countermeasures

<table>
<thead>
<tr>
<th>Debris Countermeasure</th>
<th>Advantages</th>
<th>Disadvantages</th>
<th>Annual Cost over 10-year Period</th>
<th>Estimated Project Cost (Preliminary)</th>
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<tr>
<td>Debris Sweepers</td>
<td>Active system (rotates); may alleviate additional maintenance; requires little disturbance of the stream channel; relatively easy to design and install.</td>
<td>High failure rate; Failure of system can increase potential for debris accumulation; failures due to clogging, being crushed by large debris, and being dislodged from their mounts; some maintenance required.</td>
<td>Low to Moderate</td>
<td>$64,000 (Total) $40,000/pair (Construction) +$24,000 (60% for contingency, administration, design cost)</td>
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<tr>
<td>Debris Fins</td>
<td>May not require stream modification or continuing maintenance; may alleviate or reduce maintenance requirements; simple design and construction.</td>
<td>Low reliability if not aligned properly with flow; some maintenance required; moderate/minimal disturbance to stream channel; known to fail under high lateral forces of trapped debris.</td>
<td>Moderate</td>
<td>$160,000 (Total) $100,000/pair (Construction) +$60,000 (60% for contingency, administration, design cost)</td>
</tr>
<tr>
<td>Debris Deflectors</td>
<td>Simple design and construction; minimal disturbance to stream channel.</td>
<td>May trap debris upstream of bridge requiring maintenance removal; known to fail under high lateral forces of trapped debris; low reliability if not design to account for two-dimensional surface flow paths.</td>
<td>Low</td>
<td>$80,000 (Total) $50,000/pair (Construction) +$30,000 (60% for contingency, administration, design cost)</td>
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<tr>
<td>Bridge Replacement</td>
<td>Increase flow capacity from wider span length, may alleviate or reduce maintenance requirements</td>
<td>High construction and design cost, requires environmental permitting, long project schedule to implement</td>
<td>High</td>
<td>$2,800,000 (Total) $1,750,000 (Construction) +$1,050,000 (60% for contingency, administration, design cost)</td>
</tr>
</tbody>
</table>

Notes:
1. Price for debris sweeper may increase if a sweeper is designed and manufactured solely for this project.
References

Federal Emergency Management Agency. 2012. Flood Insurance Study Santa Cruz County Flood Insurance Study Number 06087CV000B.


RESOLUTION NO. ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE STATE OF
CALIFORNIA DEPARTMENT OF WATER RESOURCES TO RECEIVE FUNDS FOR THE
STOCKTON BRIDGE DEBRIS MITIGATION PROJECT, AMENDING THE FISCAL YEAR
2023-24 CAPITAL IMPROVEMENT PROGRAM BUDGET, AND AUTHORIZING THE
CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, the July 2023 Assembly Bill 102 designated $500,000 in funding to the City of Capitola (“City”), for its Stockton Bridge Debris Mitigation Project (collectively, the “Project”); and

WHEREAS, the responsibility for the administration of the fund, including establishing the necessary procedures for disbursement of the fund, to the California Department of Water Resources (“CDWR”); and

WHEREAS, the Water Authority agrees that the funds should be allocated by CDWR to the City; and

WHEREAS, CDWR requires a resolution from the City authorizing the City to enter into an agreement with CDWR to receive funds and to authorize the City Manager to execute the agreement; and

WHEREAS, it is necessary to amend the Fiscal Year 2023-24 Adopted Capital Improvement Program Budget to include $500,000 in grant funding from the California Department of Water Resources.

NOW, THEREFORE, the City Council of the City of Capitola does hereby resolve and find as follows:

Authorizes the City to enter into an agreement with the State of California Department of Water Resources to receive $500,000 in funding for its Stockton Bridge Debris Mitigation Project, amend the Fiscal Year 2023 Capital Improvement Budget, and authorizes the City Manager, or designee to execute the agreement, any amendments thereto; and to submit any required documents, invoices, and reports required to obtain State funds.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 24th of August, 2023 by the following vote:

AYES: ____________________________
NOES: ____________________________
ABSENT: __________________________
ABSTAIN: _________________________

________________________
Margaux Keiser, Mayor

ATTEST:

________________________
Julia Moss, City Clerk
City of Capitola Budget Adjustment Form

Date: 11/14/2018

Requesting Department: Public Works

Administrative Council: X

Item #: TBD

Council Date: Nov. 20, 2018

Council Approval: 

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Total: 500,000

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</thead>
</table>

Total: 

Net Impact: 500,000

Purpose: Accepting California Dept. of Water Resources grant funding

Department Head Approval: [Signature]

Finance Department Approval: [Signature]

City Manager Approval: [Signature]
FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
(DEPARTMENT OF WATER RESOURCES) AND
THE CITY OF CAPITOLA
AGREEMENT NUMBER 46000xxxxx

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the “State” and the City of Capitola, a California municipal corporation, in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the “Funding Recipient,” which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the Budget Act of 2022 (Stats. 2022, ch. 249, § 207.) to Funding Recipient to assist in financing the Design, Permitting, and Construction of Debris Diverters on Stockton Avenue Bridge (Stockton Bridge Debris Mitigation Project) (Project).

2. TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by the State, through Final Project Completion Report plus three (3) years unless otherwise terminated or amended as provided in this Agreement.

3. FUNDING AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed $500,000.00.

4. DISBURSEMENT OF FUNDS. State will disburse to Funding Recipient the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be used solely to pay Eligible Project Costs.

5. ELIGIBLE PROJECT COST. Funding Recipient shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Costs that are not eligible for reimbursement or payment include but are not limited to the following items:
   A. Purchase of equipment not an integral part of the Project.
   B. Purchase of water supply not an integral part of the Project.
   C. Replacement of existing funding sources for ongoing programs.
   D. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies.
   E. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.

6. METHOD OF PAYMENT. State will disburse the whole of State funding to Funding Recipient. The Funding Recipient shall submit one or more certified invoices, transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery of a “wet signature.” State will notify Funding Recipient, in a timely manner, whenever, upon review of the Invoice(s), State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Funding Recipient shall, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies).

Invoices submitted by Funding Recipient shall include the following information:
A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.

B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.

C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
   
i. Invoices must contain the date of the invoice and the time period covered by the invoice.

   ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).

   iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.

   iv. Each invoice shall clearly delineate those costs incurred during that time period.

   v. Each invoice shall contain the signature and date via electronic/digital signature system (e.g., DocuSign) of Funding Recipient’s Project Representative. The invoice shall be certified and transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery to the State’s Project Manager.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Funding Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources. Any eligible costs for which the Funding Recipient is seeking State funding pursuant to this Agreement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General’s Office or the appropriate district attorney’s office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

7. DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:

A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient’s obligations;

B. Making any false warranty, representation, or statement with respect to this Funding Agreement;

C. Failure to operate or maintain Project in accordance with this Funding Agreement.

D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.

E. Failure to submit timely progress reports.

F. Failure to routinely invoice State.

G. Failure to meet any of the requirements set forth in Paragraph 8, “Continuing Eligibility.”

Should an event of default occur, State shall provide a notice of default to the Funding Recipient and shall give Funding Recipient at least ten (10) calendar days to cure the default from the date the notice is sent
via first-class mail to the Funding Recipient. If the Funding Recipient fails to cure the default within the time prescribed by the State, State may do any of the following:

a. Declare the funding be immediately repaid at the time of the default.
b. Terminate the Funding Agreement.
c. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Funding Recipient agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys’ fees, legal expenses, and costs.

8. **CONTINUING ELIGIBILITY.** Funding Recipient shall meet the following ongoing requirements (as applicable) to remain eligible to receive State funds:

A. An urban water supplier that receives state funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Water Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Water Code, § 10608 et seq.).

B. An agricultural water supplier receiving state funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code § 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR.

C. A surface water diverter receiving state funds shall maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.

D. Funding Recipient shall maintain continuing eligibility with the current Sustainable Groundwater Management Act (SGMA, Water Code §10720 et seq.) requirements as they come into effect.

E. If Funding Recipient is designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, Funding Recipient shall maintain reporting compliance, as required by Water Code §10932 and the CASGEM Program.

F. Funding Recipient shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Water. Code, § 12405, et seq.) for data sharing, transparency, documentation, and quality control.

G. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Funding Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Funding Recipient advance written notice of such termination, allowing the Funding Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

9. **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State’s Project Manager, and shall be submitted via DWR’s “Grants Review and Tracking System” (GRanTS) or via e-mail. If requested, Funding Recipient shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds.
A. Annual Progress Reports: Funding Recipient shall submit Annual Progress Reports to meet the State’s requirement for disbursement of funds. Annual Progress Reports shall be uploaded via GRanTS, and the State’s Project Manager notified of upload, or or via e-mail to the State’s Project Manager. Annual Progress Reports shall, at a minimum, provide a brief description of the work performed, Funding Recipients activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Annual Progress Report should be submitted to the State no later than one year after the execution of the Agreement with future reports then due on successive year increments based on the first Annual Progress Report submittal date, with the exception of the final Annual Progress Report which may also serve as the Project Completion Report and can extend beyond a year-long increment to account for Project closeout information.

B. Project Completion Report: Funding Recipient shall prepare and submit to State a Project Completion Report, either separately or as part of the final Annual Progress Report. Funding Recipient shall submit the Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project.

10. NOTIFICATION OF STATE. Funding Recipient shall promptly notify State, in writing, of the following items:

A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Funding Recipient agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.

B. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Funding Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Funding Recipient agrees to implement appropriate actions as directed by the State.

C. The initiation of any litigation or the threat of litigation against the Funding Recipient regarding the Project or that may affect the Project in any way.

11. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing.

A. Notices may be transmitted by any of the following means:
   i. By delivery in person.
   ii. By certified U.S. mail, return receipt requested, postage prepaid.
   iii. By “overnight” delivery service; provided that next-business-day delivery is requested by the sender.
   iv. By electronic means.

B. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
12. **PROJECT REPRESENTATIVES.** The Project Representatives during the term of this Funding Agreement are as follows:

- **Department of Water Resources**
  - Arthur Hinojosa
  - Manager, Division of Regional Assistance
  - P.O. Box 942836
  - Sacramento, CA 94236-0001
  - Phone: 916-902-6713
  - Email: Arthur.Hinojosa@water.ca.gov

- **City of Capitola**
  - Jamie Goldstein
  - City Manager
  - 420 Capitola Avenue
  - Capitola, CA 95010
  - Phone: 831-475-7300
  - Email: jgoldstein@ci.capitola.ca.us

Direct all inquiries to the Project Manager:

- **Department of Water Resources**
  - Craig Cross
  - Program Manager I
  - P.O. Box 942836
  - Sacramento, CA 94236-0001
  - 916-882-2762
  - Craig.Cross@water.ca.gov

- **City of Capitola**
  - Jessica Kahn
  - Public Works Director
  - 420 Capitola Avenue
  - Capitola, CA 95010
  - 831-475-7300
  - Email: jkahn@ci.capitola.ca.us

Either party may change its Project Representative or Project Manager upon written notice to the other party.

13. **STANDARD PROVISIONS AND INTEGRATION.** This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Authorizing Resolution
- Exhibit F – Report Formats and Requirements
- Exhibit G – State Audit Document Requirements for Funding Recipients
IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

______________________________
Arthur Hinojosa
Manager, Division of Regional Assistance
Date__________________________

CITY OF CAPITOLA

______________________________
Jamie Goldstein
City Manager
Date__________________________

Approved as to Legal Form and Sufficiency

______________________________
Robin Brewer, Assistant General Counsel
Office of the General Counsel
Date__________________________

Approved as to Legal Form and Sufficiency (if applicable)

______________________________
Samantha Zutler
City Attorney
Date__________________________
EXHIBIT A

WORK PLAN

PROJECT: Stockton Bridge Debris Mitigation Project

IMPLEMENTING AGENCY: CITY OF CAPITOLA

PROJECT DESCRIPTION: The Project will mitigate flood risk caused by large debris getting caught in the Stockton Avenue Bridge piers over Soquel Creek during a rain event. The Stockton Avenue Bridge is a beam bridge built in 1934 with three openings and two support piers. The bridge crosses Soquel Creek and is furthest downstream bridge in the watershed. The watershed is known to have large woody debris that has historically caused flooding by damming up bridges. Upstream bridges at Soquel Drive and Highway 1 have larger spans than the Stockton Avenue Bridge. This creates the potential for debris to accumulate upstream of Stockton Avenue Bridge.

The Project includes the construction of debris fins to direct debris through the larger, center span of the Stockton Avenue Bridge.

Budget Category A: Administration

Task A.1: Agreement Administration

The Funding Recipient will respond to DWR’s reporting and compliance requirements associated with the agreement administration and will coordinate with the Project managers responsible for implementing the Project. The Funding Recipient will be responsible for compiling invoices for submittal to DWR.

Deliverables

- Annual Invoices and associated backup documentation

Task A.2: Reporting

The Funding Recipient will be responsible for compiling annual progress reports for submittal to DWR. The Funding Recipient may retain consultants as needed to prepare and submit progress reports and final project completion report, as well as the funding agreement completion report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement.

Deliverables

- Documentation (e.g., photo) of “Acknowledgment of Credit” per Standard Condition D.2
- Annual Progress Reports
- Final Funding Agreement Completion Report

Budget Category B: Permitting and Environmental Documentation

Identify required environmental and regulatory permits for the Project and obtain required permits.

Deliverables

- Memorandum identifying CEQA compliance and environmental permits for the Project.
- Copies of permits as required.
**Budget Category C: Planning and Design**

Task C.1: Preliminary Design Engineering Services

Prepare preliminary bridge pier debris mitigation feasibility study and detailed site study, including hydraulic model, consideration of alternative debris control countermeasures, permitting requirements, infrastructure considerations, and cost analysis.

**Deliverables**

- Bridge Pier Debris Mitigation Feasibility Report
- Preliminary Engineering Design Report

Task C.2: Final Design Engineering Services

Prepare relevant 65%, 95% and 100% level construction drawings and technical specifications. Prepare Stormwater Pollution Preventions Plan (SWPPP) and Water Quality Management Plan (WQMP), if applicable. Prepare recommended construction schedule.

**Deliverables**

- 100% Design (Plans/Specs/Engineer's Estimate)
- SWPPP and WQMP (If applicable)
- Construction Schedule

**Budget Category D: Construction/Implementation**

Task D.1: Contract Services

This task must comply with the Standard Condition D.10 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

**Deliverables**:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed
- Fully executed Contract

Task D.2: Construction Administration

Manage contractor submittal review, answer requests for information, and issue work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties may include, but are not limited to: documenting of pre-construction conditions, daily construction on-site inspections of construction activities, preparing owner change orders, addressing questions of contractors on site via Request for Information or Request for Clarification, coordination of specialty inspection and testing, reviewing/updating project schedule, reviewing contractor log submittals and progress payment requests, notifying Contractor if work is not acceptable.
Deliverables

- Engineer's Certificate
- Project completion pictures
- As-builts, as appropriate

Task D.3: Construction Activities

Construction activities are outlined below.

11(a): Mobilization and Demobilization for construction of debris fins.

11(b): Site preparation will include identification of utilities and other existing critical infrastructure in the Project’s area, construction survey staking, site fencing, designation of staging areas for construction equipment and materials, designation of parking area for contractors and their employees, selective demolition, establishment of traffic controls, and site grading.

11(c): Construction of debris fins. Construction of debris fins does not require excavation or discharges of dredged material. The detailed construction activities are as follows:

- Place and dewater steel plates/forms adjacent to the bridge piers utilizing a removable steel bulkhead
- Drill holes into bridge piers (if fins design calls for direct extension of the bridge pier structure) and grout reinforcing steel bar
- Place concrete the bridge and the steel form (concrete discharged from trucks staged at the top bridge or adjacent creek bank, through a chute, to the fin site)
- Remove steel form after the concrete has attained adequate strength
- Remove bulkhead

Deliverables

- Photographic Documentation of Progress
EXHIBIT B

BUDGET

PROJECT: Stockton Bridge Debris Mitigation Project

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<thead>
<tr>
<th>Budget Category</th>
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EXHIBIT C
SCHEDULE

PROJECT: Stockton Bridge Debris Mitigation Project

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<tr>
<td>D: Construction</td>
<td>03/02/2025</td>
<td>05/15/2025</td>
</tr>
</tbody>
</table>
EXHIBIT D
STANDARD CONDITIONS

D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:
A. Separate Accounting of Funding Disbursements: Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts, disbursements, and any interest earned on expenditures of such funds. Funding Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.

B. Disposition of Money Disbursed: All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.

D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Funding Recipient shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient’s headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: “Funding for this project has been provided in full or in part from the California State Budget Act of 2022 and through an agreement with the State Department of Water Resources.” The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request.

D.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, Funding Recipient assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State’s specifications, at Funding Recipient’s expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 7 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.
D.6. **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to the State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount.

D.7. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Funding Recipient is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 7.

D.8. **CHILD SUPPORT COMPLIANCE ACT:** The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:

A. The Funding Recipient recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and

B. The Funding Recipient, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.9. **CLAIMS DISPUTE:** Any claim that the Funding Recipient may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Funding Recipient’s knowledge of the claim. State and Funding Recipient shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

D.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Funding Recipient’s contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Funding Recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services’ State Contracting Manual rules must be followed and are available at: https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting.

D.11. **COMPUTER SOFTWARE:** Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
D.12. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.

A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

C. Employees of the Funding Recipient: Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)

D. Employees and Consultants to the Funding Recipient: Individuals working on behalf of a Funding Recipient may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

D.13. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.

D.14. **DISPOSITION OF EQUIPMENT:** Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than $5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.

D.15. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.

B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
   i. Will receive a copy of Funding Recipient’s drug-free policy statement, and
   ii. Will agree to abide by terms of Funding Recipient’s condition of employment, contract or subcontract.

D.16. **EASEMENTS:** Where the Funding Recipient acquires property in fee title or funds improvements to real property already owned in fee by the Funding Recipient or improved using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Funding Recipient acquires an easement under this Agreement, the Funding Recipient agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State may result in termination of this Agreement.

D.17. **FUNDING RECIPIENT’S RESPONSIBILITIES:** Funding Recipient and its representatives shall:

A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).

B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.

C. Comply with all applicable California, federal, and local laws and regulations.

D. Implement the Project in accordance with applicable provisions of the law.

E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.

F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.

G. Be solely responsible for design, construction, and operation and maintenance of the Project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.

H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Funding Recipient shall be responsible for any and all disputes arising out of its
contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Funding Recipient and any other entity concerning responsibility for performance of work.

D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.19. INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

D.20. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.21. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.

D.22. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.

D.23. LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to payment from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: http://www.dir.ca.gov/lcp.asp. For more information, please refer to DIR’s Public Works Manual at: http://www.dir.ca.gov/dlse/PWManualCombined.pdf. The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

D.24. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State’s Program Manager in writing.
D.25. **NONDISCRIMINATION:** During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medical and family care leave or pregnancy disability leave. Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

D.26. **OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

D.27. **PERFORMANCE BOND:** Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than $25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)

D.28. **PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of $200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.

D.29. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient’s service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.

D.30. **PROJECT ACCESS:** The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.

D.31. **REMAINING BALANCE:** In the event the Funding Recipient does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The State will notify the Funding Recipient stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.

D.32. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
D.33. **RIGHTS IN DATA:** Funding Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

D.34. **SEVERABILITY:** Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.

D.35. **SUSPENSION OF PAYMENTS:** This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:

A. Funding Recipient, its contractors, or subcontractors have made a false certification, or

B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.

D.36. **SUCCESSORS AND ASSIGNS:** This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

D.37. **TERMINATION BY FUNDING RECIPIENT:** Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date and repay all funds disbursed pursuant to this Agreement.

D.38. **TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 7, the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 7.

D.39. **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.

D.40. **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

D.41. **TIMELINESS:** Time is of the essence in this Funding Agreement.

D.42. **UNION ORGANIZING:** Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:

A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.

B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
C. Funding Recipient shall, where State funds are not designated as described in (B) above, allocate, on a pro rata basis, all disbursements that support the program.

D. If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.

D.43. **VENUE:** The State and the Funding Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.

D.44. **WAIVER OF RIGHTS:** None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
EXHIBIT E

AUTHORIZING RESOLUTION

RESOLUTION NO. 2023-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES TO RECEIVE FUNDS FOR THE STOCKTON BRIDGE DEBRIS MITIGATION PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, the September 2022 Assembly Bill 179 designated $500,000 in funding to the City of Capitola (“City”), for its Stockton Bridge Debris Mitigation Project (collectively, the “Project”); and

WHEREAS, the responsibility for the administration of the fund, including establishing the necessary procedures for disbursement of the fund, to the California Department of Water Resources (“CDWR”); and

WHEREAS, the Water Authority agrees that the funds should be allocated by CDWR to the City; and

WHEREAS, CDWR requires a resolution from the City authorizing the City to enter into an agreement with CDWR to receive funds and to authorize the City Manager to execute the agreement.

NOW, THEREFORE, the City Council of the City of Capitola does hereby resolve and find as follows:

Authorizes the City to enter into an agreement with the State of California Department of Water Resources to receive $500,000 in funding for its Stockton Bridge Debris Mitigation Project and authorizes the City Manager, or designee to execute the agreement, any amendments thereto; and to submit any required documents, invoices, and reports required to obtain State funds.

PASSED, APPROVED, and ADOPTED this 24th day of August 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Margaux Keiser, Mayor

ATTEST:
I, Julia Moss, City Clerk of the City of Capitola, certify that the vote shown above is correct and this Resolution No. 2023-______ was duly adopted at the meeting of the City Council on the date stated above.

______________________________
Julia Moss, City Clerk
EXHIBIT F
REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

1. PROGRESS REPORTS

Progress reports shall generally use the following format. In general, wherever possible please use bulleted format. This format may be modified as necessary to effectively communicate information.

PROJECT STATUS
Briefly describe the work performed during the time period covered by the report including but not limited to:

PROJECT INFORMATION (as applicable)
- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the reporting period (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Identify key issues that need to be resolved

COST INFORMATION (as applicable)
- Provide a list showing all project costs incurred during the time period covered by the report by the Funding Recipient and each contractor working on the Project and which of these costs are Eligible Project Costs
- A brief discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Work Plan

SCHEDULE INFORMATION (as applicable)
- A schedule showing actual progress verses planned progress
- A brief discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule
The Final Annual Report shall contain the following Project completion information and shall generally use the following format.

**EXECUTIVE SUMMARY** – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

**COSTS AND DISPOSITION OF FUNDS** – A list of showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure
  - Include all internal and external costs not previously disclosed
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

**ADDITIONAL INFORMATION** – Any relevant additional Information should be included.
EXHIBIT G

STATE AUDIT DOCUMENT REQUIREMENTS FOR FUNDING RECIPIENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Funding Recipients. List of documents pertains to both State funding and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Funding Recipients should ensure that such records are maintained for each funded project.

State Audit Document Requirements

Internal Controls

1. Organization chart (e.g., Agency’s overall organization chart and organization chart for the State funded Project).

2. Written internal procedures and flowcharts for the following:
   a) Receipts and deposits
   b) Disbursements
   c) State payment requests
   d) Expenditure tracking of State funds
   e) Guidelines, policy, and procedures on State funded Program/Project

3. Audit reports of the Funding Recipient internal control structure and/or financial statements within the last two years.

4. Prior audit reports on the State funded Project.

State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.

2. A listing of public funds received from the State.

3. A listing of all other funding sources for the Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners’ documents, if applicable.

2. Contracts between the Funding Recipient and other public agencies as related to the State funded Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Funding Agreement.

2. Documentation linking subcontractor invoices to State payment, requests and related Funding Agreement budget line items.

3. Payment requests submitted to the State for the Funding Agreement.

Cash Documents:
1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Funding Agreement payment.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Funding Recipient's personnel who provided services charged to the Project

Project Files:

1. All supporting documentation maintained in the Project files.
2. All Funding Agreement related correspondence.
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: City Manager Department
Subject: Donation Acceptance

Recommended Action: Accept donation of $30,000 from the Soquel Union Elementary School District for the Afterschool Rec Club Participant Scholarship; and authorize the City Manager, or his designee, to sign the Memorandum of Understanding.

Background: In response to the COVID-19 Pandemic and distance learning, the City expanded its pilot Afterschool Program to include elementary students, developing the Out-of-School Time (OST) Program. The Soquel Union Elementary School District (SUESD) supported the program by contributing $16,000. As schools returned to in-person learning, the OST program was modified to provide an afterschool program in each elementary school in SUESE, in absence of any other available programs.

As the 2021-22 school year began, residents continued to look to the City as an option for afterschool programming for elementary and middle school students. SUESD provided a similar donation for the 2022-23 school year to ensure support for families that suffered hardships due to the pandemic.

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

SUESD will contribute $30,000 to support a scholarship fund for the 2023-24 school year for students meeting income criteria, as evaluated by the Capitola Public Safety and Community Service Foundation.

Fiscal Impact: The $30,000 donation will provide a restricted fund for Afterschool Rec Club scholarship applicants.

Attachments:
1. MOU SUESD and the City of Capitola
2. Budget Amendment Resolution
3. Budget Adjustment Form

Report Prepared By: Nikki Bryant LeBlond, Recreation Division Manager
Reviewed By: Julia Moss, City Clerk
Approved By: Jamie Goldstein, City Manager
Memorandum of Understanding
Between Soquel Union Elementary School District (SUESD) and the City of Capitola (Capitola)
Regarding Support for the Afterschool Rec Club
June 28, 2023

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

The SUESD Board of Trustees is proud to support this collaboration with Capitola to jointly support our community. As such, SUESD will contribute $30,000 to support the overall cost of running the program. This agreement will be in place through May 24, 2024.

SUESD Board President
Amanda Jackson Miller

SUESD Superintendent
Scott Turnbull

City of Capitola Recreation Supervisor
Nikki LeBlond Bryant
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE 2023-24 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT PROGRAM BUDGET

WHEREAS, it is necessary to adopt the 2023-24 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council conducted budget study sessions, heard and considered public comments, had modified and proposed a budget accordingly, and on June 22, 2023, adopted such budget for the Fiscal Year July 1, 2023, through June 30, 2024; and

WHEREAS, since the adoption of the budget the Capitola Recreation Division and the Soquel Unified Elementary School District (SUESD) have signed a Memorandum of Understanding in which SUESD has agreed to provide $30,000 of scholarship funding in support of the Recreation Afterschool Program; and

WHEREAS, it is necessary to amend the Fiscal Year 2023-24 Adopted Budget to include the $30,000 of afterschool program scholarship funding; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2023-24 Fiscal Year Budget is hereby amended, including Exhibit A (Budget Amendment) to this Resolution; and

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

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 24th day of August 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

___________________________
Marguax Keiser, Mayor

ATTEST:

___________________________
Julia Moss, City Clerk
City of Capitola Budget Adjustment Form

Date: 7/19/2023

Requesting Department: Recreation

Administrative Council: X

Item #: TBD
Council Date: Aug. 24, 2023
Council Approval: 

### Revenues

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Description</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-50-50-545-3700.450</td>
<td>Other Revenue - Scholarship</td>
<td>30,000</td>
</tr>
</tbody>
</table>

Total: 30,000

### Expenditures

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Description</th>
<th>Increase/Decrease</th>
</tr>
</thead>
</table>

Total: 

Net Impact: 30,000

Purpose: Acceptance of SUESD Afterschool Program scholarship

Department Head Approval: 
Finance Department Approval: 
City Manager Approval: 

8/10/2023 39:58 AM
SUESD Afterschool Scholarship General Fund

124
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Police Department
Subject: ABC Alcohol Policing Partnership Program Grant

**Recommended Action:** Adopt a resolution accepting a State of California Department of Alcoholic Beverage Control Grant in the amount of $38,002 and amending the FY 2023-24 general fund operating budget to increase revenues and expenditures by $38,002; and authorize the Police Chief to execute the grant agreement with the State of California Department of General Services.

**Background:** Each fiscal year, the State of California Department of Alcoholic Beverage Control (ABC) awards grants through its Grant Assistance to Local Law Enforcement Program to help local law enforcement agencies reduce alcohol-related crimes through training, prevention, community involvement, and enforcement. The Police Department has applied for, and received, several ABC Grants over the years, the latest one for FY 2022-23.

**Discussion:** The City of Capitola has seen an increase in the number of ABC licensees from 68 in 2017 to the current total of 80. With the help of the ABC Grant funding received in FY 2022-23, the Police Department provided the education and enforcement necessary to prevent a significant increase in alcohol-related offenses during that period.

Staff applied for and was awarded an ABC Grant in the amount of $38,002 for the FY 2023-24 funding period. This grant award can be applied to overtime, equipment, and supplies to expand efforts in addressing underage and adult alcohol-related problems in the community. The grant funds will give the Police Department the resources needed to conduct presentations at New Brighton Middle School regarding ABC-related laws, including the effects and consequences of drinking and driving. The awarded funds will also help staff to continue to increase the education of Capitola businesses and allow for increased enforcement of alcohol-related laws.

**Fiscal Impact:** No fiscal impact as there is no additional general funding required. Staff recommends accepting the grant, which will increase revenues and expenditures by $38,002. All funds received from the grant must be used for grant-related overtime, operating expenses, equipment, supplies, and travel expenses.

**Attachments:**

1. Selection Letter
2. Standard Agreement
3. Draft Resolution

**Report Prepared By:** Esmeralda Gonzalez, Administrative Analyst

**Reviewed By:** Andrew Dally, Chief of Police; Julia Moss, City Clerk; Jim Malberg, Finance Director; Samantha Zutler, City Attorney

**Approved By:** Jamie Goldstein, City Manager
July 5, 2023

Chief Andrew Dally
Capitola Police Department
422 Capitola Avenue
Capitola, CA 95010

Dear Chief Andrew Dally:

Congratulations! Your agency has been selected by the Department of Alcoholic Beverage Control (ABC) to receive a 2023/2024 Alcohol Policing Partnership (APP) Grant and receive funding for your Request for Proposal (RFP).

We will be hosting a two and half day training conference beginning at 8:30 am on August 8, 2023 and ending at approximately 12:00 pm on August 10, 2023. This conference offers valuable training in alcohol enforcement and serves as an excellent opportunity for the representatives from your agency to meet our ABC staff and share information with other law enforcement agencies from across the State.

This year the conference will be held at the UC Davis Conference Center located at 550 Alumni Lane, Davis, CA 95616. The conference will accommodate up to two attendees from each agency. It is recommended that your sworn Project Director and an officer/deputy assigned to the grant program attend. There is a $325.00 registration fee per person to attend the conference. This fee is reimbursable through the grant. Please email Kristine Okino, Grant Coordinator at kristine.okino@abc.ca.gov, for hotel rooms and registration information.

A grant agreement will be forthcoming in the next couple of weeks which requires a resolution, order, motion, ordinance or other similar document from your local governing body authorizing execution of the agreement. Due to the fact that these resolutions typically have to be put on your governing body’s calendar, we ask that you do this as soon as possible.

If you have any questions, please email Kristine Okino, Grant Coordinator at Kristine.okino@abc.ca.gov.

Sincerely,

Eric Hirata
Director

Cc: Cpt. Sarah Ryan, Project Director
1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTOR NAME
City of Capitola through the Capitola Police Department

2. The term of this Agreement is:

START DATE
July 1, 2023

THROUGH END DATE
June 30, 2024

3. The maximum amount of this Agreement is:
$38,002.00 (Thirty-eight thousand two dollars and no cents)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

<table>
<thead>
<tr>
<th>Exhibits</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Scope of Work</td>
<td>2</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Budget Detail and Payment Provisions</td>
<td>3</td>
</tr>
<tr>
<td>Exhibit C *</td>
<td>General Terms and Conditions</td>
<td>4</td>
</tr>
<tr>
<td>Exhibit D</td>
<td>Special Terms and Conditions</td>
<td>1</td>
</tr>
<tr>
<td>Attachment RFP</td>
<td>RFP Scope of Work</td>
<td>8</td>
</tr>
</tbody>
</table>

*Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of Capitola through Capitola Police Department

CONTRACTOR BUSINESS ADDRESS
422 Capitola Avenue

CITY
Capitola

STATE
CA

ZIP
95010

PRINTED NAME OF PERSON SIGNING
Andrew Dally

TITLE
Chief of Police

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED
8/28/2023

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS
3927 Lennane Drive

CITY
Sacramento

STATE
CA

ZIP
95834

PRINTED NAME OF PERSON SIGNING
Patty Baker

TITLE
Chief, Business Management Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)
EXHIBIT A
SCOPE OF WORK

I. SCOPE OF WORK

- Contractor agrees to implement the Department of Alcoholic Beverage Control (ABC), Alcohol Policing Partnership program. This program is intended to work with law enforcement agencies to develop an effective, comprehensive and strategic approach to eliminate the crime and public nuisance problems associated with problem alcoholic beverage outlets.

- Contractor agrees to implement ABC’s Minor Decoy, Shoulder Tap Programs and conduct Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections. These programs target both ABC licensed premises and individuals who furnish alcoholic beverages to the underage operators. The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, reduce youth access to alcoholic beverages through the education of licensee(s), enforcement intervention and the impressions of omnipresence of law enforcement. In addition, Contractor agrees to the following goals:

1. The operation period of the grant is July 1, 2023 through June 30, 2024.

2. Contractor agrees to raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.

3. Minor Decoy operations are designed to educate and deter licensed locations from selling/furnishing alcohol to minors. Contractor agrees to conduct Minor Decoy Operations at both “On-Sale” and “Off-Sale” licensed establishments within the operation period of the grant.

4. Shoulder Tap operations are used to detect and deter adult furnishers outside of a licensed business. Contractor agrees to conduct Shoulder Tap Operations at “Off-Sale” licensed locations to apprehend adults that are unaffiliated with the licensed businesses and who are purchasing alcohol for minors outside of the stores within the operation period of the grant.

5. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) primary goal is to educate licensee’s on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at “On-Sale” and “Off-Sale” licensed locations within the operation period of the grant.

II. GOALS AND OBJECTIVES

1. Conduct at least six (6) Minor Decoy operations.

2. Conduct at least four (4) Shoulder Tap operations, including participating in the Statewide operation conducted by ABC.

3. Conduct at least two (2) IMPACT (Informed Merchants Preventing Alcohol-Related Crime Tendencies) operations.
4. Conduct at least two (2) general enforcement operations.

5. Conduct at least one (1) Town Hall meeting with on-sale licensees.


7. Provide press/social media releases on grant enforcement activities.
   A. To announce the start of the program;
   B. At the conclusion of each Minor Decoy Operation has been held (to announce the number of licensed premises who sold to the minor decoy)
   C. At the conclusion of each Shoulder Tap Operation has been held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).

8. Contractor will fax (916) 419-2599 or email each press release to the Department’s Public Information Officer (pio@abc.ca.gov) as soon as it is released.

9. Contractor agrees in all press releases, in addition to any credits the agency wishes to give, will include the following statement: “This project is part of the Department of Alcoholic Beverage Control's Alcohol Policing Partnership.”

Contractor agrees to complete and submit monthly reports, on a format designed and provided by the Department of Alcoholic Beverage Control due no later than 15th of the following month.

III. PROJECT REPRESENTATIVES

The project representatives during the term of this agreement will be:

<table>
<thead>
<tr>
<th>Capitola Police Department</th>
<th>Department of Alcoholic Beverage Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah Ryan, Captain</td>
<td>Brandon Shotwell, Supervising Agent in Charge</td>
</tr>
<tr>
<td>422 Capitola Avenue</td>
<td>3927 Lennane Drive, Suite 100</td>
</tr>
<tr>
<td>Capitola, CA 95010</td>
<td>Sacramento, CA 95834</td>
</tr>
<tr>
<td>(831) 475-4242 ext 239</td>
<td>(916) 419-2329</td>
</tr>
<tr>
<td><a href="mailto:sryan@ci.capitola.ca.us">sryan@ci.capitola.ca.us</a></td>
<td><a href="mailto:Brandon.shotwell@abc.ca.gov">Brandon.shotwell@abc.ca.gov</a></td>
</tr>
</tbody>
</table>

Direct all fiscal inquiries to:

<table>
<thead>
<tr>
<th>Capitola Police Department</th>
<th>Department of Alcoholic Beverage Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Esmeralda Gonzalez, Administrative Analyst</td>
<td>Kristine Okino, Grant Coordinator</td>
</tr>
<tr>
<td>422 Capitola Avenue</td>
<td>3927 Lennane Drive, Suite 100</td>
</tr>
<tr>
<td>Capitola, CA 95010</td>
<td>Sacramento, CA 95834</td>
</tr>
<tr>
<td>(831) 475-4242 ext 223</td>
<td><a href="mailto:Kristine.okino@abc.ca.gov">Kristine.okino@abc.ca.gov</a></td>
</tr>
<tr>
<td><a href="mailto:egonzalez@ci.capitola.ca.us">egonzalez@ci.capitola.ca.us</a></td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

I. INVOICING AND PAYMENT

• For services satisfactorily rendered and upon receipt and approval of the invoice, the Department of Alcoholic Beverage Control agrees to pay a monthly payment of approved reimbursable costs per the Budget Detail of personnel overtime and benefits (actual cost) and/or allowable costs.

• Invoices shall clearly reference this contract number (23-APP07) and must not exceed the contract total authorized amount of $38,002.00. Invoices are to be submitted by the 15th of every month, on the prescribed form designed by the Department of Alcoholic Beverage Control.

Submit to: Department of Alcoholic Beverage Control
Attn: Kristine Okino, Grant Coordinator
3927 Lennane Drive
Sacramento, California 95834

• Payment shall be made in arrears within 30 days from the receipt of an undisputed invoice. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statues of 2023.

• Contractor understands in order to be eligible for reimbursement; cost must be incurred on or after the effective date of the project, July 1, 2023 and on or before the project termination date, June 30, 2024.

• Revisions to the “Scope of Work” and the “Budget Detail” may be requested by a change request letter submitted by the Contractor. If approved, the revised Grant Scope of Work and/or Budget Detail supersedes and replaces the previous grant and will initiate an amendment. No revisions can exceed allotted amount as shown on the Budget Detail. The total amount of the grant must remain unchanged.

• Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.

• Only the costs displayed in the Budget Detail are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.

• Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this grant unless the State otherwise directs.

• Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under this grant in any media.
## II. BUDGET DETAIL

<table>
<thead>
<tr>
<th>COST CATEGORY</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Personnel Services</strong></td>
<td></td>
</tr>
<tr>
<td>Overtime</td>
<td></td>
</tr>
<tr>
<td>3 - Officers ($81.27/hour @ 60 hours)</td>
<td>$14,628.00</td>
</tr>
<tr>
<td>1 - Sergeant ($99.54/hour @ 60 hours)</td>
<td>$5,972.00</td>
</tr>
<tr>
<td>1 - Community Service Ofc. ($61.14/hour @ 48 hours)</td>
<td>$2,935.00</td>
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<tr>
<td>1 - Administrative Analyst ($57.54/hour @ 48 hours)</td>
<td>$2,762.00</td>
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<tr>
<td>Benefits</td>
<td>$9,375.00</td>
</tr>
<tr>
<td><strong>TOTAL Personnel</strong></td>
<td><strong>$35,672.00</strong></td>
</tr>
<tr>
<td><strong>B. Operating Expenses (receipts required)</strong></td>
<td></td>
</tr>
<tr>
<td>Buy Money</td>
<td>$480.00</td>
</tr>
<tr>
<td><strong>TOTAL Operating</strong></td>
<td><strong>$480.00</strong></td>
</tr>
<tr>
<td><strong>C. Equipment (receipts required, must be purchased by 12/31)</strong></td>
<td></td>
</tr>
<tr>
<td>n/a</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTAL Equipment</strong></td>
<td><strong>$0.00</strong></td>
</tr>
<tr>
<td><strong>D. Travel Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Hotel, per diem, registrations</td>
<td>$1,850.00</td>
</tr>
<tr>
<td><strong>TOTAL Travel</strong></td>
<td><strong>$1,850.00</strong></td>
</tr>
<tr>
<td><strong>GRANT TOTAL</strong></td>
<td><strong>$38,002.00</strong></td>
</tr>
</tbody>
</table>
III. BUDGET CONTINGENCY CLAUSE

- It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

- If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

IV. PROMPT PAYMENT CLAUSE

- Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.
EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract’s benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours’ notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2,§11105.)

The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. **CERTIFICATION CLAUSES:** The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. **TIMELINESS:** Time is of the essence in this Agreement.

13. **COMPENSATION:** The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. **GOVERNING LAW:** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. **ANTITRUST CLAIMS:** The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of $100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. **PRIORITY HIRING CONSIDERATIONS:** If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. **SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:**

   a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

   b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. **LOSS LEADER:** If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. Disputes: Any disputes concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision in writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director of the Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.

2. Cancellation/Termination: This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.

3. Contract Validity: This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2023, for the purposes of this program.

4. Contractor Certifications: By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at: https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language

5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity and/or cancel the agreement.
RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ACCEPTING A STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC) GRANT IN THE AMOUNT OF $38,002 AND AMENDING THE FY 2023-24 BUDGET, INCREASING BOTH REVENUES AND EXPENDITURES BY $38,002.

WHEREAS, the State of California Department of Alcoholic Beverage Control (ABC) has awarded the Capitola Police Department a grant; and

WHEREAS, a budget amendment must be enacted before funds can be accepted and expended for their intended and legally mandated purposes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola hereby accepts a State of California Department of Alcoholic Beverage Control (ABC) Grant for $38,002, and authorizes an amendment to the FY 2023-24 budget by increasing both revenues and expenditures by $38,002 as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2023-24 Budget Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Grant Revenue</td>
<td>$ 38,002</td>
</tr>
<tr>
<td>Use of Funds:</td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$ 35,672</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 480</td>
</tr>
<tr>
<td>Equipment and Supplies</td>
<td>$ 0</td>
</tr>
<tr>
<td>Training and Travel</td>
<td>$ 1,850</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the Finance Department shall record these changes into the City's accounting records in accordance with appropriate accounting practices.

BE IT FURTHER RESOLVED that these grants will be expended pursuant to the conditions of the grant agreement.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 24th day of August, 2023, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST: 

Margaux Keiser, Mayor

Julia Moss, City Clerk
City of Capitola Budget Adjustment Form

Date: 8/15/2023
Requesting Department: Police

Administrative Council: [X]

Item #: TBD
Council Date: 8/24/2023
Council Approval: TBD

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Account Description</th>
<th>Increase/Decrease</th>
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</thead>
<tbody>
<tr>
<td>1000-20-20-0200-3320.100</td>
<td>State Grants</td>
<td>38,002</td>
</tr>
</tbody>
</table>

Total: 38,002

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Account Description</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000-20-20-000-4130.200</td>
<td>Overtime-Grant Funded</td>
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<tr>
<td>1000-20-20-000-4400.100</td>
<td>Training Registration/Material</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Total: 38,002

Net Impact: -

Purpose: FY 2023-24 Alcohol Policing Partnership Program Grant

Department Head Approval: [Signature]
Finance Department Approval: [Signature]
City Manager Approval: [Signature]
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Police Department
Subject: Purchase Police Motorcycle

Recommended Action: Authorize the Police Department to purchase a replacement motorcycle in an amount not to exceed $34,000; and adopt a resolution amending the Fiscal Year 2022-23 Budget in the amount of $34,000.

Background: City Council authorization is required for the purchase/sale/trade of all City vehicles. City staff is recommending the purchase and reallocation of the following vehicles.

1) Purchase a 2023 BMW R1250RT (450 miles) from Long Beach BMW Motorcycles; and
2) Reallocation the 2016 BMW R1200RT (30,420 miles) into a training motorcycle.

Discussion: To assure proper response times, preserve our efficiency levels, ensure officer safety, and maintain a professional appearance, the Police Department works with the Public Works Department to replace police vehicles when they are damaged or have reached the end of their useful life.

In June of 2023, a City-owned 2016 R1200 RT BMW motorcycle was involved in a non-injury collision resulting in the vehicle being towed away for assessment and repair. The motorcycle was accessed by San Jose BMW and the initial bid for repair, not including labor, is $22,348.73. This motorcycle was purchased by the City in 2016 and was deployed for patrol purposes and traffic enforcement. The parts and labor to return this vehicle to an operations-ready asset exceed the value of the motorcycle and staff recommends it be downgraded to a training motorcycle.

Staff sourced quotes from three dealerships carrying BMW motorcycles equipped with emergency response package. The lowest quote received was from Long Beach BMW. The motorcycle is a showroom model 2023 BMW R1250 RT (450 miles) that is fully equipped with emergency response lights for $29,405. This motorcycle is ready for patrol operations and can be immediately deployed into the field. The total price, including tax, license, 7-year warranty, and delivery fees, is $33,751.49. For comparison, the City purchased the same motorcycle for over $45,000 in 2022.

BMW motorcycles are high-quality motorcycles that are used by many law enforcement agencies for the effective deployment of police personnel. The purchase of this motorcycle will maintain proper response times, preserve Department efficiency, and ensure the Police Department can maintain high safety standards in Capitola.

Fiscal Impact: Staff requests funding not-to-exceed $34,000 to be taken from the Equipment Internal Service Fund to purchase a vehicle from Long Beach BMW Motorcycles. The Equipment Internal Service Fund has an estimated available fund balance of $600,000. The repair of the 2016 R1200 RT BMW motorcycle will be conducted by City staff.

Attachments:
1. Long Beach BMW Motorcycles purchase agreement
2. San Jose BMW parts quote
3. Budget Amendment

Report Prepared By: Andrew Dally, Chief of Police
Reviewed By: Jim Malberg, Finance Director, Julia Moss, City Clerk
Approved By: Jamie Goldstein, City Manager
LONG BEACH BMW MOTORCYCLES
2125 E. SPRING STREET
LONG BEACH CA 90806
562-426-1200

CITY OF CAPITOLA
422 CAPITOLA AVE.
capitola, CA 95010
H C 831-475-4242

Buyer's Order

Date

Deal No. 9266
Salesperson CHARLES BERTHON
Lienholder No Lien Holder

I hereby agree to purchase the following unit(s) from you under the terms and conditions specified. Delivery is to be made as soon as possible. It is agreed, however, that neither you nor the manufacturer will be liable for failure to make delivery.

Unit Information

<table>
<thead>
<tr>
<th>New/U</th>
<th>Year</th>
<th>Make</th>
<th>Model</th>
<th>Serial No.</th>
<th>Stock No.</th>
<th>Price (incl. factory options)</th>
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<td>2023</td>
<td>BMW</td>
<td>R 1250 RTP</td>
<td>WB10L0308PS64945</td>
<td>6G64945</td>
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Options:

- Dealer Unit Price $29,405.82
- Factory Options $0.00
- Added Accessories $0.00
- Freight $0.00
- Dealer Prep $0.00
- Tire Fee $3.50
- Service Contract $1,570.00
- CVR Registration $33.00

Cash Price $31,012.32
Trade Allowance $0.00
Payoff $0.00
Net Trade $0.00
Net Sale (Cash Price - Net Trade) $31,012.32
Sales Tax $2,654.17
Title/License/Registration Fees $0.00
Document or Administration Fees $85.00
Credit Life Insurance $0.00
Accident & Disability $0.00

Total Other Charges $2,739.17
Sub Total (Net Sale + Other Charges) $33,751.49
Cash Down Payment $0.00

Amount to Pay/Finance $33,751.49

Monthly Payment of $33,751.49 For 1 Months at 0.00% Interest

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

TRADE-IN NOTICE: Customer represents that all trade in units described above are free of all liens and encumbrances except as noted.

*With Approved Credit. Interest rates and monthly payment are approximate and may vary from those determined by the lender.

Customer Signature ____________________________ Dealer Signature ____________________________

Thank You for Your Business!
Repair Order
Due: $22,348.73

Doc Number: 275004
Service Writer: Randy MacAulay
Date Printed: 07/07/2023
Date Promised: 07/05/2023

Customer Information
Home Phone: 831-428-9063
Cell Phone: 831-265-3306
Email: GCUZICK@ci.capitola.ca.us

Summary

<table>
<thead>
<tr>
<th>Approve</th>
<th>Decline</th>
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<th>Job</th>
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<tr>
<td></td>
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<td>2016 BMW R1200RT-P</td>
<td>BIKE TOWED IN 7/5 FRONT END IMPACT</td>
<td>$0.00</td>
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<tr>
<td></td>
<td></td>
<td>2016 BMW R1200RT-P</td>
<td>INSURANCE DAMAGE ESTIMATE</td>
<td>$20,472.36</td>
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</table>

Job Subtotal: $20,472.36
Job Parts Subtotal: $20,014.66
Job Labor Subtotal: $457.70
Tax: $1,876.37
Total: $22,348.73
Less Deposits: $0.00
Total Due: $22,348.73

BAR # AM175941
Set Tire Pressures to Factory Specifications: F __________ R __________

I hereby authorize the repair work to be done, along with the necessary material, and hereby grant you and/or your employees permission to operate the vehicle herein described, on streets, highways or elsewhere for the purpose of testing and/or inspection. An express mechanic's lien is hereby acknowledged on vehicle to secure the amount of repairs therefor. Dealer is not responsible for unavailability of parts or delays in parts shipments beyond dealer's control. All customer returned/canceled parts are subject to a restocking fee. DEALER IS NOT RESPONSIBLE FOR LOSS OR DAMAGE TO VEHICLES OR ARTICLES LEFT ON OR IN VEHICLE IN CASE OF FIRE, THEFT, OR ANY OTHER CAUSE BEYOND OUR CONTROL.

I DO______ DO NOT ______ WANT MY OLD PARTS BACK.

SONG-BEVERLY WARRANTY ACT
THE FOLLOWING APPLIES TO CALIFORNIA MOTORCYCLE OWNERS WHERE REPAIRS INVOLVE INSTALLATION OF MOTORCYCLE PARTS: A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws.

To cover the cost of credit card acceptance, we pass on a 3.5% credit card fee. This is not more than the cost of accepting these cards. There is no fee for debit cards.

Thank you for choosing San Jose BMW, the Bay Area's #1 BMW Motorcycle Dealer!
BIKE TOWED IN 7/5 FRONT END IMPACT

Description:

INSURANCE DAMAGE ESTIMATE

Description: SARAH @ CAPITOLA PD 831-239-8997
SEND DAMAGE ESTIMATE TO SARAH WHEN COMPLETE

DAMAGE ESTIMATE SHOULD INCLUDE:
ALL INSURANCE INFORMATION, INCLUDING CLAIM NUMBER, AND INSURANCE ADJUSTERS CONTACT INFO.

*STORAGE FEE OF $150 PER DAY BECOMES ACTIVE ONCE ESTIMATE HAS BEEN COMPLETED**

Resolution: Tech completed full repair estimate and a fault code scan

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<tr>
<th>Part #</th>
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<th>Discount</th>
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Job Subtotal $0.00

Approve: ☑ Decline: ☐
<table>
<thead>
<tr>
<th>Part #</th>
<th>Qty</th>
<th>Description</th>
<th>Price</th>
<th>Discount</th>
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<tbody>
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**Parts Subtotal** $20,014.66

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<td>DAMAGE ESTIMATE/ TEAR DOWN</td>
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**Labor Subtotal** $457.70

**Job Subtotal** $20,472.36

| Approve: ☐ | Decline: ☐ |

**All Jobs Subtotal**: $20,472.36

| Tax:          | $1,876.37 |
| Total:        | $22,348.73|

**Less Deposits**: $0.00

**Total Due**: $22,348.73
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE 2023-24 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET

WHEREAS, it is necessary to adopt the 2023-24 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council conducted budget study sessions, heard and considered public comments, had modified and proposed a budget accordingly, and on June 22, 2023, adopted such budget for the Fiscal Year July 1, 2023, through June 30, 2024; and

WHEREAS, since the adoption of the budget one of the Police Department motorcycles was involved in a non-injury collision causing significant damage and making it inoperable; and

WHEREAS, it is necessary to amend the Fiscal Year 2023-24 Adopted Budget to include the $34,000 for the replacement of the damaged motorcycle; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2023-24 Fiscal Year Budget is hereby amended, including Exhibit A (Budget Amendment) to this Resolution; and

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

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 24th day of August 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________
Marguax Keiser, Mayor

ATTEST:

_____________________
Julia Moss, City Clerk
City of Capitola Budget Adjustment Form

Date: 8/17/2023

Requesting Department: Police

Administrative Council: [X]

Item #: TBD

Council Date: 8/24/2023

Council Approval: 

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Net Impact: (34,000)

Purpose: Purchase of BMW Police Motorcycle

Department Head Approval

Finance Department Approval

City Manager Approval
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Finance Department
Subject: City Investment Policy Amendment

Recommended Action: Approve changes to Administrative Policy Number III-1: Investment Policy, as recommended by the Finance Advisory Committee.

Background: California Government Code §53630 et seq. contains State requirements for the deposit of City funds. Government Code §53635 requires all money belonging to, or in the custody of, a local agency be deposited in certain allowable instruments. The current Investment Policy was approved by the City Council on August 9, 2001, by adoption of Resolution No. 3149, affirming the City's Investment Policy. This resolution was then incorporated into the City's Administrative Policies. California Government Code requires a city to annually review its investment policy.

Discussion: The California Debt and Investment Advisory Committee annually updates the Local Agency Investment Guidelines which lists the allowable investment options for local public agencies. The City's current investment policy is considered conservative, permitting the City to invest in five of the twenty-five investment instruments allowable by California Government Code.

The City's FY 2023-24 Investment Policy was confirmed by the City Council on May 11, 2023. Since that time, staff has met with Santa Cruz County Bank to discuss products and services that they can offer, including keeping City funds invested in the local community. The City’s Investment Policy states that the investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council.

At the August 15, 2023, Finance Advisory Committee (FAC) meeting, the City Treasurer presented suggested revisions to the investment policy for consideration. Understanding the order of importance, the investment policy shall:

1. Provide for the safety of the funds;
2. Assure the liquidity of the funds; and
3. Acquire earnings of the funds.

Amending the Investment Policy would allow the City to participate in the IntraFi Networks Deposits for Public Funds program with Santa Cruz County Bank as the selected depository institution. The City would deposit funds with Santa Cruz County Bank who would then invest those funds with other financial institutions in $250,000 amounts or less to maintain FDIC Insurance on those invested funds. Those financial institutions in turn would invest an equal amount with Santa Cruz County Bank essentially keeping the City's investment dollars working within the local economy while maintaining the order of priorities of safety, liquidity, and yield. The suggested revisions are as follows:

- Add Placement Service Deposits
- Add Placement Service Certificates of Deposit
Following a discussion on the suggested revisions, the FAC recommended approval of all changes to the Investment Policy. The amended Investment Policy and City's investment portfolio continue to comply with all applicable state law requirements.

Fiscal Impact: None. The City has approximately $10 million deposited and invested with the California Local Investment Agency (LAIF) managed by the State Controller’s Office and currently earning a little over 3% monthly. Santa Cruz County Bank will match the LAIF monthly interest rate. If approved, staff would move a portion of the deposits at LAIF to Santa Cruz County Bank and investment returns would remain unchanged, however the amended Investment Policy will provide a vehicle for the City’s funds to be invested locally.

Attachments:

1. Administrative Policy Number III-1, Investment Policy

Report Prepared By: Jim Malberg
Reviewed By: Julia Moss, City Clerk; Samantha Zutler, City Attorney
Approved By: Jamie Goldstein, City Manager
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING ADMINISTRATIVE POLICY III-I – INVESTMENT POLICY

WHEREAS, on May 9, 1996, the City Council adopted resolution number 2788 governing the investment of cash held in the City Treasury; and

WHEREAS, on August 9, 2001, adopted resolution number 3149 amending and affirming the City’s Investment Policy; and

WHEREAS, the City Council has annually confirmed the City’s investment policy as part of the annual budget adoption process each year since 2001; and

WHEREAS, the City Council has approved amending the investment policy to include Placement Deposits and Placement Certificates of Deposit; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola hereby approved Administrative Policy III-I – Investment Policy as shown on Exhibit A to this resolution; and

BE IT FURTHER RESOLVED that the City Treasurer is directed to invest cash held in the City Treasury in accordance with the City’s Investment Policy.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 24th day of August 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____________________
Margaux Keiser, Mayor

ATTEST:

____________________
Julia Moss, City Clerk
ADMINISTRATIVE POLICY

INVESTMENT POLICY

The policy for the investment of public funds shall at all times conform, by law, to Section 53601, et seq., of the California Government Code. In order of importance, the investment policy shall:

1. Provide for the safety of the funds
2. Assure the liquidity of the funds
3. Acquire earnings of the funds

This investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council and copies made available upon request.

The Treasurer's investment portfolio contains pooled investments of funds by both the City and of benefit assessment districts within the City. The earnings from pooled investments are shared proportionately with each investor.

City investment funds shall only be invested in the following permitted investments:

1. State of California Local Agency Investment Fund
2. U.S. Treasury Obligations
4. Negotiable Certificates of Deposit
5. Placement Service Deposits
6. Placement Service Certificates of Deposit
7. Guaranteed Investment Contracts (GIC) of AAA quality, for a term not to exceed fifteen (15) months*

The following limitations shall apply to permitted investments:

T-Bills: Total dollar investment not to exceed 60% of total portfolio at time of investment.

Certificates of Deposit:

A. Total dollar investment not to exceed 30% of total portfolio at time of investment.
B. Maturity date of securities shall not be more than five years from date of purchase.
C. Issuer must be FDIC insured and not more than $250,000 may be invested into any one bank to ensure FDIC insurance on all invested funds.

City funds placed in a qualified Other Post Employment Benefit (OPEB) Trust Fund for retiree healthcare can be invested in accordance with Government Codes 53620-53622.

Jim Malberg, City Treasurer
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: City Manager Department
Subject: Capitola Wharf Enhancement Project Fundraising Partnership

Recommended Action: Adopt a resolution outlining expectations and understanding between the City and the community-led fundraising campaign for the Capitola Wharf Enhancement Project and approve a donor recognition policy for wharf enhancements.

Background: Phase 1 of the Wharf Resiliency and Public Access Improvement Project (Wharf Resiliency Project) was completed in 2021. Phase 2 of the Project, inclusive of storm damage repairs, was approved by the City Council on May 11, 2023, with construction anticipated to begin in late September.

In addition to the Wharf Resiliency Project, volunteer community members have joined together to raise private donations for a new Capitola Wharf Enhancement Project (CWEP). The CWEP project is intended to add new and upgraded amenities to Capitola Wharf to enhance the facility for community use.

In May 2023, the City entered a contract with RRM Design Group to determine and design the scope of CWEP, based on community and City Council feedback. A CWEP community meeting was held on June 7, and on June 8 the City Council approved an Agreement with Wharf-to-Wharf Race nonprofit organization for an official fundraising campaign to benefit CWEP. The City Council approved the project's preliminary conceptual plan on July 27, 2023.

Discussion:

**CWEP Project Scope**

Staff has coordinated with stakeholders to further refine the components of the project based on City Council input. Some modifications are necessary for the imagery to be used for fundraising purposes, as well as the addition of certain features, while maintaining the overall integrity of the project. The revised imagery for the project will be made available at a later date.

The final CWEP scope (Exhibit A to the Resolution) includes elements that are intended to be part of the CWEP fundraising efforts, as well as items that have the potential to be funded by external parties. It also highlights currently unfunded items.

**CWEP Fundraising Components**

- Artistic Features: improved entry gate, mosaic art, donor feature, scavenger hunt
- Educational Features: sightseeing binoculars, historical timeline signage
- Visitor Amenities: fish cleaning station, benches, tables with shade structures, enhanced light structures, trash receptacles, water filling station with foot wash

The Wharf Resiliency Project already included some improvements to the entry gate, lighting, and benches, but not to the extent proposed in the CWEP project. Funding from the Wharf Resiliency Project will be coupled with funds raised by CWEP to cover the costs of those wharf enhancements.

**Components Funded by Others**

- Marine Sanctuary Interpretive Panels
- Sur rounding Area Plaque/Signage

Staff is currently pursuing funding for new interpretive signs. Those funding sources generally include money to develop and fabricate interpretive panels, but not funding for the structure on which the panels are mounted. The CWEP project includes funding for some artistic interpretive panel mounts, but not an interpretive kiosk.
**Unfunded Components**

- Entrance Improvements: Entrance Pavers and Medallion, Wharf Road Entry Pillar and Paver Improvements, Landscaping
- Visitor Amenities: Kiosk for Interpretive panels, Additional Bike Racks
- Additional Structures: Lifeguard Jet Ski Storage, Shower

**Fundraising Partnership Resolution**

The Wharf-to-Wharf Race nonprofit organization is responsible for managing the funds raised for CWEP consistent with the June 8, 2023 agreement. However, the majority of fundraising efforts are being driven by a dedicated group of community volunteers.

Staff recommends the City Council consider adopting the proposed resolution (Attachment 1). This resolution will establish transparent expectations and mutual understanding between the City and the CWEP Group. The resolution outlines the agreement that the CWEP Group will undertake fundraising efforts, with an estimated target of $250,000 specifically designated towards the CWEP funded components of the project (designated in Exhibit A to the resolution). In the event that fundraising falls short or exceeds the $250,000 goal, the resolution stipulates the City will engage in discussions with the CWEP Group to assess project scope and funding options.

**Donor Recognition Administrative Policy**

The proposed administrative policy (Attachment 3) outlines various available donor recognition opportunities. All donors will be publicly recognized as described below.

Recognition on donor feature:

- Donation of $1,000 or more

Naming opportunities: Major donors will be recognized on the following features and the donor feature:

- 4 Viewing Stations
- 10 Light fixtures
- 1 Fish Station

**Fiscal Impact:** None as proposed.

**Attachments:**

1. Draft resolution
2. CWEP Scope
3. Draft naming policy

**Report Prepared By:** Jessica Kahn, Public Works Director; Chloé Woodmansee, Assistant to the City Manager

**Reviewed By:** Julia Moss, City Clerk

**Approved By:** Jamie Goldstein, City Manager
RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA FORMALIZING A FUNDRAISING PARTNERSHIP WITH THE CAPITOLA WHARF ENHANCEMENT PROJECT GROUP

WHEREAS, the Capitola Wharf Resiliency and Public Access Improvement Project (Wharf Resiliency Project) is slated to begin construction in fall 2023 that will repair the Capitola Wharf and construct improvements to make it more resilient to future storms; and

WHEREAS, the City has budgeted funding and entered into a contract to complete the Wharf Resiliency Project; and

WHEREAS, the local community joined together to form a leadership group determined to raise money for aesthetic and material upgrades to the Capitola Wharf alongside the Wharf Resiliency Project; and

WHEREAS, this local community group proposed the Capitola Wharf Enhancement Project (CWEP) and commits to raising funds to pay for such a project;

WHEREAS, this local community group is known as the CWEP Group; and

WHEREAS, on June 8, 2023, the City entered an agreement with Wharf to Wharf Race regarding the Capitola Wharf Enhancement Project Fundraising Campaign, and in the agreement, the City and Wharf to Wharf Race agreed to work together with interested community organizations to raise funds to support CWEP; and

WHEREAS, the CWEP Group is committed to a fundraising target goal of $250,000; and

WHEREAS, the City shares in the goal of installation and/or construction of Wharf Enhancements in conjunction with the Capitola Wharf Resiliency Project; and

WHEREAS, CWEP agrees to raise funds for the project components described as “Total CWEP Fundraising Components” identified in Exhibit A (CWEP Funded Project); and

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Capitola that the City hereby agrees.

1. Should CWEP raise more funds than necessary to complete the CWEP Funded Project, the City agrees to meet with CWEP and identify other opportunities for Wharf enhancements.

2. Should CWEP not meet funding goals, the City agrees to meet with CWEP and evaluate options to either increase project funding, or reduce the scope of the CWEP Funded Project.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 24th day of August, 2023, by the following vote:

AYES:

NOES:

ABSENT:
ABSTAIN:
### Capitola Wharf Enhancement Project Cost Estimate - Attachment A

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity</th>
<th>Cost Estimate (unit)</th>
<th>CWEP Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Gate and Artistic Features*</td>
<td>1</td>
<td>$25,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Mosaic Art - location TBD</td>
<td>4</td>
<td>$7,500</td>
<td>$30,000</td>
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<tr>
<td>Sightseeing binoculars</td>
<td>4</td>
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<td>$20,000</td>
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<tr>
<td>Historic Sign</td>
<td>1</td>
<td>$6,000</td>
<td>$6,000</td>
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<tr>
<td>Lighting Standards*</td>
<td>10</td>
<td>$4,000</td>
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<tr>
<td>Donor Feature</td>
<td>1</td>
<td>$25,000</td>
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<td>1</td>
<td>$7,000</td>
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</tr>
<tr>
<td>Decorative linear art feature - scavenger hunt</td>
<td>40-60</td>
<td>$100</td>
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</tr>
<tr>
<td>Benches*</td>
<td>25</td>
<td>$2,000</td>
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</tr>
<tr>
<td>Tables with Shade Structures</td>
<td>3</td>
<td>$10,000</td>
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</tr>
<tr>
<td>Trash Receptacles</td>
<td>10-15</td>
<td>$1,500</td>
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</tr>
<tr>
<td>Water filling station with foot wash</td>
<td>1</td>
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</tr>
<tr>
<td><strong>Total CWEP Fundraising Components</strong></td>
<td></td>
<td></td>
<td><strong>$233,500</strong></td>
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</tbody>
</table>

**Funded By Others**

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<tr>
<th>Component</th>
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<tbody>
<tr>
<td>Marine Sanctuary Interpretive Panels</td>
<td>1</td>
<td>TBD</td>
<td>---</td>
</tr>
<tr>
<td>Surrounding Area Plaque/Signage</td>
<td>1</td>
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</table>

**Unfunded**

<table>
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*Net cost including funding in Wharf Resiliency Project
**Based on Preliminary Estimate
### Capitola Wharf Enhancement Project Scope and Cost Estimate

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*Net cost including funding in Wharf Resiliency Project

**Based on Preliminary Estimate
CAPITOLA WHARF ENHANCEMENT PROJECT
DONOR RECOGNITION

I. PURPOSE/POLICY

To establish a policy and procedure for Wharf Enhancement Project donor recognition on the Capitola Wharf. Sponsorship opportunities provide resources to meet strategic fundraising objectives. This policy establishes the procedure by which the City will name components of the Wharf as requested by donors, consistent with the schedule included below.

If within 10 years of installation, the elements are upgraded or modified then the donor recognition will be carried forward in a similar capacity, as determined by the City in consultation with Major Sponsors, as feasible.

If within 10 years of installation, the wharf is closed, deconstructed, destroyed, severely damaged or undergoes an end-of-life renovation, then the donor recognition will cease.

III. PROCESS

Donor Recognition & Sponsorship Opportunities

<table>
<thead>
<tr>
<th>Space</th>
<th>Required Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Donor” element or design feature</td>
<td>All donations of $1,000 or more, unless donor requests anonymity</td>
</tr>
<tr>
<td>Major Sponsorship Opportunities:</td>
<td>As determined by CWEP group</td>
</tr>
<tr>
<td>4 Viewing Stations</td>
<td></td>
</tr>
<tr>
<td>10 Light fixtures</td>
<td></td>
</tr>
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</tbody>
</table>

Fundraising & Donor Recognition: The CWEP volunteer group (CWEP Group) shall coordinate the fundraising campaign and donor recognition effort. The CWEP Group shall determine donation amounts required for Major Sponsorship Opportunities and other project components.

All donors, including Major Sponsors (those who donate an amount qualifying as a “Major Sponsor,” will be recognized on the donor element (or other design feature)). Only Major Sponsors may be indicated with a sign on the corresponding element.

This Policy is Approved and Authorized by:

Jamie Goldstein, City Manager
Capitola Wharf Enhancement Project Fundraising Partnership

City Council
August 24, 2023

Item 9 A.
Wharf Resiliency and Public Access Project

- Expansion and Resiliency
- Maintenance
- Storm Damage Repair
- Public Access Improvements

Capitola Wharf Enhancement Project

- Independent Project
- Funded by private donations
- New and upgraded amenities
July 27th Council Review of Draft Conceptual Design

Refined project scope

• City Council input
• Projected fundraising - $250,000

Final Scope

• CWEP Funded
• Funded by others
• Unfunded
Artistic Features: improved entry gate, mosaic art, donor feature
CWEP Fundraising Partnership

Final Scope – CWEP Funded

Educational Features: sightseeing binoculars, historical timeline signage
Visitor Amenities: fish cleaning station, enhanced light structures, water filling station with foot wash
Visitor Amenities: benches, tables with shade structures, trash receptacles
## Final Scope – CWEP Funded Summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tbody>
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<td><strong>Total CWEP Fundraising Components</strong></td>
<td><strong>$233,500</strong></td>
</tr>
</tbody>
</table>
CWEP Fundraising Partnership

Final Scope – Funded by Others

Marine Sanctuary Interpretive Panels

Surrounding Area Plaque/Signage
Final Scope – Unfunded

Entrance Improvements, Wharf Road Entry Improvements, Landscaping
Visitor Amenities: Kiosk for Interpretive panels, Additional Bike Racks
CWEP Fundraising Partnership
Final Scope – Unfunded

Additional Structures: Lifeguard Jet Ski Storage, Shower
# CWEP Fundraising Partnership

## Final Scope – Unfunded Summary

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiosk for Interpretive Panels</td>
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<td><strong>Total Unfunded</strong></td>
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</tbody>
</table>
CWEP Fundraising Partnership
Fundraising Partnership Resolution

June 2023 Wharf 2
Wharf Agreement

Resolution

• CWEP Group fundraising efforts specifically designated towards the CWEP funded components of the project
• City/CWEP to assess project scope and funding options if fundraising falls short or exceeds goal
Recognition on donor feature for donations of $1,000

Major donors will be recognized on donor feature and

- 4 Viewing Stations
- 10 Light fixtures
- 1 Fish Station

Maintenance

- Reasonable efforts to maintain for 20 years
- Recognition will cease if closed, deconstructed, destroyed, etc.
Recommendation

Adopt a resolution outlining expectations and understanding between the City and the community-led fundraising campaign for the Capitola Wharf Enhancement Project and approve a donor recognition policy for wharf enhancements.
Additional Slides

• Wharf Budget
• Wharf Bid
# Capitola Wharf Resiliency Project

## Budget

### Funding Source

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<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Measure F</td>
<td>$3,350,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>$750,000</td>
</tr>
<tr>
<td>CCC Grant</td>
<td>$1,900,000</td>
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<tr>
<td>HUD Grant</td>
<td>$3,500,000</td>
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<tr>
<td>Insurance</td>
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<tr>
<td><strong>Total Project Funding</strong></td>
<td><strong>$10,500,000</strong></td>
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</table>

### Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Moffat and Nichol (including proposed amendment)</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Phase 1 Construction - Power Engineering</td>
<td>$500,000</td>
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<tr>
<td><strong>Total Incurred Expenses</strong></td>
<td><strong>$1,600,000</strong></td>
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### Available funds

<table>
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<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Phase 2 Construction Estimate with bid alternative items</td>
<td>$8,900,000</td>
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### Capitola Wharf Resiliency Project

#### Bids and Additional Funding

<table>
<thead>
<tr>
<th>Project Funding</th>
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<tbody>
<tr>
<td>FY23-24 CIP</td>
<td>$ 8,900,000</td>
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<tr>
<td>CalOES (2023)</td>
<td>$ 500,000</td>
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<tr>
<td><strong>Total Funding</strong></td>
<td>$ 9,400,000</td>
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<td>Bid Price – Cushman Contracting</td>
<td>$ 7,742,230</td>
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<tr>
<td><strong>Excess Funding</strong></td>
<td>$ 1,657,770</td>
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<table>
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<tr>
<th></th>
<th>21%</th>
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</thead>
</table>

Item 9 A.
CAPITOLA WHARF ENHANCEMENT PROJECT
WHY

The Wharf is the most iconic part of Capitola with a rich history

Support for the wharf spans years, proven again in 2018 when Measure F was approved with 81% of the vote to help rebuild the wharf

The wharf destruction from the January 5th storm was devastating to many people statewide

There was a huge outcry from the community to work with the city to “Build it Back Better”
OUR MISSION

Mission: The Capitola Wharf Enhancement Project will raise funds to enhance the rebuilt Capitola Wharf.

Goal: Our goal is to provide funding to help create a welcoming destination that celebrates the rich history and natural beauty of Capitola, while also promoting economic growth and recreational inclusivity.

In collaboration with the City of Capitola, we are committed to working with residents, businesses, and local organizations to ensure the Wharf remains a cherished gathering place and a source of pride for generations to come.
CWEP OUTREACH

- 1039 Survey responses
- Over 65 community members attended community meeting
- Partnership with Wharf to Wharf Race
- Informational table at Wednesday night evening concerts
- Informational table at Wharf to Wharf Race
- Instagram site
- Website
- Volunteer solicitation through multiple platforms
COMMUNITY OUTREACH
WHAT WE HEARD

Better Seating
Better Lighting
Shaded Areas
More Family Oriented
Shower
Intuitive Signage

Water Drinking Station
Keep The Iconic Look
Artistic Features
Enhanced Fish Cleaning Station
Viewing Stations

Item 9 A.
THE CITY WHARF RESILIENCY PROJECT SUMMARY

● Structural upgrades as needed
● Repair, replace and add additional pylons
● Replace decking
● Replace railings
● Replace damaged and missing items, such as benches and light standards
SUMMARY OF THE COMMUNITY’S NEW VISION

- Replace all old lighting standards so they match
- Replace all old benches so they match
- Replace all old disposal cans
THE COMMUNITY’S NEW VISION CONTINUED

- Fish scavenger hunt
- Viewing stations
  - ADA accessible
  - Usable for all ages
  - Educational opportunities for youth
- Children/family mosaic art in locations
  - Community engagement opportunity
  - Building on the success of the “Sea Wall Tile Project”
  - Community ownership
- Shade/tables
  - ADA accessible
Item 9 A.
Our goal is to raise $250,000

Soft donation phase of the campaign is completed - Raised over $125,000

Once we receive final direction from the city council, the second phase of the campaign will start
APPRECIATION

- The AMAZING Community
- City Council
- City Staff
- Wharf 2 Wharf
- KSBW Channel 8
- Santa Cruz Sentinel
- Lookout Santa Cruz
- Capitola Soquel Times
- Santa Cruz Local
- Capitola Soquel Chamber
Support and Learn More

www.capitolavillage.com/wharf
Capitola City Council
Agenda Report
Meeting: August 24, 2023
From: Police Department
Subject: Octoberfest Event Permit

Recommended Action: Consider approving a new single-day General Special Event Permit on October 14, 2023, for a Capitola Village benefit concert to fundraise for the Capitola Wharf Enhancement Project.

Background: In 2002, the City Council approved Resolution No. 3202, adopting a special event permit program and fee schedule. The purpose of the program was to provide regulations and guidelines for special events occurring within the City limits and to recover costs associated with those events. Special events are divided into two categories: general special events and minor special events. General special events are those with more than 200 attendees or notable impacts on City services or a neighborhood. Minor special events are activities with fewer than 200 people and limited impacts. Minor special events can be approved by the City Manager, while all applications for new general special events must be presented to the City Council for review and consideration.

This past winter, the City of Capitola and the entire Santa Cruz County experienced a series of major winter storm events that resulted in flooding and significant damage to local Capitola businesses and residents. To date, the Finance Director has submitted damage estimates above $2,600,000 in lost City assets, including Capitola Wharf.

In response to the winter storms, the City partnered with the Community Foundation Santa Cruz County (CFSSC) to coordinate fundraising efforts for Capitola Village and Soquel Village. According to their website, CFSSC has already issued $510,000 in disaster grants. With the outpouring of support and volunteer requests, the City and Capitola Wharf and Business Improvement Agency (BIA) hosted a "Beyond the Flood" benefit concert in Capitola Village on February 18, 2023. That event raised over $30,000 and helped fund recovery events have been well received by the community.

To continue with these recovery efforts, the BIA has partnered with the Capitola Wharf Enhancement Project (CWEP) and applied for a one-day fundraising event for the enhancement project at Capitola Wharf. The BIA has requested a new General Special Event Permit be issued for an afternoon event at Esplanade Park consisting of four live bands. The scheduled date and time for this event is Saturday, October 14, 2023, from noon until 8:00 PM. The concert will be free and open to the public with a small beer garden to raise funds for CWEP.

Discussion: The applicant has applied for a one-day General Special Event Permit for Saturday, February 18, 2023, from 12:00 pm – 8:00 pm. The event encompasses a benefit concert at Esplanade Park to include four bands. Sierra Nevada Brewery has generously donated a concession trailer and beer to be sold for proceeds. This event will be similar to City-sponsored Twilight Concerts and will be modeled after the Beyond the Flood benefit concert, to include a small beer garden.

The anticipated attendance is between 1,000 to 3,000 persons for this 7-hour event. The Police Department can assist with the limited road closures and will be on foot patrol during the event. This event would be free and open to the public. Patrons would be encouraged to find alternative modes of transportation and a bicycle parking lot will be set up. Attendees would be encouraged to visit all merchants and local restaurants in the Village.

The event coordinator has completed all of the necessary paperwork and has partnered with the BIA, CWEP, and the Capitola Soquel Chamber of Commerce, for drink ticket sales and distribution.
Fiscal Impact: There is no fiscal impact. Insurance and other incidentals will be purchased and provided by the event coordinator.

Attachments:

1. 2023 SE Permit Application – Fundraiser for CWEP, October 14, 2023

Report Prepared By: Sarah Ryan, Administrative Police Captain
Reviewed By: Julia Moss, City Clerk; Samantha Zutler, City Attorney
Approved By: Jamie Goldstein, City Manager
**SPONSORING ORGANIZATION AND APPLICANT INFORMATION**

- Event Name: **Fund Ra..**
- Event Description: Bands and Beer Garden
- Event Purpose: To Raise Money to help Capitol Village
- Sponsor: Business Improvement Short Assn
- Sponsor’s Address: 204 Capitol Ave, Capitol city, state 95010

- Sponsoring Organization’s Phone: (931) 332-4528
- FAX Number: (___) E-Mail Address: mbbyhe@com
- Contact Person’s Name: Mary Beth Cahlin
- Business Phone: (___) Cellular Phone: (931) 332-4528
- FAX Number: (___) E-Mail Address: (mbbyhe@com)

Will you be using a professional Special Event Organizer? If yes, please include all foregoing information about the organizer on a separate sheet of paper and attach to your application.

**EVENT INFORMATION**

- Type of event: [ ] Run [ ] Festival [ ] Parade [ ] Sale [ ] Motion Picture [ ] Block Party
- Other (specify): Bands and Beer Garden at Esplanade Park
- Event Location: Esplanade Park
- Event Dates: **10-14-2023** Anticipated Attendance: **3000**
- Web Site Information: E-Mail Address:
- Will the public be invited? [ ] Yes [ ] No

Actual hours open to the public or “advertised” event hours:

- Date: **10-14-2023** Time: 12:00 AM/PM to 5:00 AM/PM
- Date: __________ Time: __________ AM/PM to __________ AM/PM
- Date: __________ Time: __________ AM/PM to __________ AM/PM

- Has this event taken place before? [ ] Yes [ ] No  Any changes to this event? [ ] Yes [ ] No

If yes, what changes?

If yes, please attach a copy of your last permit for this event, if available.

- Will this event be promoted, advertised or marketed in any manner? [ ] Yes [ ] No
- Will there be live media coverage during your event? [ ] Yes [ ] No
- If yes, please explain: **OFF THE LIP Radio Program**
Are admission, entry or vendor participant fees required? □ Yes □ No

If yes, explain: Public admission fees: $ per person
Participant entry fees: $ per person
Vendor fees: $ per booth
Number of vendors:
How many vendors are for profit? □ Yes □ No
How many vendors are nonprofit? □ Yes □ No

Total estimated gross receipts, including tickets, product and sponsorship sales from this event. Explain how this amount was computed. Indicate amount per item:
$ Admission fees
$ Product fees
$ Sponsorship
$ Participant entry fees
$ Other (Please specify):

Total estimated expenses for this event:
$ Advertising
$ Wages, salaries
$ City services (police, fire, street closures)
$ Insurance
$ Business license fee
$ Other (Please specify):

Is the organization a “tax exempt, nonprofit” organization? Yes □ No □

Projected amount of revenue the Sponsoring Organization(s) will receive as a result of this event.
Specify the organization(s) to receive funding:

City sponsorship requested? □ Yes □ No If yes, please describe:

OVERALL EVENT DESCRIPTION

Will a staging/setup/assembly location be required? □ Yes □ No
If yes, begin day/date: 11/1/2023 Start time: 8:00 AM/PM
Location: Esplanade Park
Description of the scope of the setup/assembly work (Attach additional pages and drawings as needed): Band Setup, Beer Truck Setup and Check In Tables
If yes, dismantle day date: _________ Completion time: 8:00 AM/PM

List the street(s) requiring closure as a result of this event. Include street names, day, date and time of closing and the time of reopening: Date: 10/14/2003

Time: 8:00 AM - 8:00 PM

Small portion of Esplanade Loop

City of Cotopax to conduct street closures as needed (cost to be specified)

List street(s) requiring the posting of “No Parking” signs. Indicate days, dates, and times needed and an explanation of necessity for “No Parking” zone: Same as above

NOTE: “No Parking” signs will be posted twenty-four hours in advance of required days, dates and time. Cost for the posting of “No Parking” signs will be specified upon review of the application by City staff.

OVERALL EVENT DESCRIPTION (continued)

Attach a diagram (please try to make diagram reasonably to scale), showing the overall layout and setup locations. Using the letters below, indicate the site for these on your diagram. See attached

- A: Alcoholic and nonalcoholic concession
- B: First-aid facilities
- C: Tables and chairs
- D: Fencing, barriers and/or barricades
- E: Generator locations and/or sources of electricity
- F: Canopies or tent locations
- G: Booths, exhibits, displays or enclosures
- H: Scaffolding, bleachers, platforms, stages, grandstands, related structures
- I: Vehicles and/or trailers
- J: Trash containers or dumpsters
- K: Non-food vendor locations
- L: Food concession and/or food preparation areas
- M: Portable toilet locations
☐ Other related event components not covered above (describe separately)

☐ Will food be served at the event?

☐ Yes ☐ No

☐ If yes, specify method:

☐ Gas ☐ Electric ☐ Charcoal ☐ Other (specify):

☐ Does the event involve the sale or use of alcoholic beverages?

☐ Yes ☐ No

☐ If yes, please describe: Beer from Sierra Nevada

☐ Will alcohol be sold, how will the alcohol sales be regulated?

☐ Ticket Sales

Please attach a copy of your ABC license.

☐ Will there be items or services sold at the event?

☐ Yes ☐ No

☐ If yes, please describe: Beer will be sold possibly T-shirts.

☐ Do the vendors have City of Capitola business licenses?

☐ Yes ☐ No
Portable and/or permanent toilet facilities:

- Number of portable toilets: 1 (Recommended: 1 for every 250 people)
- Number of ADA-accessible toilets: 0 (Recommended: 10% of total toilets)

(Note: Unless the Applicant can substantiate the availability of both accessible and non-accessible toilet facilities in the immediate area of the site, the above is required. Portable toilet facilities must be in place 24 hours in advance, cleaned and sanitized daily during the event, and must be removed by 8:00 a.m. the next business day following the event. Location sites for portable toilets must be pre-approved prior to installation.)

- Number of trash receptacles: 2
- Number of dumpsters with lids: 0 (Recommended 1 per 400 people)
- Number of recycling containers: 2 (Voluntary)

- Describe the plan for cleanup and removal of waste and garbage during and after the event:

(Note: It is the event organizer's responsibility to dispose of waste and garbage daily throughout the term of the event, unless otherwise contracted with City staff, which will require a fee. Immediately upon conclusion of the event, the venue must be returned to a clean condition. Street sweeping can be arranged with City crews for an additional fee.)

Parking Plan - Shuttle Plan - Mitigation of Impact

- Please provide a detailed description or diagram that indicates the proposed parking plan and/or shuttle plan for the event. Include a description of the parking plan/shuttle plan for the disabled.

Parking for Bands Swenson Lot 16 Spaces
∞ Describe plan to notify those residents, businesses, churches, etc. that will be impacted by this event. Social Media, Event Posters, Radio

∞ Does this event involve a moving route of any kind along streets or sidewalks? □ Yes □ No

∞ If yes, highlight your proposed route on the enclosed map, indicating the directions of travel, and provide a written narrative to explain your route and its impact.

∞ Does this event involve a fixed venue site? □ Yes □ No

∞ If yes, highlight the site on the enclosed map, showing all the streets impacted by the event. Smoketown Park
SAFETY - SECURITY

Is there a professional security organization to handle security for this event? ☑ Yes
No

If yes, please name security company: CAPITOLA POLICE DEPARTMENT

If no, do you wish to contract police services from the Capitola Police Dept.? ☑ Yes ☐ No (See fee schedule)

Security company’s address: No / H

street

<table>
<thead>
<tr>
<th>city</th>
<th>state</th>
<th>zip code</th>
</tr>
</thead>
</table>

Security Director’s name: 

Security Director’s phone number: ( ___ )

Security company’s state license number: 

Security company’s business license number: 

Security company’s insurance carrier: City or privately secured?

On-site contact person (security supervisor): 

Any searches prior to entering? Yes ☐ No ☑

Bottle and can check? Yes ☐ No ☑

Metal detectors? Yes ☐ No ☑

How many security guards at each entrance? Yes / A

Parking Lot Patrol (Private Security):

Security company: Yes / A

Contact person (security supervisor): Yes / A

Number of security guards patrolling the parking lot: Yes / A

Lighting:

If this is an evening event, please state how the event and surrounding areas will be illuminated to ensure the safety of the participants and spectators.

Medical:

Indicate what arrangements have been made for providing first-aid staffing:

CENTRAL FIRE

BROWN HOWL ICE GUARD
Is there any musical entertainment or amplified sound related to your event?  
☑ Yes ☐ No

If yes, what kind: Rock & Roll and Soft Rock

Contact person's name: Mary Bith Cohn
Phone number: (507) 339-4528

Contact person's address:  

City:  
State:  
Zip code:  

Number of stages:  
Number of bands: 3 - 4

Type of music: Rock & Light Rock  Sound amplification?  ☑ Yes ☐ No

If yes, start time: 12:00 AM/PM  Finish time: 7:00 AM/PM

Have you applied for a sound permit?  ☑ Yes ☐ No  (Refer to city ordinance 9.12.040)

Will sound checks be conducted prior to the event?  ☑ Yes ☐ No

If yes, do you wish to have the city provide the checks?  ☑ Yes ☐ No

Describe sound equipment that will be used: Speakers, PR equipment and amplifiers

Will fireworks, rockets or other pyrotechnics be used?  ☐ Yes ☑ No

If yes, name and phone number of pyrotechnic company:  

Describe (indicate dates, times and locations for launching and fallout areas):  

Has a permit been issued?  ☐ Yes ☑ No

Will there be any type of open flames used?  ☐ Yes ☑ No

If yes, please describe:  

Will any signs, banners, decorations or special lighting be used?  ☑ Yes ☐ No

If yes, please describe: Posters

(Refer to city ordinance chapter 17.57)
INSURANCE
Applicant must provide insurance at the following minimal limits: $1,000,000 (one million) combined single limit. (Two million for the annual Art and Wine Festival). This Certificate of Insurance must name the City as an additional insured throughout the event duration, including setup and breakdown. The Certificate of Insurance, including limits of insurance, must be received by the Special Events Coordinator by ______________________ to finalize this permit.

HOLD HARMLESS
The Applicant will, at its sole expense, provide the City with evidence of insurance for general liability and Worker’s Compensation benefits for accidents or injuries that occur or are sustained in connection with the special event which is the subject of this permit application and contract. The Applicant agrees on behalf of itself and on behalf of its agents and employees that the Applicant will not make a claim against, sue, attach the property of, or prosecute the City or any of the City’s agencies, employees, contractors or agents for injury or damages resulting from negligence or other acts, however caused, which might be asserted against the City in connection with actions taken by the City or the City’s employees or agents in connection with this Special Event Permit. In addition, Applicant, on behalf of itself and its agents and employees, as well as its successors and assigns, hereby releases, discharges and holds the City harmless from, and indemnifies the City against, all actions, claims or demands Applicant, or Applicant’s employees, agents, successors or assigns, or any third person now has or may hereafter have for personal injury or property damage resulting from the actions of the Applicant, the Applicant’s employees or agents, or any other person under the control of the Applicant, taken pursuant to this Special Event Permit whether said actions are characterized as negligent or intentional.

Applicant Signature: ________________________________

ADVANCED CANCELLATION NOTICE REQUIRED
If this event is cancelled, notify the Special Events Coordinator at (831) 475-4242.

I certify that the information contained in the foregoing application is true and correct to the best of my knowledge and belief, that I have read, understand and agree to abide by the rules and regulations governing the special event under Capitola Municipal Code, and that I understand that this application is made subject to the rules and regulations established by the City Council and/or the City Manager or the City Manager’s designee. I agree to comply with all permit conditions and with all other requirements of the City, County, state and federal governments and any other applicable entity that may pertain to the use of the event premises and the conduct of the event. I agree to abide by these rules and further certify that I, on behalf of the organization, am also authorized to commit that organization and, therefore, agree to be financially responsible for any costs and fees that may be incurred by or on behalf of the event to the City of Capitola.

Name of Applicant (print): ___________________________

Title: __________________________

Signature of Applicant: ___________________________ Date: ___________________________
City of Capitola Public Works Department
420 Capitola Avenue • Capitola • 95010
831 475.7300 • capitolapw@ci.capitola.ca.us

Encroachment Permit

Any person, firm or corporation encroaching into the public right-of-way, or water course to do work, store materials, erect or place any structure is required to obtain an Encroachment Permit per Capitola Municipal Code Section 12.56

<table>
<thead>
<tr>
<th>Job Address</th>
<th>E. J. Canadi Park</th>
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</thead>
<tbody>
<tr>
<td>Description of Work</td>
<td>Fund Raiser for CWEP Beer + Concert</td>
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<tr>
<td>Contractor</td>
<td>Mary Beth Cahalen</td>
</tr>
<tr>
<td>Contact Name</td>
<td>Mary Beth Cahalen</td>
</tr>
<tr>
<td>Phone - Office</td>
<td>(831) 332-4523</td>
</tr>
<tr>
<td>Phone - Cell</td>
<td>Email</td>
</tr>
<tr>
<td>Phone - 24-hour Emergency</td>
<td><a href="mailto:mblbyt455@gmail.com">mblbyt455@gmail.com</a></td>
</tr>
</tbody>
</table>

CERTIFICATE OF INSURANCE AND LICENSE COMPLIANCE

1. a. I have attached a certificate of insurance which shows that I carry Worker’s Compensation Insurance for work to be done under this permit.
   b. I have on file with the Capitola Public Works Department a certificate of insurance as described in (a) above.

2. a. I have attached a certificate of consent to self-insure issued by the Director of Industrial Relations.
   b. I certify that in the performance of the work for which this permit is issued I shall not employ any person in any manner so as to become subject to the worker’s compensation laws of California.

3. As a public utility agency we are exempt.

CONTRACTOR’S LICENSING (Business and Professions Code Section 7031.5)

1. As the applicant, I am licensed under the provisions of the Contractor’s License Law. My license number is in full force and effect.
   2. I am exempt from the “License Required” provisions of the Contractor’s License Law, State basis of exemption:

I understand that this permit is automatically revoked at any time should the required Worker’s Compensation Insurance become expired or terminated. I agree to indemnify, defend, and hold harmless the City of Capitola, its officers, agents and employees, from and against all claims, demands, actions, damages, or judgments, including associated costs of investigation and defense to the extent caused by contractor’s negligence, recklessness, or willful misconduct in the performance of the work.

Signature of Contractor: ___________________________ Date: 5/31/2023

Worker’s Compensation Certificate Verified by ___________________________ Date: ___________________________
APPLICATION FOR AMPLIFIED SOUND PERMIT

Application fee of $30 must be submitted with this completed application.

APPLICANT INFORMATION:

Applicant/Name of Organization: Capitola Wharf and Business Improvement (BIA)  
Address: 204 Capitola Ave, Capitola CA 95010  
Phone #: (831) 438-4528  
Email: mbcna@seacacol.com

EVENT INFORMATION:

Event Name: Fund Raiser for CWP  
Type of Event: Bands and Beer Garden  
Location of Event: Esplanade Park  
Date(s) of Event: 10/14/2023  
Hours of Event: 12:00 - 6:00  
Estimated Attendance: 5,000 - 10,000  
Public Property  
Private Property

Mary Beth Cahalan  
Applicant's Signature  
5/31/2023  
Date

Print Name

Approved By: Andrew Dally, Chief of Police  
Date: 

Approved By: ____________________, CDD Director  
Date: 

*Signature required for publicly attended events
CERTIFICATE OF LIABILITY INSURANCE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This certificate of insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder.

PRODUCER:
SUESS INSURANCE AGENCY, INC.
PO Box 189
Soquel, CA 95073-0189
0G13459

CAPITOLA VILLAGE & WHARF BIA
PO BOX 806
CAPITOLA, CA 95010

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

INSURED:

CITY OF CAPITOLA
420 CAPITOLA AVENUE
CAPITOLA, CA 95010

COVERAGES:

COMBINED GENERAL LIABILITY

CLAIMS-MADE X OCCUR

A

GENERAL LIABILITY

SEN'T AGGREGATE LIMIT APPLIES PER POLICY OR EVENT

OTHER

POLICY EXCESS

LOC

INSURED

ADDED

POLICY NUMBER

NBP1557440D

LIMITS

A

11/05/22

UMBERLLA LIABILITY

EXCESS LIABILITY

OCCUR

CLAIMS-MADE

PER OCCURRENCE

AGGREGATE

PER OCCURRENCE

AGGREGATE

WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED

MANDATORY IN NH

DESCRIPTION OF OPERATIONS below

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

THE CITY OF CAPITOLA IS AN ADDITIONAL INSURED IF REQUIRED BY WRITTEN CONTRACT PER ADDITIONAL INSURED ENDORSEMENT BP 04 48 01 06.

EVENTS: SIP & STROLL THROUGHOUT THE POLICY PERIOD 11/05/2022 - 11/05/2023

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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DAILY LICENSE APPLICATION

Complete all applicable items. Submit this application to your local ABC District Office with the required fee (Cashier’s Check or Money Order) payable to ABC. Once the daily license is issued, fees cannot be refunded. Listing of ABC District Office is available at https://www.abc.ca.gov/contact/district-offices/. Please visit https://www.abc.ca.gov/abc-221-instructions/ for further instructions.

SECTION 1. ORGANIZATION AND LICENSE TYPE INFORMATION

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Tax ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitola Village Wharf Business Improvement Area</td>
<td>83-0653603</td>
</tr>
</tbody>
</table>

Organization Mailing Address
209 Capitola Ave., Capitola CA 950109

LICENSE TYPE

- [ ] Special Daily Beer and Wine ($50.00)
  - Amateur Sports Organization
  - Charitable
  - Civic
  - Cultural
  - Fraternal
  - Political
  - Religious
  - Social
  - Other:

- [ ] Daily General ($75.00)
  - Political Party/Affiliate Supporting Candidate for Public Office or Ballot Measure
  - Organization Formed for Specific Charitable or Civic Purpose
  - Fraternal Organization in Existence over Five Years with Regular Membership
  - Religious Organization
  - Vessel per Section 24045.10 B&P ($50.00)

- [ ] Special Temporary License ($100.00)
  - Television Station per Section 24045.2 or 24045.9 B&P
  - Non-profit Corporation per Section 24045.4 and 24045.6 B&P
  - Person conducting Estate Wine Sale per Section 24045.8 B&P
  - Women's Educational and Charitable Organization per Section 24045.3 B&P
  - Other Special Temporary License Per Section:
    - License #:
    - Amount:

SECTION 2. EVENT DETAILS

<table>
<thead>
<tr>
<th>Event Dates</th>
<th>Total # of Days</th>
<th>Hours of Alcoholic Beverage Sales, Service and/or Consumption</th>
<th>Virtual Event</th>
<th>Event Location Description (Jones Park, Pavilion A, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14-2023</td>
<td>1</td>
<td>12pm to 7:00pm</td>
<td>Yes</td>
<td>Capitola Village</td>
</tr>
</tbody>
</table>

Event Address (Street #, name, and city)
Esplanade Park

Event Type
- Barbeque
- Dinner
- Sporting Event
- Birthday
- Festival
- Social Gathering
- Concert
- Lunch
- Wedding
- Carnival
- Mixer
- Other:

Type of Entertainment
Music

Estimated Attendance
300

Security Guard
Yes No

REQUIRED
- By checking this box, you are certifying that you understand the requirements detailed in Business and Professions (B&P) Code Section 25682(c) which state that a nonprofit organization that has obtained a temporary daily license from the department must designate a person(s) receive RBS training certification prior to the event, and that designated person(s) shall remain onsite for the duration of the event.

SECTION 3. CONTACT INFORMATION

<table>
<thead>
<tr>
<th>Contact Person</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Beth Cahalen</td>
<td>831-332-4528</td>
<td><a href="mailto:mbbythesea@aol.com">mbbythesea@aol.com</a></td>
</tr>
</tbody>
</table>

SECTION 4. SIGNATURES AND APPROVALS

I attest that I am authorized by the organization named above to make this application on its behalf.

<table>
<thead>
<tr>
<th>Organization's Authorized Representative Name</th>
<th>Phone Number</th>
<th>Signature</th>
<th>Date Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Beth Cahalen</td>
<td>831-332-4528</td>
<td>Signature</td>
<td>5/31/2023</td>
</tr>
</tbody>
</table>

Property Owner Approval By (Name) Required

Law Enforcement Approval By (Name), If applicable

District Office Approval By (Name)

The above named organization is hereby licensed, pursuant to the California B&P Code Division 9 and California Code of Regulations, to engage in the temporary sale of alcoholic beverages for consumption at the abovenamed location for the period authorized above. B&P Code Section 25682(c) requires that a designated RBS-trained person(s) shall remain on site for the duration of the event. Failure to comply with this requirement will result in immediate cancellation of the permit. This license may be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State.
August 24, 2023

Oktoberfest Special Event Fundraiser
Correction to Staff Report

- Staff report incorrectly identified CWEP and Chamber as event partners
- Event is organized by BIA
Oktoberfest Fundraiser

BIA Submitted an Application for a benefit concert - modeled after Twilight Concerts.

New General SE Permit

Requires Council’s Approval
Special Event Process

- City Council Resolution No. 3202 adopted a special event permit program and fee schedule.

- The program established regulations for special events in the city of Capitola.

- Special events are divided into two categories
  - General- more than 200 people, notable impacts on City services
  - Minor- can be approved by the City Manager
Oktoberfest Fundraiser

- BIA Submitted an Application for a benefit concert - modeled after Twilight Concerts.
- Proposed beer garden to raise funds
- Proceeds will be donated to the Capitola Wharf Enhancement Project
- New General SE Permit
- Requires Council’s Approval
Event Highlights

BIA - One Day SE Permit
Saturday Oct. 14, 2023, 12:00 – 8:00 pm

Esplanade Park/Bandstand

2,000-3,000 Attendance

Beer Garden – BIA
Recommendation

Approve a General Special Event Permit for a Capitola Village Benefit Concert, including an Encroachment Permit and Amplified Sound Permit.
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Community Development
Subject: CDBG-CV Grant Closeout

Recommended Action: Conduct a duly noticed public hearing to receive a report summarizing the allocation of grant funding under State CDBG-CV Agreements and direct staff to proceed with submitting required closeout documents to the State.

Background: On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to support preparation for and response to the community impacts of the COVID-19 pandemic. The state of California received approximately $90 million in CARES Act funds that were distributed in multiple rounds by the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Program.

In the first round of CDBG-CV (CV1), Capitola was allocated $88,010 in CARES Act funding. The City also utilized $80,632 of CDBG Program Income funds toward Coronavirus relief. During the first round, applicants could receive aid for three federally defined “activities” and one additional activity for the program income funds. The City funded four entities all of which fit into the “public service” activity.

In the second round of CDBG-CV (CV2/3), Capitola was allocated $320,261 in CARES Act funding. The City also utilized $44,200 of CDBG Program Income funds toward Coronavirus relief. During the second round, applicants could receive funding to one new “activity” and/or funding activities that were previously funded in Round 1.

The following table lists the state contract, sub-recipient, and amount awarded between rounds 1 and 2.

<table>
<thead>
<tr>
<th>Item</th>
<th>State Contract</th>
<th>Sub-Recipient</th>
<th>Activity</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-CDBG-CV1-00005</td>
<td>Grey Bears (originally CAB)</td>
<td>Healthy Food Distribution</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>20-CDBG-CV1-00006</td>
<td>Community Bridges</td>
<td>Meals on Wheels and Lift Line</td>
<td>$66,925</td>
<td></td>
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<tr>
<td>20-CDBG-CV1-00007</td>
<td>Second Harvest</td>
<td>Food Bank</td>
<td>$37,298</td>
<td></td>
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<tr>
<td>20-CDBG-CV1-00008</td>
<td>Grey Bears</td>
<td>Healthy Food Distribution</td>
<td>$15,750</td>
<td></td>
</tr>
<tr>
<td>20-CDBG-CV2-3-00016</td>
<td>Grey Bears</td>
<td>Healthy Food Distribution</td>
<td>$15,000</td>
<td></td>
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<tr>
<td>20-CDBG-CV2-3-00040</td>
<td>Second Harvest</td>
<td>Food Bank</td>
<td>$51,686</td>
<td></td>
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<tr>
<td>Project ID</td>
<td>Organization</td>
<td>Activity</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------------------------</td>
<td>------------------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>20-CDBG-CV2-3-00041</td>
<td>Community Bridges</td>
<td>Meals on Wheels and Lift Line</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>20-CDBG-CV2-3-00054</td>
<td>Santa Cruz Small Business Development Center</td>
<td>Business Assistance Grants</td>
<td>$165,000</td>
<td></td>
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<tr>
<td></td>
<td>Grey Bears</td>
<td>Healthy Food Distribution</td>
<td>$29,025</td>
<td></td>
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<tr>
<td></td>
<td>Community Bridges</td>
<td>Meals on Wheels and Lift Line</td>
<td>$75,720</td>
<td></td>
</tr>
<tr>
<td><strong>Total Grant Funds</strong></td>
<td></td>
<td></td>
<td><strong>$491,404</strong></td>
<td></td>
</tr>
</tbody>
</table>

All funding identified has now been fully expended and reimbursed by the Housing and Community Development Department (HCD). In addition to the activity dollars listed above, remaining funds were utilized for “grant administration” which is allowed and reimbursed by the HCD. These funds were used to pay for City staff time, consultant time, and public hearing notices.

**Discussion:** Now that all funds have been expended and grant contracts have reached their expiration date, the City is required by HCD to hold a public hearing and submit closeout documents for each contract. The following summarizes the accomplishments of each sub-recipient relative to the state CDBG-CV contracts.

**Grey Bears**

20-CDBG-CV1-0005 - Grey Bears delivered 101,536 pounds of fresh produce, healthy staples, and loaves of bread to 321 Capitola seniors, including 75 who are homebound and received their deliveries door-to-door. In addition, Grey Bears distributed 45,470 pounds of food and served 1,290 meals to 31 Capitola seniors at the Live Oak Chanticleer Grey Bears campus and congregate dining site. The grocery bags were distributed weekly at the Mid-County Senior Center, Shadowbrook Restaurant, and mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 21.9% (1,201) of the 12,160 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street, Jewel Box, Clares Street, and Park Avenue in Capitola.

20-CDBG-CV1-0008 - Grey Bears delivered 78,275 pounds of fresh produce, healthy staples, and supplies (e.g. face masks) to 302 Capitola seniors. The food was distributed weekly at the Mid-County Senior Center and Shadowbrook Restaurant, and delivered to mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 25% (2,145) of the 8,580 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street Park, Jewel Box, Clares Street, and Park Avenue.

20-CDBG-CV2-3-00016 - Grey Bears delivered 81,258 pounds of fresh produce, healthy staples, and holiday meals to 314 Capitola seniors, including 67 who are homebound and received their deliveries door-to-door. The bags of groceries were distributed weekly at the Mid-County Senior Center and Shadowbrook parking lot, mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 21% of the 7,328 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street, Jewel Box, Clares Street, and Park Avenue.

20-CDBG-CV2-3-00054 - Grey Bears delivered 131,499 pounds of fresh produce, healthy staples, and loaves of bread to 321 Capitola seniors, including 75 who are homebound and received their deliveries door-to-door. In addition, holiday dinners were also made available in to-go containers for pick up at the Chanticleer Grey Bears dining site.

**Second Harvest**

20-CDBG-CV1-1-00007 – Second Harvest Food Bank distributes food to a number of agencies and pantries throughout the County, so it can be difficult to pinpoint exact figures. Based on agencies reporting
participation by Capitola residents, residents received approximately 97,700 pounds of food from 37 different partner agencies. They also served approximately 890 individuals a month of all ages.

20-CDBG-CV2-3-00040 - Capitola residents collected food from 39 different locations around the county, only three of which are truly within city limits. Second Harvest provided 197,000 pounds of food to Capitola residents with these donations.

*Community Bridges*

20-CDBG-CV1-00006 - Meals on Wheels delivered essential five-day breakfast packs to 43 unduplicated Capitola residents, with over 9,000 meals being provided.

20-CDBG-CV2-3-00041 - Meals on Wheels delivered essential five-day breakfast packs to 40 unduplicated Capitola residents, with over 3,364 meals being provided.

20-CDBG-CV2-3-00054 - Meals on Wheels delivered seven-day breakfast packs and lunch packs to 53 unduplicated senior Capitola residents, with 11,466 meals being provided.

*Small Business Development Center (SBDC)*

20-CDBG-CV2-3-00054 – SBDC utilized these funds to implement a small business grant program to provide financial assistance to local businesses that were negatively impacted by COVID-19. The program successfully assisted 10 businesses with $15,000 grants for each.

**Fiscal Impact:** All CDBG funds utilized under these contracts were 100% grant funded. No other funding was utilized that would impact general funds.

**Report Prepared By:** Katie Herlihy, Community Development Director  
**Reviewed By:** Julia Moss, City Clerk  
**Approved By:** Jamie Goldstein, City Manager
CDBG-CV GRANT CLOSEOUT

City Council
August 24, 2023
Introduction:

Paul Ashby, Adams Ashby Group
Grant Administrator
Background:

• State $90 Million in CARES Act funding

• Capitola received 2 rounds of funding and added program income

• Total Grant Funds: $491,404
CDBG-CV GRANT CLOSEOUT

Subrecipients:

- Community Bridges
- SBDC California
- Second Harvest Food Bank
- Grey Bears
Grey Bears

• $66,275
• 392,000 lbs. of food
• Deliveries to seniors, including homebound individuals
• Food distribution weekly
Second Harvest

- $89,000
- 206,700 lbs. of food
- Food distribution services at multiple sites serving Capitola residents
Community Bridges

- $144,000
- 23,830 meals delivered to Capitola residents
SBDC Santa Cruz

- $165,000
- $15,000 per grant
- Assisted 10 businesses
CDBG-CV GRANT CLOSEOUT

- All funding is fully expended and has been reimbursed by HCD.
- Includes funds for “grant administration” to pay for City staff time, consultant time, and public hearing notices.
Recommended Action

Conduct a duly noticed public hearing to receive a report summarizing the allocation of grant funding under State CDBG-CV Agreements and direct staff to proceed with submitting required closeout documents to the State.
Capitola City Council
Agenda Report

Meeting: August 24, 2023
From: Community Development Department
Subject: Chapter 18.02 Affordable (Inclusionary) Housing

Recommended Action: Introduce, by title only, waiving further reading of the text, an ordinance of the City of Capitola amending Chapter 18.02 of the Capitola Municipal Code, Affordable (Inclusionary) Housing.

Background: The City’s Inclusionary Housing Ordinance (IHO), codified under Capitola Municipal Code (CMC) Chapter 18.02, requires housing developers to include affordable housing as a component of residential developments. “Affordable housing” means housing capable of being purchased or rented by households at a variety of income levels, including those with very low, low, or moderate incomes. These are defined as households that earn a specified percentage of the Area Median Income (AMI) for Santa Cruz County ranging from 50% of the AMI for very low-income households up to 120% of the AMI for moderate-income households.

Under the IHO, the price for an affordable housing unit is based on a household’s ability to make the payments necessary to obtain housing. For example, for-sale housing in the IHO is considered affordable when a household pays no more than thirty-five percent of its gross monthly income for housing, including utilities, and rental housing is considered affordable when a household pays no more than thirty percent of its gross monthly income for rent.

The IHO was originally adopted in 2004 and was amended in 2013 and 2021. Since that time, staff has identified necessary edits to the ordinance to clarify terms and reflect current practices.

Discussion: Since adopting the amended IHO in 2021, staff has identified four needed edits to clarify terms and reflect current practices.

1. Add Definition and Exemption for Primary Residence

The IHO requires purchasers of affordable units to occupy the unit as their primary place of residence. The ordinance does not define the term “primary residence” and does not include any exceptions to the term primary residence. Currently, inclusionary units are subject to the definition of “primary residence” that varies on a case-by-case basis. The existing development agreements have different definitions of primary residents, ranging from a residence that is lived in a minimum of 10 months per year or more than half of the days of the year. The development agreement is the ruling document for existing inclusionary units; therefore, the modification to the IHO will not impact the current agreements. Future affordable housing developments will have to comply with the IHO.

Jurisdictions in the region have a variety of definitions for primary residence. The most common definition for a primary residence is the requirement the owner occupy the residence at least ten months of the calendar year.

<table>
<thead>
<tr>
<th>Location</th>
<th>Definition of Primary Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Santa Cruz</td>
<td>Primary residence consists of residing in the home (and not residing in any other home) for at least ten months of each calendar year.</td>
</tr>
<tr>
<td>Watsonville</td>
<td>Occupy the home as their principal place of residence</td>
</tr>
<tr>
<td>Scotts Valley</td>
<td>Living in the unit for at least ten months out of each calendar year</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>Occupy the property as the principal residence of the owner.</td>
</tr>
</tbody>
</table>
To create consistency in the future, staff recommends primary residence be defined, and an exception added to allow residents some flexibility under extenuating circumstances, as follows:

Primary Residence: A dwelling unit a person physically occupies and lives in at least ten months of the calendar year.

Exception: After residing in the unit as a Primary Residence for a minimum of one year, under unique temporary circumstances that require the owner to temporarily vacate the unit, the owner may rent out the unit with the prior written approval of the Community Development Director for a period of up to one year and still qualify as a Primary Residence.

The following conforming changes would be made to CMC § 18.02.070(E):

The purchaser of an affordable ownership unit shall occupy the unit as his or her primary place of residence their Primary Residence. If the unit ceases to function as a primary residence Primary Residence, it shall be sold according to the requirements of this chapter.

2. Amend Definition of “Qualified Retirement Plan”

Section 18.02.020 of the Capitola Municipal Code defines a qualified retirement plan as “a retirement plan recognized by the Internal Revenue Service (IRS) where investment income accumulates tax-deferred. Common examples include individual retirement accounts (IRAs), pension plans and Keogh plans.” Not all retirement plans are tax-deferred. Staff recommends the definition be amended to remove the term “tax-deferred.”

3. Amend For-Sale Housing Units Sales Price and Procedures to Reflect Current Practices

Section 18.02.060(A)(3) of the Capitola Municipal Code outlines the sales price and procedures for mobile home parcels. The section states that the resale of an inclusionary mobile home parcel is restricted to sale to a median income household adjusted by household size. This does not reflect current practices. The current practice is to restrict sales to low to moderate income households. Staff recommends replacing the term “median” with “low to moderate”.

4. Amend Eligibility Requirements

Section 18.02.070(B)(2) and (C)(2) of the Capitola Municipal Code reference allowed inflation tied to the Consumer Price Index on January 1st of each year. Staff updates eligibility requirements for inclusionary units each year when the official state income limits are published, typically in the spring. Staff recommends modifying the CPI adjustment to also take place when the state income limits are published to simplify the annual calculation. Staff recommends the following changes to each section, as shown with underline and strikeout, as follows:

CMC §18.02.070.(B)(2): “Assets in a qualified retirement plan up to five hundred thousand dollars, which amount shall be increased on January 1, 2023, and every January 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage equal to the percentage increase in the Consumer Price Index over the same time period”.

CMC §18.02.070.(C)(2): “Assets up to one million dollars, which amount shall be increased on April 1, 2021, and every April 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage equal to the percentage increase in the Consumer Price Index over the same time period.”

Fiscal Impact: There are no fiscal impacts associated with the proposed ordinance.
Attachments:

1. Draft Ordinance

Report Prepared By: Katie Herlihy, Community Development Director
Reviewed By: Julia Moss, City Clerk
Approved By: Jamie Goldstein, City Manager
ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AMENDING CHAPTER 18.02 “AFFORDABLE (INCLUSIONARY) HOUSING”

WHEREAS, the City of Capitola (“City”)’s Inclusionary Housing Ordinance, set forth in Chapter 18.02 of the City of Capitola Municipal Code, establishes affordable housing regulations to advance and protect the general health and welfare of the City’s residents, workers and economy, and facilitate the supply of affordable housing; and

WHEREAS, the City Council of the City of Capitola (“City Council”) has identified certain necessary amendments to the Inclusionary Housing Ordinance to clarify eligibility and processing procedures to reflect current practices; and

WHEREAS, the City Council desires to amend the Inclusionary Housing Ordinance to define “primary residence,” amend the definition of “qualified retirement plan,” amend the sales procedures for mobile home parcels to reflect current practices, and amend eligibility requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAPITOLA DOES ORDAIN AS FOLLOWS:

Section 1: Amending Chapter 18.02 of the Capitola Municipal Code. Chapter 18.02 of Title 18 of the Capitola Municipal Code titled “Affordable (Inclusionary) Housing” is hereby amended in its entirety as shown in Attachment A. Additions are shown as double underline and deletions are shown with strikethrough.

Section 2: CEQA. The City Council hereby finds that the action to adopt this Ordinance is exempt from the requirements of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) pursuant to Guidelines Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment.

Section 3: Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

Section 4: Effective Date. This Ordinance of the City of Capitola shall take effect and be in force 30 days after the date of its passage.

Section 5: Publication. Within fifteen (15) days of its passage, this Ordinance shall be published at least once in a newspaper of general circulation published and circulated in the City of Capitola, along with the names of the members of the City Council voting for and against its passage.
This Ordinance was introduced at a regular meeting of the Capitola City Council on the ___ day of _______ 2023, and was adopted at a regular meeting of the Capitola City Council on the ___ day of _______ 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:
________________________________________
Margaux Keiser, Mayor

ATTEST:
________________________________________
Julia Moss, City Clerk
ATTACHMENT A

Chapter 18.02
AFFORDABLE (INCLUSIONARY) HOUSING

Sections:
18.02.010 Findings.
18.02.020 Words and phrases.
18.02.030 Affordable housing requirements.
18.02.040 Provision of affordable housing units.
18.02.050 In-lieu housing fees and alternative compliance options.
18.02.060 For-sale housing units – Sales price and procedures.
18.02.070 Eligibility for affordable housing units.
18.02.080 Marketing of affordable housing units for sale.
18.02.090 Secondary dwelling units – Non-applicability.
18.02.100 Pre-approved projects – Non-applicability.
18.02.110 Fees.
18.02.120 Default/foreclosure.
18.02.130 Conflicts of interest.
18.02.140 Violations.
18.02.150 Reductions, Adjustments, or Waivers
18.02.160 Appeal.

18.02.010 Findings.

In enacting this chapter of the Capitola Municipal Code pertaining to the provision and protection of affordable housing in the city of Capitola, the city council finds:

A. A decent home and suitable living environment for all Capitola residents and workers is a priority of the highest order. To this end, the housing element of the Capitola general plan discusses and analyzes the need to provide housing for senior citizens, disabled persons, single parent families, homeless persons and homeless families, and families of very low, low and moderate income levels. Similarly, the general plan housing element outlines the extremely high cost of housing both regionally and within the city. With respect to affordable housing in the city, the housing element articulates, among others, Policies 3.4, 3.5 and 3.6 intended to advance the general plan goal to “Encourage New Affordable Housing Opportunities Through Construction Of New Units.” These policies encourage the adoption of an inclusionary housing ordinance, which provides for protection of existing affordable housing, construction of affordable housing units in connection with private market rate for-sale residential development or alternative compliance mechanisms, and further encourages the establishment of a housing trust fund to be used to facilitate the development of new affordable housing in the city.

B. In addition, Housing Element law (Government Code section 65580 et seq.) and the Mello Act (Government Code section 65590 et seq.) articulate policies and goals, and impose legal obligations upon California cities and counties relative to the creation, protection, and ongoing provision of affordable housing by communities throughout the state, including the city of Capitola. Accordingly, a paramount goal of the city is to provide and to create a regulatory environment conducive to the development and preservation of both rental and for-sale housing available to all economic sectors of the community with priority given to very low, low and moderate income households currently residing or working within the city.
C. There is currently an inadequate supply of housing in the city which is affordable to very low, low and moderate income households. Federal and state financial assistance and subsidy programs are not sufficient in themselves to close the gap between the cost of most housing in the city and the ability of very low, low and moderate income households to pay those housing costs.

D. The city, given current zoning regulations and very limited vacant residentially zoned property, is nearly “built out” for purposes of future residential development within the city. The inventory of land available for residential development in the city is at a premium and the inventory of land which can be used for the development of housing for very low, low and moderate income households becomes even more depleted with the development and/or improvement of each market rate housing unit in the city. Accordingly, housing opportunities for very low, low and moderate income households are diminished incrementally with the development of each new market rate housing unit which is constructed, rebuilt or substantially improved in the city.

E. According to the city’s most recent Housing Element Update, adopted November 25, 2015, fifty-eight percent of the households living in the city have incomes below eighty percent of Santa Cruz County’s median income and are therefore classified as low income households. However, the median home value in the city is higher than in neighboring Santa Cruz County communities, which places a cost burden on many Capitola households and may put home ownership out of reach for a majority of the population. Accordingly, the lowest income households in the city are frequently cost-burdened by housing, and lower income rental households are much more likely to pay more than thirty percent of their incomes for housing than higher-income home owners. The same holds true for moderate-income homeowners in the city; sixty-one percent of all moderate income households that own housing pay more than thirty percent of their incomes for housing costs. This indicates a need both for more housing affordable to the City’s moderate and lower-income households and also to protect and maintain the affordability of existing affordable housing in the city.

F. If very low, low and moderate income workers cannot find or maintain housing in the city, employers will have difficulty in securing a labor force and employees will be forced to commute. Automobile commuting increases air pollution, unnecessarily creates traffic congestion and develops a population which is separate and distinct from full-time residents, thereby resulting in diverse and often contrasting demands on limited city resources.

G. Protection of existing affordable housing units and construction of residential housing projects which contribute to the city’s very low, low and moderate income housing stock serve to augment the city's housing mix, increase the supply of housing for all economic sectors of the community and thereby assist in providing for a balanced community which is deemed to be in the public interest.

H. In order to allocate the scarce resource of existing affordable housing units to households that need assistance affording housing in the city, an asset limitation must operate alongside an income restriction. This is especially true for units reserved for seniors (55+), who may no longer receive income from a current job, but may possess significant assets. Without an asset limitation, the city’s existing affordable housing stock could be transferred to households that are not in need of assistance.

I. Increasing the supply of housing affordable to very low, low and moderate income families through the assistance and cooperation of private residential developers can be achieved only if the provision of such housing by private residential developers becomes more feasible. It is
therefore necessary to provide flexibility in the manner and method by which private residential
development contributes its fair share to the city’s affordable housing stock.

J. Affordable housing is best integrated into the community when that housing is distributed
throughout all areas of the city rather than concentrated in a single area.

K. The purpose of this chapter is to enhance the public welfare by establishing policies to
maintain and increase the production of housing units affordable to persons and households of
very low, low, and moderate-income. These requirements implement the Housing Element of the
General Plan through assisting in meeting the city’s regional housing obligations, providing
funding for the city’s affordable housing programs, and affirmatively furthering fair housing by
ensuring that affordable housing is maintained and constructed in all parts of the city.

L. The city council desires to provide and maintain affordable housing opportunities in the
community through its inclusionary housing program. Therefore, it is the city council’s intent that
this chapter apply to all affordable housing units in the city, regardless of the date of construction
or conversion to an affordable housing unit. The city council finds that such application is
necessary to best effectuate the goal of protecting new and existing affordable housing units.

18.02.020 Words and phrases.

For purposes of this chapter, unless otherwise apparent from the context, certain words and
phrases used in this chapter are defined as follows:

“Affordable housing cost” means the maximum purchase price that will cause a household to pay
no more than thirty-five percent of its income for housing costs. The affordable housing cost shall
include a ten percent down payment, and monthly housing payments (including interest, principal,
mortgage insurance, property taxes, homeowner’s insurance, homeowner’s association dues,
and a reasonable allowance for property maintenance, repairs, and utilities), all as determined by
the City.

“Affordable housing unit” means any housing unit subject to a recorded document, unrecorded
agreement, or land use requirement applicable to a unit that, for a specified term, requires sale
or rent of the unit at an affordable housing cost or affordable rent and/or requires sale or rent of
the unit to very low, low, or moderate income households.

“Affordable rent” means the maximum monthly rent, including an allowance for tenant paid
utilities, calculated at the specified income level in accordance with the Health and Safety Code
Section 50053.

“Household” means all those persons, related or unrelated, who occupy a single housing unit.

“Housing development project” means any development project requiring a land use permit or
approval from the city for: the construction of one-or more housing units including single-family
residences, condominiums, townhouses and apartments; the division of land into one or more
residential parcels; the subdivision of mobile home parks; or the conversion of one or more
apartments to one or more condominiums.

“Low income household” means a household whose income, with adjustment for household size,
is between fifty percent and eighty percent of the Santa Cruz County areawide median income.
“Moderate income household” means a household whose income, with adjustment for household size, is between eighty percent and one hundred twenty percent of the Santa Cruz County areawide median income.

“Primary residence” means a dwelling unit a person physically occupies and lives in at least ten months of the calendar year. Exception: After residing in the unit as a Primary Residence for a minimum of one year, under unique temporary circumstances that require the owner to temporarily vacate the unit, the owner may rent out the unit with the prior written approval of the Community Development Director for a period of up to one year and still qualify as a Primary Residence.

“Qualified retirement plan” means a retirement plan recognized by the Internal Revenue Service (IRS) where investment income accumulates tax-deferred. Common examples include individual retirement accounts (IRAs), pension plans and Keogh plans.

“Senior citizen” means a person 62 years of age or older, or 55 years of age or older in a senior citizen housing development.

“Senior citizen housing development” means a senior citizen housing development as defined in California Civil Code Sections 51.3 and 51.12, that is developed, substantially rehabilitated, or substantially renovated for senior citizens. A senior citizen housing development must include at least 35 dwelling units or mobile home spaces.

“Unit” means a single-family home, condominium, apartment, mobile home parcel, or residential parcel.

“Very low income household” means a household whose income, with adjustments for household size, is less than fifty percent of the Santa Cruz County areawide median income.

18.02.030 Affordable housing requirements.

A. Subject to the exceptions set forth elsewhere in this chapter, each proposed housing development project creating seven or more for-sale housing units, residential parcels, mobile home parcels, or converted condominium units shall be required to reserve and restrict fifteen percent of the housing units, residential parcels or converted condominium units for sale to moderate, low or very low income households in accordance with the requirements of Section 18.02.040.

B. The following housing development projects are exempt from Sections 18.02.030 through 18.02.050; however, they may be subject to Affordable Housing Impact Fees under Chapter 18.05:

1. Rental housing units.

2. The development of six or less for-sale housing units, residential parcels or converted condominiums, or mobile home parcels.

3. Redevelopment of existing housing development projects that do not result in the creation of seven or more residential units.

4. Developments exempted by state law or by final judgment by a court of competent jurisdiction.
18.02.040 Provision of affordable housing units.

When a housing development project is required to construct or provide affordable housing units pursuant to this chapter, the housing development project shall comply with the following requirements:

A. In determining the number of affordable housing units required, developments which require fractional contribution pursuant to the requirements of this chapter shall pay affordable housing in-lieu fees for the fractional contribution in an amount prescribed by the affordable housing in-lieu fee schedule adopted, and from time to time revised, by city council resolution.

B. All affordable housing units shall remain affordable for fifty-five years or the natural life of the unit, whichever is greater, unless a longer period is required by a construction or mortgage financing program, mortgage insurance program, state law, or housing grant, loan or subsidy program. The required period of affordability shall run concurrently with any period of affordability required by any other agency; provided, however, that the affordability period shall not be less than fifty-five years or the natural life of the unit, whichever is greater.

C. The housing development project permit application submitted to the city shall specify the number, type, location, size and construction scheduling of all housing units which are part of the project, including the affordable housing units, and shall indicate which housing units are designated as affordable housing units for purposes of complying with this chapter. If an alternative compliance option under Section 18.02.050 is requested, the proposed method of compliance shall be included with the initial application. If a reduction, adjustment, or waiver under Section 18.02.150 is requested, the application shall set forth the basis for the request in accordance with the criteria set forth in that section.

D. Unless otherwise approved by the city planning commission or city council, affordable housing units shall be reasonably dispersed throughout the housing development project and shall be compatible with the design and use of the remaining housing units in the housing development project in terms of appearance, materials and finish quality.

E. The housing development project developer shall have the option of reducing the interior amenity level of affordable housing units provided that all affordable housing units conform to the requirements of the city building and housing codes and further provided that all affordable housing units, at a minimum, shall have interior painting or other finish wall covering, floor covering, a stove, a dishwasher, an oven, built-in kitchen cabinets, washer and dryer hookups, a bath/shower, a toilet, a kitchen sink and a bathroom sink.

F. All affordable housing units in a housing development project shall be constructed concurrently with, or prior to, the construction of the housing development project’s market rate housing units and shall be sold concurrently with, or prior to, sale of the market rate housing units.

G. Prior to recordation of the final subdivision map or issuance of building permits for the housing development project, the housing development project developer shall enter into a participation agreement with the city in a form suitable for recordation so as to assure compliance with the provisions of this chapter.

H. A housing development project developer who is a subdivider may propose to comply with the requirements of this chapter by dedicating affordable lots to the city. The city council, at its sole
discretion may grant, conditionally grant or deny the request. If the housing development project subdivider’s proposal to dedicate affordable lots to the city is approved, the offer of dedication shall be made concurrently with the filing of the final subdivision map.

I. Where the city provides financial assistance to a housing development project in the form of a grant, subsidy, loan, fee waiver or any other action which confers a fiscal benefit on the housing development project developer, the city may condition the financial assistance with a requirement that the housing development project reserve or restrict more than fifteen percent of the housing development project’s housing units, residential parcels or converted condominium units for sale to moderate, low or very low income households.

18.02.050 In-lieu housing fees and alternative compliance options.

A. When a housing development project is subject to this chapter, the housing development project developer may elect to pay affordable housing in-lieu fees rather than produce the required inclusionary units onsite in accordance with the following requirements:

1. The housing development project developer shall pay affordable housing in-lieu fees in an amount prescribed by the affordable housing in-lieu fee schedule adopted, and from time to time revised, by city council resolution.

2. The housing development project developer shall pay the in-lieu fee amount applicable to each unit prior to issuance of a building permit for that unit by the building department. Upon request of the housing development project developer, the city council may consider and approve a deferred payment until issuance of a certificate of occupancy based on a finding that the deferred fee payment contributes to the project’s economic feasibility. The approval of a deferred fee shall be conditioned upon receipt of adequate security for the obligation from the housing development project developer, which may include a lien against the property or an alternative form of security approved by the Community Development Director and the City Attorney.

3. Affordable housing in-lieu fees shall be deposited into the city’s housing trust fund and all such fees shall be used, at the earliest time feasible, to assist in the construction of new low or very low income housing units with a minimum of fifty-five-year term affordability restrictions, the rehabilitation of low or very low income housing units which, upon rehabilitation, will have fifty-five-year term affordability restrictions, or to assist low or very low income households in purchasing or renting housing units, and for administration and compliance monitoring of the affordable housing program, as approved by the city council.

B. Alternative Compliance Options.

1. The housing development project developer, or an entity controlled by the developer, or another entity that has entered into an agreement with the developer to provide affordable housing units, may propose to construct the affordable housing units required by Section 18.02.030 on another site in the city. Two or more developers may also jointly propose off-site construction of affordable housing units on a single site in the city. The city may grant a credit for off-site construction if the proposal meets all of the following conditions:

a. Financing or a viable financing plan, which may include public funding, shall be in place for the off-site affordable housing units;
b. The off-site location is suitable for the proposed affordable housing units, consistent with any adopted guidelines and the Housing Element, will not tend to cause residential segregation or concentrations of poverty, and is located within one mile of the market rate housing development project with appropriate infrastructure and services; and

c. Construction of the off-site affordable housing units may not have commenced prior to the first approval of the market rate housing development project.

Final inspections for occupancy of the market-rate units in the housing development project will be granted only after final inspections are completed for the off-site affordable housing units related to those market-rate units. However, the timing requirements set forth in this subsection may be modified by the city council. The city may require that completion of off-site affordable housing units be further secured by the housing development project developer's agreement to pay in-lieu fees in the event the off-site units are not timely completed.

2. The housing development project developer may propose to meet the requirements of Section 18.02.030 by dedicating property to the city in-lieu of constructing inclusionary units within the housing development project. The city may approve property dedication under this subsection only if the proposal meets all of the following conditions:

a. The number of affordable housing units to be constructed on the dedicated property shall be at least 10 percent greater than the number of affordable housing units otherwise required;

b. Financing or a viable financing plan, which may include public funding, shall be in place for construction of the affordable housing units on the dedicated property; and

c. The property to be dedicated is suitable for the proposed affordable housing units, consistent with any adopted guidelines and the Housing Element, will not tend to cause residential segregation or concentrations of poverty, and is located within one mile of the market-rate housing development project with appropriate infrastructure and services.

The property shall be dedicated to the city prior to issuance of any building permit for the market rate housing development project.

18.02.060 For-sale housing units – Sales price and procedures.

When an affordable housing unit is sold or re-sold, the following requirements shall apply:

A. In calculating the maximum allowable sales price for housing units which, pursuant to this chapter, are deed restricted as affordable to very low, low or moderate income households, the city or the city’s designee shall employ the following formula:

1. Single-Family Residences. Sales prices shall be set to equal the price affordable to a household earning the area median income adjusted for household size, with a household size equal to the number of bedrooms in the unit plus one, and a housing cost ratio equal to thirty-five percent of gross monthly household income, and a ten percent down payment.

2. Condominiums/Townhouses. Sales prices shall be set to equal the price affordable to median income household earning the area median income adjusted for household size, where household size is equal to the number of bedrooms in the unit plus one, and a housing cost ratio equal to thirty-five percent of gross monthly household income, and a ten percent down payment.
3. Mobile Home Parcels. No sale or resale price will be set for the inclusionary parcels created. Inclusionary parcels in a mobile home park will have initial and subsequent resales restricted to sale to a median low to moderate income household adjusted by household size.

4. If the maximum allowable sales price is less than the original purchase price the homeowner paid for the affordable housing unit, the homeowner shall be permitted to sell the affordable housing unit at a price equal to their original purchase price.

B. The re-sale purchase price of any affordable housing unit may be increased by the value of any substantial structural or permanent fixed improvements, subject to the following conditions:

1. The improvements must be incapable of being removed without substantial damage to the premises or substantial or total loss of value of the improvements.

2. The cost of the improvements at the time they were made or installed must equal more than one percent of the original purchase price the homeowner paid for the affordable housing unit, as verified by invoices, receipts, or similar forms of documentation.

3. The improvements must have conformed to applicable building codes at the time of installation, as evidenced by a building permit or a valid building permit waiver issued by the City.

4. The maximum allowable sales price shall be increased by the present value of qualifying improvements as determined by an appraiser designated by the city up to a maximum value equal to ten percent of the original purchase price the homeowner paid for the affordable housing unit.

5. The limits shall reset upon each transfer to a new homeowner, and each subsequent homeowner shall have the opportunity to benefit from an upward adjustment to the maximum allowable sales price caused by qualifying improvements.

C. If the city finds that the owner, through neglect, abuse or lack of adequate maintenance, has damaged an affordable housing unit, the city may require repairs be made at the owner’s expense and be financed prior to sale or through the escrow account.

D. In cases where the owner or housing developer has made a good faith effort to sell an affordable housing unit at the allowable sales price established by the city, and has failed to sell that unit after two hundred forty days, the seller may request to make a monetary contribution to the affordable housing trust fund in exchange for the city’s agreement to release the affordability deed restriction on that unit. The amount of the contribution would be determined by the city council, taking into consideration the then-current cost of developing similar affordable housing units and the remaining amount of time the subject unit was deed restricted for sale to very low, low or moderate income households. The city council in its sole discretion may grant, conditionally grant or deny the request. If the request is granted or conditionally granted, upon the city’s receipt of the prescribed housing trust fund contribution, the subject affordable housing deed restriction shall be released and the seller shall be allowed to sell, rent or otherwise use the subject affordable housing unit for residential purposes as the seller deems appropriate.

For purposes of this section, a good faith effort to sell a deed restricted affordable housing unit will, at a minimum, include listing the property in the pertinent multiple listing service for a minimum of two hundred forty days, actively marketing and showing the property in a manner that would
be deemed professionally prudent by a full-time real estate agent or broker employed in the Santa Cruz County housing market.

E. Calculations made in accordance with the requirements of this Section shall remain valid for ninety days after the city provides the result of the calculations in writing. After ninety days, an affordable housing unit purchaser or homeowner shall be required to obtain new calculations from the city and may be required to pay additional fees in accordance with Section 18.02.110. An affordable housing unit purchaser or homeowner may not request an updated calculation prior to the ninety-day period passing.

F. The city council authorizes the community development director to adopt guidelines that are consistent with this Section to provide more specific information about how sales prices shall be calculated.

18.02.070 Eligibility for affordable housing units.

A. Only households which qualify as very low, low, median or moderate income households, and who meet the asset limit, shall be eligible to purchase affordable housing units developed pursuant to this chapter.

B. To be eligible to purchase affordable housing units created pursuant to this chapter that are not in a senior citizen housing development or a mobile home park, the total assets of a household shall be less than one and one-half times the annual household income limit for that unit. The following assets are excluded from the eligibility calculation:

1. Assets to be used to purchase the affordable housing unit.

2. Assets in a qualified retirement plan up to five hundred thousand dollars, which amount shall be increased on January 1, 2023 and every January 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage equal to the percentage increase in the Consumer Price Index over the same time period.

C. To be eligible to purchase affordable housing units that are in a senior citizen housing development and that are not in a mobile home park, the total assets of a household shall be less than three times the annual household income limit for that unit. The following assets are excluded from the eligibility calculation:

1. Assets to be used to purchase the affordable housing unit.

2. Assets up to one million dollars, which amount shall be increased on April 1, 2021 and every April 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage equal to the percentage increase in the Consumer Price Index over the same time period.

C. Income eligibility to purchase affordable housing units created pursuant to this chapter shall be determined at the time of sale of the affordable housing unit by the city or the city's designee.

D. Applicants may appeal the city's income and asset eligibility determinations within thirty days of the date of their income eligibility letter. Appeals of the city's income and asset eligibility
determinations shall first be made to a committee comprised of the city manager, mayor, community development director, and city attorney. Appeals shall be in the form of a letter addressed to the city manager, and should document the reason the applicant believes an exception should be made. Appeals may be granted by the committee upon a finding, based upon documentary evidence produced by the appellant which clearly demonstrates that the subject household’s future earning capacity will be significantly impaired in the immediately foreseeable future. The committee’s decision may be appealed as set forth in Section 18.02.150.

E. The purchaser of an affordable ownership unit shall occupy the unit as his or her Primary Residence. If the unit ceases to function as a Primary Residence, it shall be sold according to the requirements of this chapter.

18.02.080 Marketing of affordable housing units for sale.

A. Any marketing communication advertising an affordable housing unit for sale shall fully disclose the affordable housing sale price and eligibility restrictions contained in this chapter.

B. Marketing of a for-sale affordable housing unit shall be performed by the owner or owner’s agent, with preference given to households who live or work in Capitola, who shall market the affordable housing unit for no more than the maximum sale price established by the city (excluding closing costs in sales transactions).

C. The purchaser of an affordable housing unit shall not pay more in closing costs than that which is reasonable and customary in Santa Cruz County.

D. The seller of an affordable housing unit shall pay any real estate sales commission associated with the sales transaction.

E. The owner of an affordable housing unit shall not use the unit as collateral for an amount exceeding ninety-five percent of the maximum sales price allowed by this chapter unless specifically allowed in writing beforehand by the city. All second mortgages shall require the prior written approval of the city.

18.02.090 Secondary dwelling units – Non-applicability.

This chapter shall not apply to secondary dwelling units developed pursuant to Capitola Municipal Code Chapter 17.99.

18.02.100 Pre-approved projects – Non-applicability.

Sections 18.02.30 through 18.02.50 of this chapter shall not apply to projects for which a development permit was issued by the city prior to the effective date of the ordinance codified in this chapter or to the projects for which an approved tentative map or vesting tentative map existed as of the effective date of said ordinance.

18.02.110 Fees.

Upon resale, application for an equity line of credit, or refinance of an affordable housing unit, the owner or landlord shall pay a fee to the city to cover the city’s costs in determining the maximum sales price and any other monitoring and document preparation processes as may be required of the city. The fee shall be established by city council resolution and shall be calculated so as to
allow the city to recover the staff costs and administrative overhead incurred by the city in providing these services and preparing these documents. In addition, the city may similarly charge each prospective purchaser of an existing affordable housing unit a fee for determining eligibility.

18.02.120 Default/foreclosure.

A. Option to Purchase. In the event a default notice is recorded against an affordable housing unit, the city or its designee shall have the option to purchase the unit by paying the minimum amount that the owner would have received on the date of the foreclosure sale. Out of this sum, any lien holders shall be paid the amount of funds due them and the owner shall be paid the remaining balance.

B. In the event the city or its designee does not exercise its option to purchase the affordable housing unit prior to the trustee’s sale or judicial foreclosure and the owner does not redeem the property by curing the default prior to sale or foreclosure, the unit shall thereafter be free from the restrictions of this chapter and the new owner may occupy, sell or rent the unit without restriction.

C. Notwithstanding subsection B of this section, single-family units that have never been sold to individual owner-occupants and multiple-family dwelling units shall not be released from the restrictions of this chapter through a trustee’s sale or judicial foreclosure. In addition, affordable housing units shall not be released under the following circumstances:

1. The city has not been provided a copy of the notice of default within ten days of its service upon the owner;

2. The owner does not allow the city to exercise its option to purchase; or

3. A lender has over-encumbered the property and refuses to release its interest in the property for the maximum allowable sales price.

18.02.130 Conflicts of interest.

The following individuals are ineligible to purchase an affordable housing unit as their residence:

A. The city manager, city attorney, community development director and members of the planning commission and city council;

B. The owner or developer of an affordable housing project or affordable housing unit; and

C. The immediate relatives of persons identified in subsections A and B of this section.

18.02.140 Violations.

It is unlawful and a violation of this chapter for an applicant or owner of an affordable housing unit or any employee or agent of an applicant or owner to:

A. Sell an affordable housing unit to anyone who has not first been qualified as eligible;

B. Sell an affordable housing unit to any person who has a conflict of interest as defined by this chapter;
C. Sell an affordable housing unit for an amount exceeding the maximum sales price;

D. Solicit, require or accept in connection with the sale of an affordable housing unit any payment or other contribution of cash, property or services from a purchaser or tenant the value of which, when added to the purchase price paid for an affordable housing unit, would exceed the maximum sales price or maximum rental prescribed by this chapter;

E. Willfully and knowingly make a false statement or representation, or knowingly fail to disclose a material fact for the purpose of qualifying as eligible to purchase or rent an affordable housing unit under this chapter; or

F. Violate any other provision of this chapter. The city may prosecute any violation of this chapter criminally, civilly or administratively in accordance with Title 4 of this code.

18.02.150 Reductions, Adjustments, or Waivers.

A. Any request for a waiver, adjustment, or reduction under this chapter shall be submitted to the city concurrently with an application for a first approval for a housing development project based upon a showing that applying the requirements of this chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result. The request for a waiver, adjustment, or reduction shall set forth in detail the factual and legal basis for the claim.

B. The request for a waiver, adjustment, or reduction shall be processed concurrently with all other permits required for the housing development project. The body with the authority to approve the housing development project shall have the authority to act on the request for a waiver, adjustment, or reduction, subject to any appeals otherwise authorized for the housing development project.

C. The waiver or modification may be approved only to the extent necessary to avoid an unconstitutional result, based upon legal advice provided by or at the behest of the City Attorney, after adoption of written findings, based on legal analysis and substantial evidence. If a waiver or modification is granted, any change in the project shall invalidate the waiver or modification, and a new application shall be required for a waiver or modification under this section.

18.02.160 Appeal.

Any applicant or other person whose interests are adversely affected by a determination under Section 18.02.070 may appeal in accordance with the provisions of that section. Any applicant or other person whose interests are adversely affected by any other determination in regard to the requirements of this chapter may appeal to the city council in accordance with the provisions of Chapter 2.52.
Background:

- CMC Chapter 18.02 was originally adopted in 2004
- IHO last amended 2013 and 2021
- Necessary amendments to clarify terms and current practices
New Definition of Primary Residence

• **Primary Residence**: A dwelling unit a person physically occupies and lives in at least ten months of the calendar year.

• **Exception**: After residing in the unit as a Primary Residence for a minimum of one year, under unique temporary circumstances that require the owner to temporarily vacate the unit, the owner may rent out the unit with the prior written approval of the Community Development Director for a period of up to one year and still qualify as a Primary Residence.
Amended Definition of “Qualified Retirement Plan”:

- Section 18.02.020 “a retirement plan recognized by the Internal Revenue Service (IRS) where investment income accumulates tax-deferred. Common examples include individual retirement accounts (IRAs), pension plans and Keogh plans.”
- Remove the term “tax-deferred.”
Amend For-Sale Housing Units Sales Price and Procedures to Reflect Current Practices

• CMC 18.02.060(A)(3) outlines the sales price and procedures for inclusionary mobile home lots.
  
  • States the resale of an inclusionary mobile home parcel is restricted to sale to a **median income** household adjusted by household size.
  
  • Incorrect. The current practice is to restrict sales to **low to moderate-income** households.
  
  • Replace “median” with “low to moderate”.

Item 9 D.
Amend Eligibility Requirements

- Section 18.02.070(B)(2) and (C)(2) of Municipal Code allowed inflation tied to Consumer Price Index on January 1st of each year. Staff updates eligibility requirements for inclusionary units each year when official state income limits are published, typically in spring.

- Modify CPI adjustment to take place when state income limits are published to simplify annual calculation.
Recommended Action:

- Introduce by title only, waiving further reading of the text, an ordinance of the City of Capitola amending CMC Chapter 18.02, Affordable (Inclusionary) Housing.
Amend Eligibility Requirements

- Section 18.02.070(B)(2) and (C)(2) of Municipal Code allowed inflation tied to Consumer Price Index on January 1st of each year. Staff updates eligibility requirements for inclusionary units each year when official state income limits are published, typically in spring.

- Staff recommends modifying CPI adjustment to take place when state income limits are published to simplify annual calculation.

- CMC §18.02.070.(B)(2): “Assets in a qualified retirement plan up to five hundred thousand dollars, which amount shall be increased on January 1, 2023, and every January 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage of equal to the percentage increase in the Consumer Price Index over the same time period”.

- CMC §18.02.070.(C)(2): “Assets up to one million dollars, which amount shall be increased on April 1, 2021, and every April 1st the first day of the month following the annual release of Official State Income Limits by the California Department of Housing and Community Development, and every year thereafter by a percentage equal to the percentage increase in the Consumer Price Index over the same time period.”
Capitola City Council
Agenda Report

Meeting: September 14, 2023
From: City Manager Department
Subject: League of California Cities Annual Conference Voting Delegate

Recommended Action: Designate the City of Capitola’s voting delegate and alternate to the League of California Cities Annual Conference.

Background: The 2023 League of California Cities (League) Annual Conference will be held in Sacramento from September 20 through September 22. At this meeting, the League holds its annual business meeting to consider and vote on resolutions that establish League policy.

Discussion: To vote on these items, the City must designate a voting delegate. Each city should appoint one delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Designation of the voting delegate must be done by City Council action.

The delegate and alternate(s) must be registered to attend the conference, but they need not register for the entire conference; they may register for Friday only. At least one voting delegate or alternate must be present at the General Assembly on Friday and in possession of the voting card to cast a vote. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may not transfer the voting card to another city official.

Fiscal Impact: There is no fiscal impact associated with this action. Council Members may use funds budgeted for travel and training expenses to attend the conference.

Report Prepared By: Julia Moss, City Clerk
Approved By: Jamie Goldstein, City Manager
DATE: Wednesday, June 21, 2023

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
    League of California Cities Annual Conference and Expo, Sept. 20-22, 2023, Sacramento SAFE Credit Union Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Sept. 22, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Please complete the attached voting delegate form and email it to Cal Cities office no later than Monday, August 28.

New this year, we will host a pre-conference information session for voting delegates to explain their role. Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Please view Cal Cities’ event and meeting policy in advance of the conference.

Action by Council Required. Consistent with Cal Cities bylaws, a city’s voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council.

Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
**Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the Cal Cities website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

**Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but only between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may not transfer the voting card to another city official.

**Seating Protocol during General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the SAFE Credit Union Convention Center in Sacramento, will be open at the following times: Wednesday, Sept. 20, 8:00 a.m.- 6:00 p.m. and Thursday, Sept. 21, 7:30 a.m.- 4:00 p.m. On Friday, Sept. 22, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city’s voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Monday, Aug. 28. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:
- General Assembly Voting Guidelines
- Voting Delegate/Alternate Form
- Information Sheet: Cal Cities Resolutions and the General Assembly
General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.

4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.

6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.
2023 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to Cal Cities office by Monday, August 28, 2023. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

To vote at the General Assembly, voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the General Assembly. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the voting delegate desk.

1. VOTING DELEGATE

Name: ___________________________ Email: ___________________________

Title: ___________________________

2. VOTING DELEGATE - ALTERNATE

Name: ___________________________ Name: ___________________________

Title: ___________________________ Title: ___________________________

Email: ___________________________ Email: ___________________________

3. VOTING DELEGATE - ALTERNATE

ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: ___________________________ Email: ___________________________

Mayor or City Clerk: __________________ Date: ________ Phone: _____________
(circle one) (signature)

Please complete and email this form to votingdelegates@calcities.org by Monday, August 28, 2023.
How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure that we are representing California cities with one voice. These policies directly guide Cal Cities advocacy to promote local decision-making, and lobby against statewide policy that erodes local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here’s how Resolutions and the General Assembly works.

Prior to the Annual Conference and Expo

General Resolutions
Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees
The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions
The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee
The Resolutions Committee considers all resolutions. General Resolutions approved by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.

General Assembly
During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

What's new in 2023?

- Voting delegates will receive increased communications to prepare them for their role during the General Assembly.
- The General Assembly will take place earlier to allow more time for debate and discussion.
- Improvements to the General Assembly process will make it easier for voting delegates to discuss and debate resolutions.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The Resolutions Committee includes representatives from each Cal Cities diversity caucus, regional division, municipal department, policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The General Assembly is a meeting of the collective body of all voting delegates — one from every member city.

Seven Policy Committees meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, municipal department, as well as individuals appointed by the Cal Cities president.

For more information visit www.calcities.org/general-assembly

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1 The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.
2 Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).
League of CA Cities Annual Conference will be held 9/20-22 in Sacramento

General Assembly is held during the Conference
- If a resolution is approved at General Assembly, it becomes CA Cities policy

For 2023, no policy resolutions were received by the deadline for consideration. Petitioned resolutions may still be introduced during the conference

August 28, 2023 – Deadline to appoint a voting delegate
Voting delegates are appointed by each member City, each City has one voting delegate and up to 2 alternates.

Voting delegates must attend the conference for the General Assembly (Friday) but are not required to attend the entire conference.

Council Members Brooks and Pedersen are registered to attend.
Recommended Action

- Appoint 1 member of the City Council as a voting delegate, appoint 1 to 2 members of the City Council as alternates.