

City of Capitola Regular City Council Meeting Agenda

Thursday, January 13, 2022 – 7:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

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

Closed Session – 6 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.

LIABILITY CLAIM (Gov't Code § 54956.95)
Claimant: Gina Cavuoto
Agency claimed against: City of Capitola

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to § 54956.9(d)(2)
One potential case

Regular Meeting of the Capitola City Council – 7 PM

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

1. Roll Call and Pledge of Allegiance

Council Members Jacques Bertrand, Yvette Brooks, Margaux Keiser, Kristen Petersen and Mayor Sam Storey.

2. Presentations

Presentations are limited to eight minutes.

A. Introduction of new Capitola Police Officers Abraham Camacho, Jaime Ponciano, Noah Sherin, and Daniel Vasquez

B. Presentation of the 2021 Officer of the Year – Herb Ross Award to Officer Jackie Yeung

3. Report on Closed Session

4. Additional Materials

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

5. Additions and Deletions to the Agenda

6. Oral Communications by Members of the Public

*Please review the Notice of Remote Access for instructions. Oral Communications allows time for members of the Public to address the City Council on any “Consent Item” on tonight’s agenda, or on any topic within the jurisdiction of the City that is not on the “General Government/Public Hearings” section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. **A maximum of 30 minutes** is set aside for Oral Communications.*

7. Staff / City Council Comments

Comments are limited to three minutes.

8. Consent Items

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

A. Consider the December 1 and December 9 City Council Meeting Minutes

Recommended Action: Approve the minutes.

B. Approval of City Check Registers Dated November 19, November 24, December 10, December 17 and December 30.

Recommended Action: Approve check registers.

C. FY 2020-21 Audit Report

Recommended Action: Receive report.

D. Revised Information Technology Specialist Job Description

Recommended Action: 1) Authorize the City Manager to Sign Side Letter with Confidential Employees Group; and 2) Approve Amended Information Systems Specialist Job Description

E. Liability Claim of Gina Cavuoto

Recommended Action: Reject liability claim.

F. Receive Update on Pandemic Response and Consider Adopting Proposed Resolution Allowing for the Continuation of Teleconferencing

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

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 Branch Library Project Notice of Completion
Recommended Action: Approve the Notice of Completion for the Capitola Branch Library Project constructed by Otto Construction at a final cost of \$13,190,813 and direct the Public Works Department to 1) record the Notice of Completion and 2) release the retention held in escrow of \$369,724.39.
- B.** Presentation Regarding Proposed City of Santa Cruz Onstreet Parking Programs
Recommended Action: Receive a report regarding how the City of Santa Cruz is addressing oversized vehicles and an update on City of Capitola practices.
- C.** Authorize Purchase of a New Street Sweeper for the Department of Public Works
Recommended Action: Authorize the expenditure of up to \$350,000 for the purchase of a new Global Regenerative Air streetsweeper for the Public Works Department.
- D.** Amend FY 2021-22 City Fee Schedule
Recommended Action: Adopt the proposed resolution amending the fee schedule for Fiscal Year (FY) 2021-22.
- E.** Appoint Representative to the Housing for Health Partnership Policy Board
Recommended Action: Appoint the City Manager to a two-year term on the Continuum of Care (CoC) Board, known as the Housing for Health Partnership Policy Board, as nominated by the Mayor.

10. Adjournment

Notice of Remote Access

In accordance California Senate Bill 361, the City Council meeting is not physically open to the public and in person attendance cannot be accommodated.

To watch:

- Online <http://cityofcapitola.org/meetings>
- Spectrum Cable Television channel 8

Join Zoom by Computer or Phone:

- Click this meeting link:
<https://us02web.zoom.us/j/81492483812?pwd=bnJjN25aYkRhRHlUajAzM3o1cnpDQT09>
- Or call one of these phone numbers:
 - 1 (669) 900 6833
 - 1 (408) 638 0968
 - 1 (346) 248 7799
- Meeting ID: 814 9248 3812
- Meeting Passcode: 426714

Public Comment: One comment (via phone or email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

- Zoom Meeting (Via Computer or Phone):

If using computer: Use participant option to “raise hand” during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak

If called in over the phone: Press *9 on your phone to “raise your hand” when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak

- Send Email: During the meeting, send comments via email to publiccomment@ci.capitola.ca.us

- Emailed comments on items will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.

- Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.

- Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.

- Emails received by publiccomment@ci.capitola.ca.us outside of the comment period outlined above will not be included in the record.

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

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

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

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

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

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

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Police Department

Subject: Presentation of the 2021 Officer of the Year – Herb Ross Award to Officer Jackie Yeung



Background: The Herb Ross Officer of the Year Award is presented to a Capitola Police Officer each year. This honor is named after past Capitola Police Sergeant Herb Ross, a man who stood for integrity, professionalism, and hard work. Sergeant Ross worked for the Capitola Police Department from 1973 until 2001 and during this time was a mentor to so many. He was responsible for developing several community outreach programs, such as the first Drug Abuse Resistance Education Program, the Juvenile Diversion Program, Cops Reading to Kids, and the Safe Ride Home Program. Sergeant Ross received a Capitola Mayor's proclamation for his service in 1996 and the following year was named Citizen of the Year by the Capitola Chamber of Commerce. The Herb Ross Award is a way to honor Sergeant Ross and Capitola Police Officers who go above and beyond to serve our City and greater community.

Discussion: Officer Jackie Yeung has been selected as our department's 2021 "Officer of the Year". Officer Yeung grew up in Santa Cruz County and attended Harbor High School. While attending high school, Officer Yeung volunteered his time at Capitola PD as a police explorer. After serving as a police explorer, Officer Yeung took an opportunity with Sacramento Police to attend their police academy and serve as an officer. After finishing the police academy, Officer Yeung worked for Sacramento Police for about a year, when he then made the wise decision to return to the Santa Cruz region and was hired by the City of Capitola in 2015.

In 2021, Officer Yeung obtained his second stolen vehicle award. To receive this award, an officer must locate 12 stolen vehicles (3 of the recoveries must be of vehicles still occupied by a suspect) in a 12-month period. Officer Yeung completed this task two years in a row and has also received the California Highway Patrol 1085 Award. Officer Yeung continues to be a high performer and has been selected to be the next CIU Detective. Besides his patrol duties, officer Yeung is a Field Training Officer and Firearm Instructor. Officer Yeung has helped develop our firearms training and continues to train our officers in tactics.

In addition to his work commitments, Officer Yeung continues to support the Special Olympics by participating in Police in Pursuit; a funding raising event to benefit Special Olympics Northern California. Throughout his years of service, Officer Yeung has demonstrated the highest level of professionalism and dedication to Capitola residents, our community, and his fellow employees. The selection process for this award was peer nomination followed by the unanimous vote from the supervisory and command staff of the Police Department. Please join the City in introducing Officer Jackie Yeung as the 2021 recipient of the prestigious Herb Ross Award - Officer of the Year.

Report Prepared By: Andrew Dally, Chief of Police

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager

Capitola City Council Agenda Report

Meeting: January 13, 2022

From: City Manager Department

Subject: Consider the December 1 and December 9 City Council Meeting Minutes



Recommended Action: Approve the minutes.

Background/Discussion: Attached for Council review and approval are draft minutes from the special City Council meeting held on December 1 and the regular City Council meeting held on December 9, 2021.

Attachments:

1. Attachment 1: Draft minutes 12/1/2021
2. Attachment 2: Draft minutes 12/9/2021

Report Prepared By: Chloé Woodmansee, City Clerk

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager

**CAPITOLA CITY COUNCIL
DRAFT SPECIAL MEETING MINUTES
WEDNESDAY, DECEMBER 1, 2021 - 6 PM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Jacques Bertrand: Remote, Council Member Kristen Petersen: Remote, Vice Mayor Sam Storey: Remote, Mayor Yvette Brooks: Remote, Council Member Margaux Keiser: Remote.

2. ADDITIONAL MATERIALS

A. Item 5.A – 4 public comment emails

3. ADDITIONS AND DELETIONS TO THE AGENDA – NONE

4. STAFF / CITY COUNCIL COMMENTS

Council Member Bertrand shared a story about a coworker visiting Capitola.

City Manager Goldstein apologized about the technical issues experienced at the previous City Council meeting and announced that the meeting is live-streaming on YouTube.

5. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Outdoor Dining Ordinance

RECOMMENDED ACTION:

1. Consider Planning Commission recommendations regarding the draft outdoor dining ordinance and either:
 - a. Provide direction on the draft ordinance and consider a schedule for a first reading and adoption, or
 - b. Introduce by title only, waiving further reading of the text, an ordinance of the City Council of the City of Capitola repealing and replacing Municipal Code Sections 17.96.170 and amending Municipal Code Section 17.120.030, related to outdoor dining in the public right of way; or
2. Consider options to extend, terminate, or modify the temporary outdoor dining program, currently scheduled to end on January 3, 2022.

Council Member Keiser recused herself due to financial conflict. Community Development Directory Herlihy presented a staff report.

Director Herlihy explained the lottery system in response to a question from Council Member Petersen. Council Member Petersen asked how long the prototype design process is expected to take and Director Herlihy predicted about a month after the design process begins.

Vice-Mayor Storey asked about the prototypes in relation to angled parking and bicycles. Director Herlihy explained that the proposed in-lieu program would alleviate the potential bike-parking issue. She confirmed that restaurants currently participating in the temporary outdoor dining program needed proof of insurance.

Police Chief Dally briefly outlined some City parking permit programs in response to Vice-Mayor Storey's questions.

City Manager Goldstein highlighted that once adopted, changing this ordinance would be an

extensive process as this would require approval from the coastal commission. He said that the administrative policy related to outdoor dining program could be changed at any time at the discretion of the Council.

Council Member Bertrand confirmed that the prototype designs will be standardized but with customizable options so that variety in the Village is still possible.

Mayor Brooks checked that when surveyed on their desire to participate in an outdoor dining program, the restaurant owners were aware they'd need to pay for the spaces. She also asked about potential changes in restaurant ownership; Director Herlihy said this would be addressed in the administrative policy.

Council Member Bertrand emphasized that safety should be considered in parklet designs.

In public comment, Randy Zoucha spoke against the outdoor dining ordinance. Linda Smith spoke in favor of the ordinance.

MOTION:	PASS FIRST READING OF ORDINANCE INCLUDED IN THE PACKET AS “VERSION 2”: AN ORDINANCE REPEALING AND REPLACING CAPITOLA MUNICIPAL CODE SECTIONS 17.96.170 AND AMENDING MUNICIPAL CODE SECTION 17.120.030, RELATED TO OUTDOOR DINING IN THE PUBLIC RIGHT OF WAY
RESULT:	AMENDED AS BELOW
MOVER:	Kristen Petersen
SECONDER:	Jacques Bertrand

Vice Mayor Storey suggested an amendment to the motion:

MOTION:	PASS FIRST READING OF ORDINANCE INCLUDED IN THE PACKET AS “VERSION 2”: AN ORDINANCE REPEALING AND REPLACING CAPITOLA MUNICIPAL CODE SECTIONS 17.96.170 AND AMENDING MUNICIPAL CODE SECTION 17.120.030, RELATED TO OUTDOOR DINING IN THE PUBLIC RIGHT OF WAY
AMENDMENT:	INCLUDE CAPITOLA AVENUE AS A LOCATION THAT ALLOWS SIDEWALK DINING [STOREY]
RESULT:	PASSED [4 TO 0]
MOVER:	Kristen Petersen
SECONDER:	Jacques Bertrand
AYES:	Jacques Bertrand, Kristen Petersen, Sam Storey, Yvette Brooks
RECUSED:	Margaux Keiser

Council discussed the current COVID-19 temporary outdoor dining permits, which expire on January 3, 2022.

In public comment, Linda Smith recommended extending the temporary program past Memorial Day. Eric Fawcett emailed against extending the temporary program.

Council Member Petersen confirmed that applicants who successfully receive parklet spots through the lottery (under the permanent outdoor dining program) begin paying rent to the City immediately, not upon completion of their parklet construction.

MOTION:	CONTINUE THE ALLOWANCE OF COVID-19 TEMPORARY OUTDOOR DINING PERMITS THROUGH MAY 31, 2022
RESULT:	APPROVED [4 TO 0]
MOVER:	Sam Storey
SECONDER:	Kristen Petersen
AYES:	Jacques Bertrand, Kristen Petersen, Sam Storey, Yvette Brooks
RECUSED:	Margaux Keiser

- B. Mandatory Organics Waste Disposal Reduction Ordinance
RECOMMENDED ACTION: Introduce for first reading, by title only, waiving further reading of the text, an ordinance repealing Capitola Municipal Code Chapter 8.04: Garbage and enacting Chapter 8.04: Solid Waste and Edible Food Recovery.

Assistant to the City Manager Laurent presented a staff report.

Council Member Bertrand asked if waste processing will be different; Assistant Laurent responded that Monterey Regional will handle any changes and continue to process the City's waste. Assistant Laurent clarified that ordinance language maintains that burying garbage is not allowed.

There was no public comment.

RESULT:	PASS THE FIRST READING OF AN ORDINANCE REPEALING MUNICIPAL CODE SECTION 8.04: GARBAGE AND ENACTING CHAPTER 8.04: SOLID WASTE AND EDIBLE FOOD RECOVERY [UNANIMOUS]
MOVER:	Jacques Bertrand
SECONDER:	Sam Storey
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

- C. New State of California Housing Legislation and Community Development Department Housing Workplan
RECOMMENDED ACTION: Accept staff presentation on recent housing legislation and the Community Development Department's workplan.

Community Development Director Herlihy presented a staff report.

In response to a question from Council Member Bertrand, Director Herlihy explained that an updated housing element must be submitted by 2023.

There was no public comment.

Council Member Petersen emphasized the significance of this new State legislation and Council Member Bertrand confirmed that protections exist against down-zoning.

RESULT:	RECEIVE REPORT
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6. ADJOURNMENT

The meeting was closed at 8PM to the next regular City Council meeting on December 9, 2021.

Yvette Brooks, Mayor

ATTEST:

Chloé Woodmansee, City Clerk

**CAPITOLA CITY COUNCIL
DRAFT REGULAR MEETING MINUTES
THURSDAY, DECEMBER 9, 2021 - 6 PM**

CLOSED SESSION – 5 PM

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to § 54956.9(d)(2)
(one potential case)

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 6 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Jacques Bertrand: Remote, Council Member Kristen Petersen: Remote, Vice Mayor Sam Storey: Remote, Mayor Yvette Brooks: Remote, Council Member Margaux Keiser: Remote.

2. REPORT ON CLOSED SESSION

City Attorney Zutler announced that no action was taken.

3. ADDITIONAL MATERIALS

A. Item 8.B – one staff memo and report

4. ADDITIONS AND DELETIONS TO AGENDA – NONE

5. ORAL COMMUNICATIONS

Tom Brady announced that RPM Training selected Capitola Junior Guards as a beneficiary of their annual fundraising campaign.

6. STAFF / CITY COUNCIL COMMENTS

Community Development Director Herlihy updated Council on the economic development grants designed for local business rent relief and said that due to less businesses qualifying than originally projected, Staff intends to double the funding amount for those that do qualify.

Council Member Petersen reminded Staff and Council about the upcoming RHNA housing allocations.

7. CONSENT ITEMS

RESULT:	APPROVED, ADOPTED, PASSED, AND DETERMINED AS RECOMMENDED [UNANIMOUS]
MOVER:	Jacques Bertrand
SECONDER:	Sam Storey
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

A. Consider the Minutes from the November 23 Regular City Council Meeting
RECOMMENDED ACTION: Approve the minutes.

- B. Adopt a Resolution Setting the Interest Rate for Tenants' Security Deposits for 2022 at Zero Percent (0.00%)
RECOMMENDED ACTION: Adopt proposed resolution.
- C. Update Hourly and Seasonal Salary Schedule
RECOMMENDED ACTION: Adopt the proposed resolution amending the hourly and seasonal Pay Schedule.
- D. Mandatory Organics Waste Disposal Reduction Ordinance
RECOMMENDED ACTION: Pass ordinance repealing Capitola Municipal Code Chapter 8.04: Garbage and enacting Chapter 8.04: Solid Waste and Edible Food Recovery.
- E. Consider an Outdoor Dining Ordinance, a Resolution for Coastal Commission Certification, and Update Administrative Policy I-36
RECOMMENDED ACTION:
 - 1. Pass an ordinance of the City of Capitola repealing and replacing Municipal Code Sections 17.96.170 and amending Municipal Code Section 17.120.030, related to outdoor dining in the public right of way.
 - 2. Adopt the proposed resolution authorizing staff to submit the Zoning Code Update/Local Coastal Plan Update to the Coastal Commission for Certification.
 - 3. Approve the updated Administrative Policy I-36 for the Village Outdoor Dining Program.
- F. Receive Update on Pandemic Response and Consider Adopting Proposed Resolution Allowing for the Continuation of Teleconferencing
RECOMMENDED ACTION: 1) Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action; and 2) Adopt the proposed resolution authorizing the Capitola City Council (along with the Planning Commission and all advisory bodies) to continue to conduct teleconferencing meetings.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Council Reorganization for 2022
RECOMMENDED ACTION: Select and vote to approve a new Mayor and Vice-Mayor.

In public comment, Larry and Sedona Brooks congratulated Mayor Brooks on her year as Mayor and wished her a happy Birthday.

Mayor Brooks thanked the City Manager and staff for their resilience and hard work, thanked her family, and thanked the rest of Council for all they do for the community. Lastly she thanked community members.

MOTION:	NOMINATE SAM STOREY AS CITY COUNCIL'S 2022 MAYOR
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen
SECONDER:	Jacques Bertrand
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

Council thanked Mayor Brooks for her leadership and work during 2021.

MOTION:	NOMINATE MARGAUX KEISER AS CITY COUNCIL'S 2022 VICE-MAYOR
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen
SECONDER:	Jacques Bertrand
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

- B. Receive a Report on Bids Received for the 2021 Road Repair Project and Consider Awarding a Contract
RECOMMENDED ACTION: Receive a report on construction bids received on Wednesday December 8, 2021, for the 2021 Road Repair Project and consider award of contract.

Public Works Director Jesberg thanked Mayor Brooks for her support of past Public Works projects and presented a staff report on upcoming road repair.

Council Member Bertrand asked about future work at the intersection of Capitola Road and Bay Avenue, in hopes that the area could be under construction a single time. Director Jesberg said that any round-about work is several years away.

There was no public comment.

RESULT:	RECEIVE REPORT
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9. ADJOURNMENT

The meeting was closed at 6:45PM to the next regular City Council meeting on January 13, 2022.

Yvette Brooks, Mayor

ATTEST:

Chloé Woodmansee, City Clerk

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Finance Department

Subject: Approval of City Check Registers Dated November 19, November 24, December 10, December 17 and December 30.



Recommended Action: Approve check registers.

Account: City Main				
Date	Starting Check #	Ending Check #	Payment Count	Amount
11/19/2021	99311	99353	44	\$ 109,934.40
11/24/2021	99355	99379	32	\$ 255,132.35
12/10/2021	99380	99512	138	\$ 530,251.88
12/17/2021	99513	99567	56	\$ 76,844.86
12/30/2021	99568	99625	64	\$ 402,952.67

The main account check register dated November 12, 2021, ended with check #99310. Check #99354 was re-issued for original check #98398.

Account: Library				
Date	Starting Check #	Ending Check #	Payment Count	Amount
12/10/2021	295	295	1	\$ 240.00
12/17/2021	296	296	1	\$ 960.00

The library account check register dated November 5, 2021, ended with check #294.

Account: Payroll				
Date	Starting Check/EFT #	Ending Check/EFT #	Payment Count	Amount
11/19/2021	5754/18236	5754/18320	86	\$ 162,256.22
12/10/2021	18321	18404	84	\$ 159,929.11
12/17/2021	18405	18495	91	\$ 235,921.10
12/30/2021	5755	5755	1	\$ 530.94

The payroll account check register dated November 12, 2021, ended with check #5753.

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

Check/EFT	Issued to	Dept	Description	Amount
99321	Community Bridges	CD	CDBG CV1 meals on wheels/life line grant	\$ 21,200.01
99337	PG&E	PW	November gas & electricity	\$ 16,824.76

1238	IRS	FN	Federal tax & Medicare final paychecks	\$ 10,891.22
99359	Burke Williams and Sorensen LLP	CM	Legal services	\$ 42,950.07
99360	Capitola-Soquel Chamber of Commerce	FN	Quarterly TOT transfer	\$ 13,030.47
99363	Folsom Lake Ford	PD	2021 Ford Explorers (2)	\$ 77,894.06
1240	CalPERS Member Services	FN	PERS contributions PPE 11/13/21	\$ 54,481.24
1242	IRS	FN	Federal taxes & Medicare PPE 11/13/21	\$ 27,875.00
99395	Boys & Girls Clubs of Santa Cruz County	CM	Community grants	\$ 10,000.00
99396	Burke Williams and Sorensen LLP	CM	Legal services	\$ 20,208.00
99398	Cabrillo College	CM	Local govt. fellowship program	\$ 10,000.00
99400	Cale America Inc.	PD	Pay station keyboard adapter board and modem upgrades	\$ 10,552.70
99403	CASA	CM	Community grants	\$ 10,000.00
99422	Granite Rock Company	PW	Peery Park bridge repairs	\$ 49,754.13
99444	NAMI Santa Cruz County	CM	Community grants	\$ 10,000.00
99465	Children's Museum of Discovery	CM	Community grants	\$ 10,000.00
99466	Santa Cruz Auditor-Controller	PD	November citation processing	\$ 11,221.50
99474	Second Harvest Food Bank	CD	CDBG CV1 grant	\$ 19,193.74
99476	Seniors Council of Santa Cruz County	CM	Community grants	\$ 10,000.00
99492	United Way	CM	Community grants	\$ 10,000.00
99501	Volunteer Centers of Santa Cruz County	CM	Community grants	\$ 10,000.00
1246	CalPERS Member Services	FN	PERS contributions PPE 11/27/21	\$ 53,797.81
1248	IRS	FN	Federal taxes & Medicare PPE 11/27/21	\$ 27,804.50
1251	CalPERS Health	CM	December health insurance	\$ 53,063.17
99532	Kimley Horn & Assoc.	PW	Clares St. traffic calming, Capitola Rd. striping, Park Ave. traffic calming, traffic signal adaptive control engineering	\$ 20,089.23
99568	PG&E	PW	December gas & electricity	\$ 14,221.25
99576	Burke Williams and Sorensen LLP	CM	Legal services	\$ 24,512.50
99610	Santa Cruz Regional 911	PD	Operating contribution & SCRMS	\$ 125,222.25

1254	CalPERS Member Services	FN	PERS contributions PPE 12/11/21	\$ 54,848.78
1255	Employment Development Dept.	FN	State taxes PPE 12/11/21	\$ 19,675.03
1256	IRS	FN	Federal taxes & Medicare PPE 12/11/21	\$ 60,949.27
1258	Voya Financial	FN	Employee 457 contributions PPE 12/11/21	\$ 49,204.46

Attachments:

1. 11-19-21 Check Register
2. 11-24-21 Check Register
3. 12-10-21 Check Register
4. 12-17-21 Check Register
5. 12-30-21 Check Register

Report Prepared By: Mark Sullivan

Reviewed By: Chloé Woodmansee, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

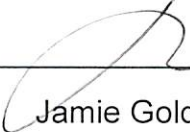
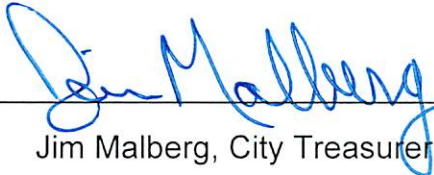
City main account checks dated November 19, 2021, numbered 99311 to 99353, totaling \$95,510.93, 2 EFTs totaling \$14,423.47 and 1 payroll check & 85 EFTs totaling \$162,256.22, for a grand total of \$272,190.62, have been reviewed and authorized for distribution by the City Manager.

As of November 19, 2021, the unaudited cash balance is \$4,929,569.11.

**CASH POSITION - CITY OF CAPITOLA
November 19, 2021**

	11/19/2021
General Fund	\$ (1,045,222.13)
Payroll Payables	\$ 167,804.49
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 522,714.09
Capital Improvement Fund	\$ 1,714,472.42
Stores Fund	\$ 66,355.66
Information Technology Fund	\$ 290,492.26
Equipment Replacement	\$ 692,967.92
Self-Insurance Liability Fund	\$ (68,202.65)
Workers' Comp. Ins. Fund	\$ 325,719.79
Compensated Absences Fund	\$ 201,121.60
TOTAL UNASSIGNED GENERAL FUNDS	\$ 4,929,569.11

The Emergency Reserve Fund balance is \$1,374,205.54 (not included above).
 The PERS Contingency Fund balance is \$1,029,628.32 (not included above).
 The Library Fund balance is \$232,152.99 (not included above).

 _____ Jamie Goldstein, City Manager	11/22/21 _____ Date
 _____ Jim Malberg, City Treasurer	11/19/21 _____ Date

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99311	11/19/2021			AMAZON CAPITAL SERVICES	\$438.07
	Invoice	Date	Description		Amount
	1FPM-1CP6-1FHT	11/11/2021	Work boots		\$419.55
	17M9-QCLX-PJKT	11/11/2021	iPhone charger		\$18.52
99312	11/19/2021			BEAR ELECTRICAL SOLUTIONS INC.	\$817.35
	Invoice	Date	Description		Amount
	1480	10/28/2021	October traffic signal maintenance services - routine		\$646.80
	14221	10/28/2021	October traffic signal maintenance services - response 1310 - Gas tax fund		\$170.55
99313	11/19/2021			BECKY ADAMS	\$351.00
	Invoice	Date	Description		Amount
	BA111521	11/15/2021	Instructor payment		\$351.00
99314	11/19/2021			BEN NOBLE URBAN AND REGIONAL PLANNING	\$1,575.00
	Invoice	Date	Description		Amount
	1375	11/03/2021	Outdoor dining ordinance 1313 - General Plan		\$1,575.00
99315	11/19/2021			BIG CREEK LUMBER	\$51.47
	Invoice	Date	Description		Amount
	1635490	11/10/2021	Skate park lumber		\$51.47
99316	11/19/2021			CA DEPARTMENT OF JUSTICE	\$245.00
	Invoice	Date	Description		Amount
	543889	11/03/2021	Employee fingerprinting		\$245.00
99317	11/19/2021			CAL OES	\$6,834.00
	Invoice	Date	Description		Amount
	CALOES102621	10/26/2021	Park Ave. storm damage PW#169 de-obligation refund 1200 - CIP		\$6,834.00
99318	11/19/2021			CAROLYN FLYNN	\$3,799.00
	Invoice	Date	Description		Amount
	CBF-10-2021	11/03/2021	October affordable housing program management 5552 - Housing Successor		\$3,799.00
99319	11/19/2021			CATHERINE THRASHER	\$219.00
	Invoice	Date	Description		Amount
	CT110221	11/02/2021	Building inspector test reimbursement		\$219.00

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99320	11/19/2021			COMMUNITY ACTION BOARD	\$2,781.01
	Invoice	Date	Description		Amount
	CAB082721	08/27/2021	July emergency rental assistance		\$525.33
	CAB101821	10/18/2021	Sept. mortgage assistance		\$50.74
	CAB093021	10/18/2021	Sept. emergency housing assistance 5552 - Housing Successor		\$2,204.94
99321	11/19/2021			COMMUNITY BRIDGES	\$21,200.01
	Invoice	Date	Description		Amount
	CBCV193021	11/08/2021	CDBG CV1 meals on wheels/life line grant 1351 - CDBG program income		\$21,200.01
99322	11/19/2021			DAVID SCOTT COBABE	\$1,675.80
	Invoice	Date	Description		Amount
	DSC111521	11/15/2021	Instructor payment		\$1,675.80
99323	11/19/2021			DOCTORS ON DUTY	\$240.00
	Invoice	Date	Description		Amount
	DOD110421	11/04/2021	New employee medical exams		\$240.00
99324	11/19/2021			FLYERS ENERGY LLC	\$1,352.86
	Invoice	Date	Description		Amount
	21-423079	11/11/2021	272 gallons gasoline		\$1,352.86
99325	11/19/2021			GINA ENRIQUEZ	\$3,203.83
	Invoice	Date	Description		Amount
	GE111521	11/15/2021	Instructor payment		\$3,203.83
99326	11/19/2021			HOME DEPOT CREDIT SERVICES	\$341.88
	Invoice	Date	Description		Amount
	9645478	11/09/2021	Mud pan, bucket, drywall sponge, joint knife & tape		\$47.61
	2012582	11/16/2021	Glue, wall adhesive, adhesive applicator		\$58.27
	8011782	11/10/2021	Broom, dust pan, bench brush, bucket		\$95.39
	8610235	11/10/2021	Vacuum tool		\$140.61
99327	11/19/2021			KBA Document Solutions LLC	\$3.49
	Invoice	Date	Description		Amount
	55Y1227125	11/11/2021	Recreation copier usage charges		\$3.49
99328	11/19/2021			KIMLEY HORN AND ASSOCIATES INC	\$8,465.00
	Invoice	Date	Description		Amount
	20056539	10/31/2021	October Clares St. traffic calming 1200 - CIP		\$8,465.00

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99329	11/19/2021			KING'S PAINT AND PAPER INC.	\$45.04
	Invoice	Date	Description		Amount
	A0317609	11/16/2021	Green recycle tray, 2.5 in. excalibur, butyl drop		\$45.04
99330	11/19/2021			LABORMAX STAFFING	\$665.33
	Invoice	Date	Description		Amount
	26-161910	11/12/2021	Seasonal labor 11/8 - 11/12		\$665.33
99331	11/19/2021			MICHAEL G LEW	\$162.04
	Invoice	Date	Description		Amount
	ML111521	11/15/2021	Instructor payment		\$162.04
99332	11/19/2021			MILLER'S TRANSFER & STORAGE CO.	\$259.60
	Invoice	Date	Description		Amount
	93418	11/08/2021	November record storage		\$259.60
99333	11/19/2021			MISSION LINEN SUPPLY	\$203.04
	Invoice	Date	Description		Amount
	515875050	11/10/2021	Fleet uniform cleaning, towels		\$33.65
	515903479	11/15/2021	Recreation mats, mops, towels		\$75.00
	515875051	11/10/2021	Corp. yard uniform cleaning		\$94.39
99334	11/19/2021			MOFFATT AND NICHOL	\$3,387.25
	Invoice	Date	Description		Amount
	764809	11/12/2021	Wharf permitting, bid & construction support 1200 - CIP		\$3,387.25
99335	11/19/2021			MONTEREY BAY ANALYTICAL SERVICES INC	\$30.00
	Invoice	Date	Description		Amount
	211110 13	11/15/2021	Soquel creek lagoon beach monitoring		\$30.00
99336	11/19/2021			OUTDOOR SUPPLY HARDWARE	\$815.55
	Invoice	Date	Description		Amount
	E34929	11/09/2021	Marking spray		\$22.86
	E37707	11/15/2021	Epoxy		\$5.44
	E34764	11/09/2021	Stop rust spray, spray paint		\$18.93
	E34634	11/09/2021	Bucket, flashlight, crimp wire wheel, gloves, mag tool holder		\$146.52
	E37803	11/15/2021	Tools for new employee		\$621.80

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99337	11/19/2021			PACIFIC GAS & ELECTRIC	\$16,824.76
	Invoice	Date	Description		Amount
	PGE101221-acct0	10/12/2021	Wharf Road Rispin Mansion utilities		(\$7.55)
	PGE111021-acct0	11/10/2021	Wharf Road Rispin Mansion utilities		\$9.65
	PGE111321-acct5	11/13/2021	Pacific Cove parking lot utilities		\$984.70
	PGE111321-acct9	11/13/2021	November gas & electricity		\$13,508.03
	PGE111421-acct7	11/14/2021	November library gas & electricity		\$2,329.93
			1000 - General Fund	\$7,689.31	
			1300 - SLESF	\$110.29	
			1310 - Gas tax	\$6,732.65	
			1311 - Wharf	\$2,292.51	
99338	11/19/2021			PAVEMENT ENGINEERING INC.	\$960.00
	Invoice	Date	Description		Amount
	2109-091	10/13/2021	FY21-22 pavement management system update		\$960.00
			1308 - SB1	\$480.00	
			1309 - RTC	\$480.00	
99339	11/19/2021			PETERSON CATERPILLAR	\$1,672.44
	Invoice	Date	Description		Amount
	PC080189324	11/10/2021	Fuel element, filter, breather kit		\$1,239.42
	PC080189355	11/11/2021	Filters		\$109.15
	PC080189377	11/12/2021	Paint, filters		\$323.87
99340	11/19/2021			SAN LORENZO LUMBER	\$97.09
	Invoice	Date	Description		Amount
	55-0685731	11/15/2021	Rustoleum, spray paint, bucket, tape		\$97.09
99341	11/19/2021			SANTA CRUZ AUTO PARTS INC.	\$84.36
	Invoice	Date	Description		Amount
	14508-425021	11/09/2021	Oil filters, air filters		\$84.36
99342	11/19/2021			SANTA CRUZ MUNICIPAL UTILITIES	\$377.37
	Invoice	Date	Description		Amount
	SCMU103121	10/31/2021	October water service for medians		\$377.37
99343	11/19/2021			SOQUEL CREEK WATER DISTRICT	\$142.45
	Invoice	Date	Description		Amount
	06-14476-0110321	11/03/2021	430 Kennedy Drive water service		\$142.45
99344	11/19/2021	11/19/2021		SWANK MOTION PICTURES INC.	\$0.00
	Voided		Description		Amount
			Check voided, incorrect amount entered		\$0.00

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99345	11/19/2021			THE HOME DEPOT PRO	\$1,357.99
	Invoice	Date	Description		Amount
	652103870	11/10/2021	Janitorial supplies		\$1,357.99
99346	11/19/2021			TODD HANSON	\$2,668.00
	Invoice	Date	Description		Amount
	00014	11/01/2021	November BIA marketing, website management, media boost 1321 - BIA		\$2,668.00
99347	11/19/2021			TRANSPORTATION ALLIANCE BANK INC.	\$2,022.88
	Invoice	Date	Description		Amount
	667067	11/08/2021	Sweeper pub covers		\$876.81
	667075	11/09/2021	Sweeper blended filaments, GB set, dirt deflector, nozzle 1310 - Gas tax		\$1,146.07
99348	11/19/2021			VISIT SANTA CRUZ COUNTY	\$250.00
	Invoice	Date	Description		Amount
	12981	11/15/2021	BIA web listing 1321 - BIA		\$250.00
99349	11/19/2021			WE ALL RIDE SANTA CRUZ	\$117.88
	Invoice	Date	Description		Amount
	4170520	11/10/2021	BMW motorcycle oil filter, oil		\$117.88
99350	11/19/2021			WELLS FARGO BANK	\$8,453.31
	Invoice	Date	Description		Amount
	WF110321	11/03/2021	October credit card charges		\$8,453.31
			1000 - General Fund	\$7,619.86	
			2211 - IT Fund	\$833.45	
			Purchases over \$500:		
			In Savage Training	\$957.00	Training
			Uplift Desk	\$1,968.54	Ergonomic desk
			Indeed	\$503.52	Recruiting
			Long Beach BMW	\$693.53	Motorcycle emergency lights
			Indeed	\$508.01	Recruiting
99351	11/19/2021			WESTERN EXTERMINATOR COMPANY	\$139.60
	Invoice	Date	Description		Amount
	9325808	11/01/2021	November City Hall rodent control		\$69.80
	9325809	11/01/2021	November turnouts rodent control		\$69.80
99352	11/19/2021			ZUMAR INDUSTRIES INC.	\$681.18
	Invoice	Date	Description		Amount
	94951	11/05/2021	Speed signs		\$681.18

City Checks Issued November 19, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99353	11/19/2021			Leilani Apperley	\$500.00
	Invoice	Date	Description		Amount
	21-0304	11/09/2021	Tree deposit refund		\$500.00

Check Totals: \$95,510.93

EFT

1237	11/15/2021			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$3,532.25
	Invoice	Date	Description		Amount
	0-442-400-672	11/12/2021	State taxes employee final paychecks 1001 - Payroll		\$3,532.25

1238	11/15/2021			INTERNAL REVENUE SERVICE	\$10,891.22
	Invoice	Date	Description		Amount
	60190562	11/12/2021	Federal tax & Medicare employee final paychecks 1001 - Payroll		\$10,891.22

EFT Totals: \$14,423.47

Main City Totals	Count	Total
Checks	42	\$95,510.93
EFTs	2	\$14,423.47
All	44	\$109,934.40

Payroll Totals	Count	Total
Checks	1	\$389.45
EFTs	85	\$161,866.77
All	86	\$162,256.22

Grand Totals:	Count	Total
Checks	43	\$95,900.38
EFTs	87	\$176,290.24
All	130	\$272,190.62

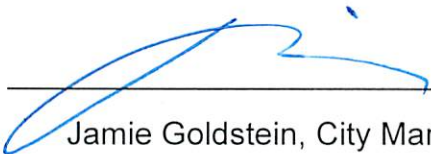
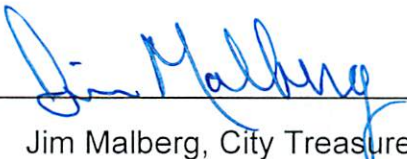
City main account checks dated November 24, 2021, numbered 99355 to 99379, totaling \$154,657.69 and 7 EFTs totaling \$100,474.66, for a grand total of \$255,132.35, have been reviewed and authorized for distribution by the City Manager.

As of November 24, 2021, the unaudited cash balance is \$5,452,006.60.

**CASH POSITION - CITY OF CAPITOLA
November 24, 2021**

	11/24/2021
General Fund	\$ (329,053.06)
Payroll Payables	\$ 58,307.67
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 522,714.09
Capital Improvement Fund	\$ 1,708,338.42
Stores Fund	\$ 66,355.66
Information Technology Fund	\$ 290,285.56
Equipment Replacement	\$ 615,073.86
Self-Insurance Liability Fund	\$ (68,202.65)
Workers' Comp. Ins. Fund	\$ 325,719.79
Compensated Absences Fund	\$ 201,121.60
TOTAL UNASSIGNED GENERAL FUNDS	\$ 5,452,006.60

The Emergency Reserve Fund balance is \$1,374,205.54 (not included above).
 The PERS Contingency Fund balance is \$1,029,628.32 (not included above).
 The Library Fund balance is \$232,152.99 (not included above).

 Jamie Goldstein, City Manager	11/24/21 Date
 Jim Malberg, City Treasurer	11/24/21 Date

City Checks Issued November 24, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99355	11/24/2021			AMAZON CAPITAL SERVICES	\$713.76
	Invoice	Date	Description		Amount
	1C41-NC31-F139	11/23/2021	Sign frames		\$713.76
99356	11/24/2021			AT&T/CALNET 3	\$184.14
	Invoice	Date	Description		Amount
	000017334226	11/13/2021	November telephone service		\$184.14
			1000 - General Fund	\$134.30	
			2211 - IT Fund	\$49.84	
99357	11/24/2021			AT&T/CALNET 3	\$1,187.84
	Invoice	Date	Description		Amount
	000017334894	11/13/2021	November T-1 access		\$1,187.84
99358	11/24/2021			BSN SPORTS LLC	\$191.77
	Invoice	Date	Description		Amount
	914774257	11/22/2021	Field marking paint		\$191.77
99359	11/24/2021			BURKE WILLIAMS AND SORENSEN LLP	\$42,950.07
	Invoice	Date	Description		Amount
	276168	10/29/2021	Sept. legal services		\$23,387.07
	276169	10/29/2021	Code enforcement		\$556.50
	276170	10/29/2021	Planning legal services		\$3,206.50
	276171	10/29/2021	Sept. legal services		\$7,598.00
	276172	10/29/2021	Housing updates		\$116.00
	273519	08/31/2021	July city attorney services		\$8,086.00
99360	11/24/2021			CAPITOLA-SOQUEL CHAMBER OF COMMERCE	\$13,030.47
	Invoice	Date	Description		Amount
	CSCC103121	11/22/2021	July - Oct. TOT transfer		\$13,030.47
			1305 - Restricted TOT		
99361	11/24/2021			CLAUDIO FRANCA	\$351.00
	Invoice	Date	Description		Amount
	CF112321	11/23/2021	Instructor payment		\$351.00
99362	11/24/2021			EQUITABLE	\$2,293.95
	Invoice	Date	Description		Amount
	1253745	10/11/2021	November life, STD, LTD, AD&D insurance		\$2,293.95
			1001 - Payroll		

City Checks Issued November 24, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99363	11/24/2021			FOLSOM LAKE FORD	\$77,894.06
	Invoice	Date	Description		Amount
	FL1356	11/10/2021	2021 Ford Explorer VIN GC23196		\$38,947.03
	FL1326	11/10/2021	2021 Ford Explorer VIN GC23226		\$38,947.03
			2212 - Equipment Replacement		
99364	11/24/2021			GALLS LLC	\$537.73
	Invoice	Date	Description		Amount
	019771644	11/15/2021	Ballistic helmet		\$537.73
99365	11/24/2021			JENNY SHELTON	\$549.57
	Invoice	Date	Description		Amount
	JS111821	11/18/2021	Plein Air supplies reimbursement		\$549.57
99366	11/24/2021			KBA Document Solutions LLC	\$156.86
	Invoice	Date	Description		Amount
	55Y1228693	11/17/2021	City Hall copier usage charges		\$156.86
			2211 - IT Fund		
99367	11/24/2021			LAURA ALIOTO	\$1,786.20
	Invoice	Date	Description		Amount
	LA112321	11/23/2021	Instructor payment		\$1,786.20
99368	11/24/2021			LIUNA PENSION FUND	\$1,030.40
	Invoice	Date	Description		Amount
	FD4935	11/19/2021	November LIUNA dues		\$1,030.40
			1001 - Payroll		
99369	11/24/2021			NATIONAL ACADEMY OF ATHLETICS	\$1,843.30
	Invoice	Date	Description		Amount
	NAOA112321	11/23/2021	Instructor payment		\$1,843.30
99370	11/24/2021			PREFERRED BENEFIT INSURANCE ADMIN.	\$5,113.70
	Invoice	Date	Description		Amount
	EIA42440	11/01/2021	November dental & vision insurance		\$5,113.70
			1000 - General Fund	\$184.20	
			1001 - Payroll	\$4,929.50	
99371	11/24/2021			SCOTT NEWTON	\$186.37
	Invoice	Date	Description		Amount
	SN110521	11/05/2021	Field officer training school reimbursement		\$186.37

City Checks Issued November 24, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99372	11/24/2021			SWANK MOTION PICTURES INC.	\$480.00
	Invoice	Date	Description		Amount
	RG 3108205	11/08/2021	Movie license		\$480.00
99373	11/24/2021			UNITED WAY OF SANTA CRUZ COUNTY	\$20.00
	Invoice	Date	Description		Amount
	UW113021	11/19/2021	Employee United Way contributions 1001 - Payroll		\$20.00
99374	11/24/2021			UPEC LIUNA LOCAL 792	\$847.50
	Invoice	Date	Description		Amount
	UPEC113021	11/10/2021	November UPEC dues 1001 - Payroll		\$847.50
99375	11/24/2021			Barbara Tapp	\$1,500.00
	Invoice	Date	Description		Amount
	BT111921	11/19/2021	Plein Air first place 1315 - Public Art		\$1,500.00
99376	11/24/2021			Coraly Hanson	\$250.00
	Invoice	Date	Description		Amount
	CH111921	11/19/2021	Plein Air peoples choice		\$250.00
99377	11/24/2021			Durre Waseem	\$250.00
	Invoice	Date	Description		Amount
	DW111921	11/19/2021	Plein Air artist's choice		\$250.00
99378	11/24/2021			Sheila Vaughn	\$509.00
	Invoice	Date	Description		Amount
	2005443.002	11/22/2021	Facility rental deposit refund		\$509.00
99379	11/24/2021			Steven McDonald	\$800.00
	Invoice	Date	Description		Amount
	SM111921	11/19/2021	Plein Air 2nd place 1315 - Public Art		\$800.00
Check Totals:					\$154,657.69
EFT					
1239	11/24/2021			WEX HEALTH INC.	\$135.00
	Invoice	Date	Description		Amount
	0001422535-IN	10/31/2021	October COBRA and FSA admin.		\$135.00

City Checks Issued November 24, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1240	11/22/2021			CalPERS Member Services Division	\$54,481.24
	Invoice	Date	Description		Amount
	1001988537-40	11/19/2021	PERS contributions PPE 11/13/21 1001 - Payroll		\$54,481.24
1241	11/22/2021			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$8,368.51
	Invoice	Date	Description		Amount
	1-546-330-208	11/19/2021	State taxes PPE 11/13/2021 1001 - Payroll		\$8,368.51
1242	11/22/2021			INTERNAL REVENUE SERVICE	\$27,875.00
	Invoice	Date	Description		Amount
	63544512	11/19/2021	Federal taxes & Medicare PPE 11/13/2021 1001 - Payroll		\$27,875.00
1243	11/22/2021			STATE DISBURSEMENT UNIT	\$652.61
	Invoice	Date	Description		Amount
	37826016	11/19/2021	Employee garnishments PPE 11/13/2021 1001 - Payroll		\$652.61
1244	11/22/2021			VOYA FINANCIAL	\$8,950.04
	Invoice	Date	Description		Amount
	VOYA111321	11/19/2021	Employee 457 contributions PPE 11/13/21 1001 - Payroll		\$8,950.04
1245	11/22/2021			INTERNAL REVENUE SERVICE	\$12.26
	Invoice	Date	Description		Amount
	82943973	11/19/2021	Medicare for employee final paycheck 1001 - Payroll		\$12.26

EFT Totals: \$100,474.66

Main City Totals	Count	Total
Checks	25	\$154,657.69
EFTs	7	\$100,474.66
All	32	\$255,132.35


City main account checks dated December 10, 2021, numbered 99380 to 99512, totaling \$378,987.91, six EFTs totaling \$151,263.97, one library check for \$240.00 and 84 payroll EFTs totaling \$159,929.11, for a grand total of \$690,420.99, have been reviewed and authorized for distribution by the City Manager.

As of December 10, 2021, the unaudited cash balance is \$5,023,535.25.

CASH POSITION - CITY OF CAPITOLA
December 10, 2021

	12/10/2021
General Fund	\$ (678,129.81)
Payroll Payables	\$ 37,743.46
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 522,714.09
Capital Improvement Fund	\$ 1,658,584.29
Stores Fund	\$ 65,866.25
Information Technology Fund	\$ 281,698.71
Equipment Replacement	\$ 615,073.86
Self-Insurance Liability Fund	\$ (68,202.65)
Workers' Comp. Ins. Fund	\$ 325,719.79
Compensated Absences Fund	\$ 201,121.60
TOTAL UNASSIGNED GENERAL FUNDS	\$ 5,023,535.25

The Emergency Reserve Fund balance is \$1,374,205.54 (not included above).
 The PERS Contingency Fund balance is \$1,029,628.32 (not included above).
 The Library Fund balance is \$231,912.99 (not included above).



 Jamie Goldstein, City Manager 12/13/21
Date



 Jim Malberg, City Treasurer 12/10/21
Date

City Checks Issued December 10, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99380	12/07/2021		12/07/2021 Description VOIDED	CURRENT ELECTRIC	\$0.00
99381	12/07/2021		Description Business license refund	CURRENT ELECTRIC	\$50.00
99382	12/10/2021			ABC SUPPLY CO INC - MBA 742	\$185.31
	Invoice	Date	Description		Amount
	21417889	11/15/2021	Wharf rubber coating, caulk		\$107.37
	21501505	11/17/2021	Rubber coating 1311 - Wharf		\$77.94
99383	12/10/2021			ADT SECURITY SERVICES INC.	\$267.29
	Invoice	Date	Description		Amount
	ADT112921	11/29/2021	Corp. yard & museum ADT monitoring		\$267.29
99384	12/10/2021			AFLAC	\$1,315.58
	Invoice	Date	Description		Amount
	174003	12/03/2021	November supplemental insurance 1001 - Payroll		\$1,315.58
99385	12/10/2021			ALLIED UNIVERSAL	\$1,083.85
	Invoice	Date	Description		Amount
	11996970	12/02/2021	December McGregor skate park foot patrol		\$356.42
	11996971	12/02/2021	December Esplanade park foot patrol		\$382.50
	11996951	12/02/2021	December Jade St. foot patrol		\$344.93
99386	12/10/2021			ALLSAFE LOCK COMPANY	\$322.83
	Invoice	Date	Description		Amount
	52989	11/15/2021	Keys		\$4.99
	52993	11/15/2021	PD lockset, labor		\$190.79
	53488	11/29/2021	PD restroom lock, labor		\$127.05
99387	12/10/2021			ALVAREZ TECHNOLOGY GROUP INC	\$207.50
	Invoice	Date	Description		Amount
	61480	11/18/2021	December antivirus 2211 - IT Fund		\$207.50
99388	12/10/2021			AMAZON CAPITAL SERVICES	\$493.40
	Invoice	Date	Description		Amount
	1MFT-1NTX-DGRD	11/24/2021	5 port gigabit switch		\$54.49
	1VY6-MDT3-H6X4	11/30/2021	Towelettes		\$53.14
	1QRR-CFXC-CF36	12/01/2021	Display port to DVI adapter		\$17.28
	17HN-LQK9-LDMP	12/02/2021	Work gloves (10 pairs)		\$176.70
	1QYR-1PPP-PFVJ	12/02/2021	Backpack		\$39.24
	1G1R-3NG7-NXMV	12/04/2021	Boots		\$152.55
			1000 - General Fund	\$421.63	
			2211 - IT Fund	\$71.77	

City Checks Issued December 10, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99389	12/10/2021			ARTS COUNCIL OF SANTA CRUZ COUNTY	\$5,000.00
	Invoice	Date	Description		Amount
	ACOSC120721	12/07/2021	Community grants		\$5,000.00
99390	12/10/2021			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice	Date	Description		Amount
	21464	11/22/2021	November wharf meter reading 1311 - Wharf		\$40.00
99391	12/10/2021			B & B SMALL ENGINE REPAIR	\$1,526.74
	Invoice	Date	Description		Amount
	485852	11/22/2021	Chainsaw, saw blade, chain		\$563.39
	486286	12/01/2021	Blower, belt bag, pruner, gloves, hedge shears, battery		\$963.35
99392	12/10/2021			BIG BROTHERS BIG SISTERS OF SC COUNTY	\$6,000.00
	Invoice	Date	Description		Amount
	BBSC120721	12/07/2021	Community grants 1305 - Restricted TOT		\$6,000.00
99393	12/10/2021			BIG CREEK LUMBER	\$849.68
	Invoice	Date	Description		Amount
	1639320	11/17/2021	Wharf lumber, drill bit, nail puller, screws, saw blades 1311 - Wharf		\$849.68
99394	12/10/2021			BIOBAG AMERICAS INC.	\$2,270.10
	Invoice	Date	Description		Amount
	INV485963	11/30/2021	Dog waste bags		\$2,270.10
99395	12/10/2021			BOYS AND GIRLS CLUBS OF SANTA CRUZ COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	BG120721	12/07/2021	Community grants 1305 - Restricted TOT		\$10,000.00
99396	12/10/2021			BURKE WILLIAMS AND SORENSEN LLP	\$20,208.00
	Invoice	Date	Description		Amount
	277384	11/29/2021	November labor legal services		\$58.00
	277385	11/29/2021	October legal services		\$15,953.00
	277387	11/29/2021	PD legal services		\$132.50
	277388	11/29/2021	COVID-19 legal services		\$43.00
	277389	11/29/2021	October legal services		\$344.50
	277390	11/29/2021	Housing updates		\$232.00
	277386	11/29/2021	Planning legal services		\$3,445.00
99397	12/10/2021			CA DEPT OF TAX AND FEE ADMINISTRATION	\$407.41
	Invoice	Date	Description		Amount
	481336949	11/12/2021	FY21/22 water rights fee		\$407.41
99398	12/10/2021			CABRILLO COLLEGE	\$10,000.00
	Invoice	Date	Description		Amount
	CC120721	12/07/2021	Local govt. fellowship program		\$10,000.00

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99399	12/10/2021			CABRILLO COLLEGE STROKE CENTER	\$9,000.00
	Invoice	Date	Description		Amount
	CCSC120721	12/07/2021	Community grants		\$9,000.00
99400	12/10/2021			CALE AMERICA INC.	\$10,552.70
	Invoice	Date	Description		Amount
	167048	11/17/2021	Playstation keyboard adapter board		\$351.09
	167039	11/17/2021	Modem upgrade for pay stations		\$10,201.61
99401	12/10/2021			CAPITOLA PEACE OFFICERS ASSOCIATION	\$2,954.50
	Invoice	Date	Description		Amount
	POA111321	11/19/2021	POA & gym dues PPE 11/13/2021		\$1,459.00
	POA120321	12/03/2021	POA & gym dues PPE 11/27/21 1001 - Payroll		\$1,495.50
99402	12/10/2021			CAROLYN FLYNN	\$3,770.00
	Invoice	Date	Description		Amount
	CBF-11-2021	11/30/2021	November affordable housing program management 5552 - Housing Successor		\$3,770.00
99403	12/10/2021			CASA OF SANTA CRUZ COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	CASA120721	12/07/2021	Community grants 1305 - Restricted TOT		\$10,000.00
99404	12/10/2021			CLAUDIO FRANCA	\$156.00
	Invoice	Date	Description		Amount
	CF113021	11/30/2021	Instructor payment		\$156.00
99405	12/10/2021			CLEAN BUILDING MAINTENANCE CO.	\$5,719.92
	Invoice	Date	Description		Amount
	28806	11/30/2021	November janitorial services 1000 - General Fund 1311 - Wharf Fund	\$4,901.48 \$818.44	\$5,719.92
99406	12/10/2021			CODE PUBLISHING COMPANY INC	\$437.00
	Invoice	Date	Description		Amount
	71675	11/30/2021	Municipal code web update		\$437.00
99407	12/10/2021			COMMUNITY ACTION BOARD	\$6,211.00
	Invoice	Date	Description		Amount
	CAB111721	11/17/2021	October mortgage assistance		\$106.54
	CAB111721-2	11/17/2021	October emergency housing assistance		\$854.46
	CAB120721	12/07/2021	Community grants 1000 - General Fund 5552 - Housing Successor	\$5,250.00 \$961.00	\$5,250.00
99408	12/10/2021			COMMUNITY TELEVISION OF SANTA CRUZ COUNTY	\$1,118.00
	Invoice	Date	Description		Amount
	3020	11/29/2021	October televised meetings		\$1,118.00

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99409	12/10/2021			CRAIG R. WILSON	\$50.70
	Invoice	Date	Description		Amount
	CW120621	12/06/2021	Instructor payment		\$50.70
99410	12/10/2021			CRYSTAL SPRINGS WATER CO.	\$183.50
	Invoice	Date	Description		Amount
	CSW113021	11/30/2021	November drinking water		\$183.50
99411	12/10/2021			CSG Consultants Inc.	\$5,448.96
	Invoice	Date	Description		Amount
	B211740	11/01/2021	October plan review services		\$5,448.96
99412	12/10/2021			CYNTHIA KASKEY	\$611.00
	Invoice	Date	Description		Amount
	CK120621	12/06/2021	Instructor payment		\$611.00
99413	12/10/2021			D & G SANITATION	\$859.83
	Invoice	Date	Description		Amount
	285993	11/30/2021	Skate park hand wash station, portable toilets		\$621.13
	285994	11/30/2021	Jade St. park hand wash station rental		\$119.35
	285995	11/30/2021	Cortez park hand wash station		\$119.35
99414	12/10/2021			DELL MARKETING LP	\$4,562.23
	Invoice	Date	Description		Amount
	10539614582	11/05/2021	Five desktops 2211 - IT Fund		\$4,562.23
99415	12/10/2021			DIENTES COMMUNITY DENTAL CARE	\$1,600.00
	Invoice	Date	Description		Amount
	DCDC120721	12/07/2021	Community grants		\$1,600.00
99416	12/10/2021			ELEVATOR SERVICE COMPANY INC.	\$180.00
	Invoice	Date	Description		Amount
	35297	12/01/2021	Elevator quarterly lube and inspection		\$180.00
99417	12/10/2021			FERGUSON ENTERPRISES LLC #795	\$1,391.23
	Invoice	Date	Description		Amount
	9614837	12/01/2021	Jade St. faucets		\$1,391.23
99418	12/10/2021			FIRST ALARM	\$215.16
	Invoice	Date	Description		Amount
	646209	11/15/2021	Community Center quarterly intrusion system monitoring		\$215.16
99419	12/10/2021			FLYERS ENERGY LLC	\$6,662.38
	Invoice	Date	Description		Amount
	21-424399A	11/17/2021	Bulk oil		\$1,463.71
	CFS-2823606	11/15/2021	Fuel		\$181.28
	21-426342	11/18/2021	62 gallons diesel		\$313.89
	21-426341	11/18/2021	396 gallons gasoline		\$1,982.35
	21-434437	12/03/2021	468 gallons gasoline		\$2,224.52
	21-434438	12/03/2021	100 gallons diesel		\$496.63

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99420	12/10/2021			GALLS LLC	\$362.90
	Invoice	Date	Description		Amount
	019873380	11/30/2021	Wool shirt, trousers		\$177.65
	019873388	11/30/2021	Boots		\$185.25
99421	12/10/2021			GARDAWORLD	\$290.99
	Invoice	Date	Description		Amount
	10668283	12/01/2021	December armored car service		\$290.99
99422	12/10/2021			GRANITE ROCK COMPANY	\$49,754.13
	Invoice	Date	Description		Amount
	997386	10/31/2021	Peery Park bridge repairs 1200 - CIP		\$49,754.13
99423	12/10/2021			HINDERLITER DELLAMAS AND ASSOCIATES	\$1,685.24
	Invoice	Date	Description		Amount
	SIN013297	12/02/2021	Sales tax audit services		\$1,685.24
99424	12/10/2021			HOME DEPOT CREDIT SERVICES	\$2,173.66
	Invoice	Date	Description		Amount
	9621661	11/19/2021	Face shield, goggles, sand		\$69.17
	0520713	11/18/2021	Backing pad for disc		\$18.50
	8014260	10/21/2021	Wet patch, trowel, blue tarps		\$311.74
	8513602	10/21/2021	Leaf rake		\$13.60
	1644283	10/28/2021	Rollers, wiping cloths, pet tray liner, brushes		\$49.48
	7625456	11/01/2021	Stain, steel stakes		\$63.82
	5634979	11/03/2021	Tire stop supplies		\$44.37
	0510912	11/08/2021	Caution tape, concrete mix, I-beam level		\$89.81
	1061024	10/28/2021	Caution tape, tools, battery, sponges, utility knife		\$670.16
	9610074	11/09/2021	Pail liners, bucket, plastic drop, caulk		\$106.68
	8011863	11/10/2021	Floor flanges, utility knife, supplies		\$62.94
	8511318	11/10/2021	Steel staples, adhesive		\$22.79
	6034078	11/12/2021	Flooring knife, hook blades, chisel tip marker		\$25.24
	2512254	11/16/2021	Combo stencils, standard wire, wiring tool		\$29.92
	2611069	11/16/2021	Poly rolls, brush set, stain		\$25.77
	0520699	11/18/2021	Wharf supplies		\$103.14
	9013109	11/19/2021	Putty knives		\$6.47
	9013163	11/19/2021	Bucket, spray bottle, flap discs		\$30.95
	5612104	11/23/2021	Batteries, gloves, sakrete sand, ball bearings		\$86.35
	5032005	12/03/2021	Wharf tools and supplies		\$342.76
			1000 - General Fund	\$1,727.76	
			1311 - Wharf Fund	\$445.90	
99425	12/10/2021			HOSPICE of SANTA CRUZ COUNTY	\$2,500.00
	Invoice	Date	Description		Amount
	HSCC120721	12/07/2021	Community grants		\$2,500.00
99426	12/10/2021			HUB INTERNATIONAL	\$102.28
	Invoice	Date	Description		Amount
	HUB113021	11/30/2021	November event insurance		\$102.28

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99427	12/10/2021			HUMBOLDT PETROLEUM LLC	\$30.00
	Invoice	Date	Description		Amount
	090795	11/20/2021	Car wash		\$7.50
	090731	10/31/2021	October car washes		\$22.50
99428	12/10/2021			JANET RUSSELL	\$346.89
	Invoice	Date	Description		Amount
	JR120621	12/06/2021	Instructor payment		\$346.89
99429	12/10/2021			JEANI MITCHELL	\$357.50
	Invoice	Date	Description		Amount
	JM113021	11/30/2021	Instructor payment		\$357.50
99430	12/10/2021			JOHNSON ROBERTS & ASSOCIATES INC.	\$70.00
	Invoice	Date	Description		Amount
	147206	11/29/2021	PD background checks		\$70.00
99431	12/10/2021			KBA Document Solutions LLC	\$52.08
	Invoice	Date	Description		Amount
	55Y1232756	12/02/2021	Monthly copier usage charges		\$52.08
			1000 - General Fund	\$43.00	
			2211 - IT Fund	\$9.08	
99432	12/10/2021			KING'S PAINT AND PAPER INC.	\$795.36
	Invoice	Date	Description		Amount
	A0317693	11/18/2021	Jade St. paint, putty		\$208.67
	A0317736	11/19/2021	Wharf paint, tray, tape, roller, chip brush		\$54.28
	A0317742	11/19/2021	Jade St. paint, supplies		\$49.78
	A0317884	11/24/2021	Drop cloths, tape, paint, gold pro mini wooster		\$75.90
	A0317891	11/24/2021	Wharf paint, microfiber roller, versa tray		\$70.83
	A0317968	11/29/2021	Paint		\$189.71
	A0318098	12/02/2021	Jade St. paint, rust stopper		\$44.38
	A0318218	12/06/2021	Curb paint, tray liner		\$101.81
			1000 - General Fund	\$670.25	
			1311 - Wharf Fund	\$125.11	
99433	12/10/2021			LAURA ALIOTO	\$900.00
	Invoice	Date	Description		Amount
	LA113021	11/30/2021	Instructor payment		\$432.00
	LA120621	12/06/2021	Instructor payment		\$468.00
99434	12/10/2021			LEWIS TREE SERVICE INC.	\$2,520.00
	Invoice	Date	Description		Amount
	33748	12/02/2021	Cortez park tree pruning		\$2,520.00
99435	12/10/2021			LINDE GAS & EQUIPMENT INC.	\$469.28
	Invoice	Date	Description		Amount
	67320652	11/22/2021	Acetylene rental		\$210.02
	67598557	12/02/2021	Helmet, face shield, welding gloves & supplies		\$259.26

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99436	12/10/2021			LLOYDS TIRE SERVICE	\$1,174.58
	Invoice	Date	Description		Amount
	208495	11/08/2021	2008 Ford F450 tires		\$1,174.58
99437	12/10/2021			LUXLAUNDER	\$876.52
	Invoice	Date	Description		Amount
	LL103121	10/31/2021	October uniform cleaning		\$876.52
99438	12/10/2021			MASTER CLEANERS	\$187.53
	Invoice	Date	Description		Amount
	MC103121	10/31/2021	October uniform cleaning		\$187.53
99439	12/10/2021			MID COUNTY AUTO SUPPLY	\$223.75
	Invoice	Date	Description		Amount
	MID-1507841	11/12/2021	Bearing kit, oil, gloves, primer, sanding discs		\$223.75
99440	12/10/2021			MISSION LINEN SUPPLY	\$490.48
	Invoice	Date	Description		Amount
	515919942	11/17/2021	Fleet uniform cleaning, towels		\$33.65
	515979511	11/24/2021	Fleet uniform cleaning		\$33.65
	516016220	12/01/2021	Fleet uniform cleaning		\$33.65
	515919943	11/17/2021	Corp. yard uniform cleaning, mats, towels		\$101.71
	515979512	11/24/2021	Corp. yard uniform cleaning, mats, towels		\$105.51
	516016221	12/01/2021	Corp. yard uniform cleaning		\$107.31
	515995956	11/29/2021	Community center towels, mats, mops		\$75.00
99441	12/10/2021			MONARCH SERVICES	\$5,000.00
	Invoice	Date	Description		Amount
	MS120721	12/07/2021	Community grants		\$5,000.00
99442	12/10/2021			MONTEREY BAY ANALYTICAL SERVICES INC	\$30.00
	Invoice	Date	Description		Amount
	211118_07	11/29/2021	Lagoon water sample		\$30.00
99443	12/10/2021			MONTEREY BAY NATIONAL MARINE SANCTUARY	\$5,000.00
	Invoice	Date	Description		Amount
	MBNMS120721	12/07/2021	Community grants		\$5,000.00
99444	12/10/2021			NAMI SANTA CRUZ COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	NSCC120721	12/07/2021	Community grants		\$10,000.00
99445	12/10/2021			NAPA AUTO PARTS	\$43.66
	Invoice	Date	Description		Amount
	6841-069577	11/18/2021	Oil		\$43.66
99446	12/10/2021			NATIVE ANIMAL RESCUE	\$1,400.00
	Invoice	Date	Description		Amount
	NAR120721	12/07/2021	Community grants		\$1,400.00

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99447	12/10/2021			NIGEL BELTON	\$1,400.00
	Invoice	Date	Description		Amount
	2506	11/26/2021	Arborist services		\$1,400.00
99448	12/10/2021			NORTH BAY FORD	\$102.65
	Invoice	Date	Description		Amount
	283539	11/30/2021	Transmission fluid		\$102.65
99449	12/10/2021			O'NEILL SEA ODYSSEY	\$3,400.00
	Invoice	Date	Description		Amount
	OSO120721	12/07/2021	Community grants		\$3,400.00
99450	12/10/2021			O'REILLY AUTO PARTS	\$294.79
	Invoice	Date	Description		Amount
	2763-247125	11/18/2021	Disc pad set		\$35.52
	2763-245956	11/12/2021	Gasket, air filter, cabin filter, oil filter		\$85.37
	2763-247805	11/22/2021	Cop coil		\$64.53
	2763-249193	11/30/2021	Semi-met pad, transmission filter, belt		\$109.37
99451	12/10/2021			OUTDOOR SUPPLY HARDWARE	\$1,807.95
	Invoice	Date	Description		Amount
	E39560	11/18/2021	Waste basket		\$43.59
	E39297	11/18/2021	Paint brushes		\$16.55
	E39283	11/18/2021	Putty knife, chisel, punch pin kit		\$53.36
	E39273	11/18/2021	Lamp, light bulb, supplies		\$115.45
	E39783	11/19/2021	Tarp, light		\$54.48
	E27062	10/26/2021	Rat traps		\$30.25
	E27857	10/27/2021	Wrenches, spray paint		\$71.89
	E28134	10/28/2021	Paint pail, pipe caps, pliers		\$53.03
	E28695	10/29/2021	Magnet, batteries, mechanical pickup		\$51.20
	E28601	10/29/2021	Batteries		\$196.07
	E31939	11/04/2021	Tote latch		\$43.58
	E31823	11/04/2021	Joint compound, latex caulk		\$14.48
	E34037	11/08/2021	Garden hose, nozzle, rust stopper, screwdriver, caulk, tool		\$117.06
	E34892	11/09/2021	Spackling, rustoleum, rust stopper		\$39.84
	E37957	11/15/2021	Rust stopper		\$12.40
	E37838	11/15/2021	Brush, sand paper, paint		\$82.53
	E37703	11/15/2021	Sand paper, bucket, spray paint, rust stopper		\$139.04
	E37690	11/15/2021	Paint cup, roller, clips bucket, paint pail		\$37.10
	E28215	10/28/2021	Batteries		\$416.15
	E42167	11/23/2021	Rotary file, rust remover, flap disc		\$41.39
	E46472	12/01/2021	Paint, graffiti removal		\$45.07
	E47798	12/03/2021	Gloves, cup, brushes, wrench set, sprayer, degreaser		\$133.44
99452	12/10/2021			PALACE BUSINESS SOLUTIONS	\$408.11
	Invoice	Date	Description		Amount
	628207-0	11/16/2021	Desk pad		\$36.94
	628069-0	11/15/2021	Desk pad, paper, steno books, folders, notebooks		\$251.76
	628000-0	11/15/2021	Paper, envelopes, folders, pencils, pens		\$155.15
	C628480-0	12/02/2021	Returned desk pad		(\$35.74)

City Checks Issued December 10, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99453	12/10/2021			PARENTS CENTER OF SANTA CRUZ	\$7,400.00
	Invoice	Date	Description		Amount
	PCSC120721	12/07/2021	Community grants 1305 - Restricted TOT		\$7,400.00
99454	12/10/2021			PAST CONSULTANTS LLC	\$3,200.00
	Invoice	Date	Description		Amount
	PAST111721	11/17/2021	1410 Prospect Ave. SOI standards compliance report		\$3,200.00
99455	12/10/2021			PEAK COMMUNICATIONS	\$1,181.17
	Invoice	Date	Description		Amount
	12062021A	12/06/2021	Police Department Emergency phones upgrade 2211 - IT Fund		\$1,181.17
99456	12/10/2021			PETERSON CATERPILLAR	\$35.84
	Invoice	Date	Description		Amount
	PC080189448	11/17/2021	Filters		\$65.67
	PR080019582	11/18/2021	Returned filter		(\$29.83)
99457	12/10/2021			PHOENIX GROUP INFORMATION SYSTEMS	\$5,343.02
	Invoice	Date	Description		Amount
	102021070	11/16/2021	October citation processing		\$5,343.02
99458	12/10/2021			PK SAFETY SUPPLY	\$123.19
	Invoice	Date	Description		Amount
	446038	11/16/2021	Safety glasses		\$123.19
99459	12/10/2021			PROFORCE LAW ENFORCEMENT	\$193.00
	Invoice	Date	Description		Amount
	464287	10/14/2021	Taser target frames		\$193.00
99460	12/10/2021			QUILL CORPORATION	\$20.69
	Invoice	Date	Description		Amount
	20969102	11/15/2021	Name tags		\$20.69
99461	12/10/2021			ROBERT M PATTERSON	\$100.00
	Invoice	Date	Description		Amount
	RMP110821	11/08/2021	Parking citation admin. hearings		\$100.00
99462	12/10/2021			RRM DESIGN GROUP	\$2,034.25
	Invoice	Date	Description		Amount
	1783-02-0721	08/20/2021	#21-0122 Hotel design project kickoff & conceptual review		\$2,034.25
99463	12/10/2021			SAN LORENZO LUMBER	\$147.10
	Invoice	Date	Description		Amount
	55-0687566	11/22/2021	Safety glasses, polyester cover, brushes, roller covers		\$71.60
	63-0622308	11/23/2021	Sealant, DAP, marker		\$75.50

City Checks Issued December 10, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99464	12/10/2021			SANTA CRUZ AUTO PARTS INC.	\$426.74
	Invoice	Date	Description		Amount
	14508-425932	11/18/2021	Epoxy activator, epoxy primer		\$154.25
	14508-421426	10/04/2021	Sweeper supplies		\$248.33
	14508-425847	11/17/2021	Oil filter		\$2.69
	14508-426478	11/24/2021	Aircraft remover		\$21.47
			1000 - General Fund	\$178.41	
			1310 - Gas Tax	\$248.33	
99465	12/10/2021			SANTA CRUZ CHILDREN'S MUSEUM OF DISCOVERY	\$10,000.00
	Invoice	Date	Description		Amount
	SCCM120721	12/07/2021	Community grants		\$10,000.00
			1305 - Restricted TOT		
99466	12/10/2021			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$11,221.50
	Invoice	Date	Description		Amount
	SCC113021	11/30/2021	November citation processing		\$11,221.50
99467	12/10/2021			SANTA CRUZ COUNTY TAX COLLECTOR	\$653.17
	Invoice	Date	Description		Amount
	2055272	12/02/2021	City Hall sanitation district charges		\$653.17
99468	12/10/2021			SANTA CRUZ COUNTY TAX COLLECTOR	\$6,999.26
	Invoice	Date	Description		Amount
	2056942	12/02/2021	Esplanade sanitation district charges		\$6,999.26
99469	12/10/2021			SANTA CRUZ COUNTY TAX COLLECTOR	\$3,033.89
	Invoice	Date	Description		Amount
	2055458	12/02/2021	Wharf sanitation district charges		\$3,033.89
			1311 - Wharf		
99470	12/10/2021			SANTA CRUZ FIRE EQUIPMENT CO.	\$716.89
	Invoice	Date	Description		Amount
	33023	10/25/2021	PD fire extinguisher service		\$20.00
	33031	10/25/2021	Corp. yard fire extinguisher service		\$159.54
	33026	10/29/2021	Museum fire extinguisher service		\$48.00
	33024	10/25/2021	City Hall fire extinguisher service		\$90.00
	33032	10/29/2021	PW vehicles fire extinguisher service		\$399.35
99471	12/10/2021			SANTA CRUZ LIVE SCAN INC.	\$120.00
	Invoice	Date	Description		Amount
	1911	12/01/2021	New hire live scans		\$120.00
99472	12/10/2021			SANTA CRUZ WAVES	\$800.00
	Invoice	Date	Description		Amount
	9270	12/01/2021	BIA advertising		\$800.00
			1321 - BIA		
99473	12/10/2021			SARAH RYAN	\$797.99
	Invoice	Date	Description		Amount
	SR120421	12/04/2021	SLI training reimbursement		\$797.99

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99474	12/10/2021			SECOND HARVEST FOOD BANK	\$19,193.74
	Invoice	Date	Description		Amount
	SHFBCV1	11/19/2021	CDBG CV1 grant 1351 - CDBG Program Income		\$19,193.74
99475	12/10/2021			SENIOR NETWORK SERVICES INC.	\$7,500.00
	Invoice	Date	Description		Amount
	SNS120721	12/07/2021	Community grants		\$7,500.00
99476	12/10/2021			SENIORS COUNCIL OF SC COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	SCSC120721	12/07/2021	Community grants		\$10,000.00
99477	12/10/2021			SESE EGAN GEDDES	\$101.40
	Invoice	Date	Description		Amount
	SEG113021	11/30/2021	Instructor payment		\$101.40
99478	12/10/2021			SOQUEL CREEK WATER DISTRICT	\$1,868.73
	Invoice	Date	Description		Amount
	08-15299-0111021	11/10/2021	Monterey Ave. water		\$131.93
	08-15562-0111021	11/10/2021	Cliff and Fairview water service		\$44.04
	09-15964-0111021	11/10/2021	Monterey Ave. Esplanade water		\$834.24
	13-10919-0111821	11/18/2021	2000 Wharf Road water service		\$44.04
	10-16317-0111521	11/15/2021	420 Capitola Ave. water		\$200.44
	10-16315-0111521	11/15/2021	504 Beulah Dr. water		\$64.57
	10-16316-0111521	11/15/2021	426 Capitola Ave. water		\$99.34
	13-18567-0111821	11/18/2021	2005 Wharf Rd. water		\$450.13
99479	12/10/2021			SOUTH BAY REGIONAL TRAINING	\$50.00
	Invoice	Date	Description		Amount
	222231	11/16/2021	Training cancellation fee		\$50.00
99480	12/10/2021			SPECTRUM BUSINESS	\$3,862.72
	Invoice	Date	Description		Amount
	0000178120121	12/01/2021	December internet service		\$3,862.72
			1000 - General Fund	\$1,682.42	
			2211 - IT Fund	\$2,180.30	
99481	12/10/2021			STAPLES ADVANTAGE	\$278.46
	Invoice	Date	Description		Amount
	8064249981	11/13/2021	Stamp, paper towels, pens, knives, cups		\$268.33
	8064083459	10/30/2021	Cleaning supplies		\$10.13
99482	12/10/2021			STATE WATER RESOURCES CONTROL BOARD	\$7,067.00
	Invoice	Date	Description		Amount
	SW-0216993	11/23/2021	FY 21/22 annual permit fee		\$7,067.00
99483	12/10/2021			T MOBILE	\$193.71
	Invoice	Date	Description		Amount
	TM112121	12/02/2021	November cell phone usage		\$193.71

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99484	12/10/2021			THE DIVERSITY CENTER	\$3,000.00
	Invoice	Date	Description		Amount
	TDC120721	12/07/2021	Community grants		\$3,000.00
99485	12/10/2021			THE HOME DEPOT PRO	\$2,358.07
	Invoice	Date	Description		Amount
	653718338	11/18/2021	Janitorial supplies		\$1,797.28
	655338903	11/30/2021	Janitorial supplies		\$560.79
99486	12/10/2021			TONY MENDOZA	\$179.03
	Invoice	Date	Description		Amount
	TM110521	11/05/2021	FTO training meals reimbursement		\$179.03
99487	12/10/2021			TPX COMMUNICATIONS	\$1,551.20
	Invoice	Date	Description		Amount
	150378654-0	11/23/2021	November phone service		\$1,551.20
			1000 - General Fund	\$837.40	
			2211 - IT Fund	\$713.80	
99488	12/10/2021			TRANSPORTATION ALLIANCE BANK INC.	\$1,690.25
	Invoice	Date	Description		Amount
	667123	11/10/2021	Sweeper flat spray nozzle		\$42.56
	667456	12/02/2021	Sweeper dirt shoe, blended filaments, GB set		\$1,647.69
			1310 - Gas Tax		
99489	12/10/2021			TRIAD ELECTRIC INC.	\$500.00
	Invoice	Date	Description		Amount
	83928	12/02/2021	Palm tree xmas lights		\$500.00
			1321 - BIA		
99490	12/10/2021			UNISAFE INC	\$1,439.12
	Invoice	Date	Description		Amount
	713131	12/01/2021	Nitrile gloves		\$1,439.12
99491	12/10/2021			UNITED RENTALS (NORTH AMERICA) INC.	\$285.58
	Invoice	Date	Description		Amount
	200481618-001	11/17/2021	Mini excavator rental		\$285.58
99492	12/10/2021			UNITED WAY OF SANTA CRUZ COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	UW120721	12/07/2021	Community grants 211 helpline & community assessment project		\$10,000.00
99493	12/10/2021			UNITED WAY OF SANTA CRUZ COUNTY	\$5,000.00
	Invoice	Date	Description		Amount
	UW120721-2	12/07/2021	Community grants - youth action network		\$5,000.00
			1305 - Restricted TOT		

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99494	12/10/2021			UPS	\$22.34
	Invoice	Date	Description		Amount
	0000954791481	11/27/2021	PD shipping		\$11.20
	0000954791491	12/04/2021	PD shipping		\$11.14
99495	12/10/2021			US BANK EQUIPMENT FINANCE	\$315.01
	Invoice	Date	Description		Amount
	458983699	11/26/2021	City Hall copier leases 2210 - Stores Fund		\$315.01
99496	12/10/2021			US BANK EQUIPMENT FINANCE	\$174.40
	Invoice	Date	Description		Amount
	458702438	11/23/2021	City Hall copier leases 2210 - Stores Fund		\$174.40
99497	12/10/2021			US BANK PARS Acct 6746022400	\$313.41
	Invoice	Date	Description		Amount
	PARS120321	12/03/2021	PARS contributions PPE 11/27/21 1001 - Payroll		\$313.41
99498	12/10/2021			US BANK PARS Acct 6746022400	\$460.68
	Invoice	Date	Description		Amount
	PARS111921	11/19/2021	PARS contributions PPE 11/13 & final paycheck 1001 - Payroll		\$460.68
99499	12/10/2021			VERIZON WIRELESS	\$2,925.51
	Invoice	Date	Description		Amount
	9892547924	11/10/2021	November telephone charges		\$2,925.51
99500	12/10/2021			VISTA CENTER FOR THE BLIND	\$4,500.00
	Invoice	Date	Description		Amount
	VCB120721	12/07/2021	Community grants		\$4,500.00
99501	12/10/2021			VOLUNTEER CENTERS OF SC COUNTY	\$10,000.00
	Invoice	Date	Description		Amount
	VCSCC120721	12/07/2021	Community grants		\$10,000.00
99502	12/10/2021			WATSONVILLE BLUEPRINT	\$125.72
	Invoice	Date	Description		Amount
	103061	11/08/2021	41st Ave. signal plans		\$125.72
99503	12/10/2021			WE ALL RIDE SANTA CRUZ	\$682.05
	Invoice	Date	Description		Amount
	4170613	11/17/2021	Motorcycle oil filter, oil		\$545.87
	4170612	11/17/2021	Motorcycle oil filter, oil		\$136.18
99504	12/10/2021			WITMER TYSON IMPORTS INC.	\$650.00
	Invoice	Date	Description		Amount
	T14238	11/23/2021	October K9 training		\$650.00

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99505	12/10/2021			ZEE MEDICAL SERVICE CO.	\$76.20
	Invoice	Date	Description		Amount
	66585853	11/16/2021	First aid supplies		\$76.20
99506	12/10/2021			Allen Property Group Inc.	\$500.00
	Invoice	Date	Description		Amount
	19-0627	11/19/2021	Tree deposit refund 1408 41st Ave.		\$500.00
99507	12/10/2021			Daniel Brodovich	\$41.00
	Invoice	Date	Description		Amount
	200137503	11/17/2021	Citation refund		\$41.00
99508	12/10/2021			Karen Parks	\$500.00
	Invoice	Date	Description		Amount
	21-0243	11/19/2021	Tree deposit refund 1750 42nd Ave.		\$500.00
99509	12/10/2021			Keith Schuler	\$90.51
	Invoice	Date	Description		Amount
	20210332	11/19/2021	Permit 20210332 partial refund		\$90.51
99510	12/10/2021			Laramie Juretech	\$96.00
	Invoice	Date	Description		Amount
	500123735	11/24/2021	Citation refund		\$96.00
99511	12/10/2021			William & Patricia Waldron	\$500.00
	Invoice	Date	Description		Amount
	21-0097	11/19/2021	Tree deposit refund 505 Hill St.		\$500.00
99512	12/10/2021			SANTA CRUZ COUNTY TAX COLLECTOR	\$186.24
	Invoice	Date	Description		Amount
	2057394r	12/09/2021	Library sanitation district charges		\$186.24
Check Totals:					\$378,987.91
EFT					
1246	12/06/2021			CalPERS Member Services Division	\$53,797.81
	Invoice	Date	Description		Amount
	1001997795-8	12/03/2021	PERS contributions PPE 11/27/21 1001 - Payroll		\$53,797.81
1247	12/06/2021			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$8,468.13
	Invoice	Date	Description		Amount
	0-837-955-680	12/03/2021	State taxes PPE 11/27/21 1001 - Payroll		\$8,468.13
1248	12/06/2021			INTERNAL REVENUE SERVICE	\$27,804.50
	Invoice	Date	Description		Amount
	43762034	12/03/2021	Federal taxes & Medicare PPE 11/27/21 1001 - Payroll		\$27,804.50

City Checks Issued December 10, 2021

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1249	12/06/2021			STATE DISBURSEMENT UNIT	\$652.61
	Invoice	Date	Description		Amount
	37985311	12/03/2021	Employee garnishments PPE 11/27/21 1001 - Payroll		\$652.61
1250	12/06/2021			VOYA FINANCIAL	\$7,477.75
	Invoice	Date	Description		Amount
	VOYA120321	12/03/2021	Employee 457 contributions PPE 11/27/21 1001 - Payroll		\$7,477.75
1251	12/06/2021			CalPERS Health Insurance	\$53,063.17
	Invoice	Date	Description		Amount
	1001997835	12/03/2021	December health insurance 1000 - General Fund \$3,313.29 1001 - Payroll \$49,749.88		\$53,063.17
EFT Totals:					\$151,263.97
Library					
295	12/10/2021			BOGARD CONSTRUCTION INC.	\$240.00
	Invoice	Date	Description		Amount
	160707-63	11/30/2021	Library project management		\$240.00
Library Totals:					\$240.00
Main City Totals				Count	Total
Checks				132	\$378,987.91
EFTs				6	\$151,263.97
All				138	\$530,251.88
Payroll Totals					
Checks				0	\$0.00
EFTs				84	\$159,929.11
All				84	\$159,929.11
Library Totals					
Checks				1	\$240.00
EFTs				0	\$0.00
All				1	\$240.00
Grand Totals:					
Checks				133	\$379,227.91
EFTs				90	\$311,193.08
All				223	\$690,420.99


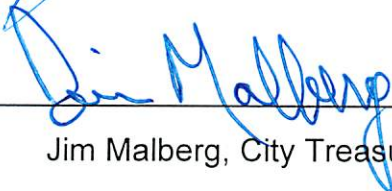
City main account checks dated December 17, 2021, numbered 99513 to 99567, totaling \$75,715.31, one EFT for \$1,129.55, one library check for \$960.00 and 91 payroll EFTs totaling \$235,921.10, for a grand total of \$313,725.96, have been reviewed and authorized for distribution by the City Manager.

As of December 17, 2021, the unaudited cash balance is \$5,050,795.09.

**CASH POSITION - CITY OF CAPITOLA
December 17, 2021**

	12/17/2021
General Fund	\$ (921,176.10)
Payroll Payables	\$ 255,684.27
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 522,714.09
Capital Improvement Fund	\$ 1,712,630.65
Stores Fund	\$ 65,866.25
Information Technology Fund	\$ 280,017.67
Equipment Replacement	\$ 615,073.86
Self-Insurance Liability Fund	\$ (68,202.65)
Workers' Comp. Ins. Fund	\$ 325,719.79
Compensated Absences Fund	\$ 201,121.60
TOTAL UNASSIGNED GENERAL FUNDS	\$ 5,050,795.09

The Emergency Reserve Fund balance is \$1,374,205.54 (not included above).
 The PERS Contingency Fund balance is \$1,029,628.32 (not included above).
 The Library Fund balance is \$230,922.99 (not included above).

 Jamie Goldstein, City Manager	12/27/21 Date
 Jim Malberg, City Treasurer	12/17/21 Date

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99513	12/17/2021			ACCO ENGINEERED SYSTEMS	\$1,160.00
	Invoice	Date	Description		Amount
	740668	09/02/2019	Lawy Way lift station maintenance		\$750.00
	753986	03/02/2020	PD HVAC maintenance		\$410.00
99514	12/17/2021			ADRIENNE HARRELL	\$178.15
	Invoice	Date	Description		Amount
	AH121321	12/13/2021	Instructor payment		\$178.15
99515	12/17/2021			AT&T	\$9.20
	Invoice	Date	Description		Amount
	ATT120121	12/01/2021	December long distance charges		\$9.20
			1000 - General Fund	\$4.53	
			2211 - IT Fund	\$4.67	
99516	12/17/2021			AT&T/CALNET 3	\$231.10
	Invoice	Date	Description		Amount
	000017475512	12/13/2021	December telephone & T1 service		\$231.10
			1000 - General Fund	\$179.52	
			2211 - IT Fund	\$51.58	
99517	12/17/2021			AT&T/CALNET 3	\$1,187.84
	Invoice	Date	Description		Amount
	000017476180	12/13/2021	December T-1 access		\$1,187.84
99518	12/17/2021			BEAR ELECTRICAL SOLUTIONS INC.	\$879.90
	Invoice	Date	Description		Amount
	14430	11/28/2021	November traffic signal maintenance - response		\$233.10
	14431	11/28/2021	November traffic signal maintenance - routine		\$646.80
			1310 - Gas Tax		
99519	12/17/2021			CA DEPARTMENT OF JUSTICE	\$211.00
	Invoice	Date	Description		Amount
	548418	12/03/2021	November fingerprinting		\$32.00
	549840	12/03/2021	Employee fingerprinting		\$179.00
99520	12/17/2021			CALE AMERICA INC.	\$5,768.46
	Invoice	Date	Description		Amount
	166755	11/26/2021	November CALE pay stations		\$1,829.00
	164888	07/13/2021	Paystation paper and parts		\$3,269.80
	164887	07/13/2021	Paystation keypads		\$669.66
99521	12/17/2021			CAPITOLA SELF STORAGE	\$1,200.67
	Invoice	Date	Description		Amount
	57465	12/08/2021	Museum unit 1229 rent		\$1,200.67
99522	12/17/2021			CARIN HANNA	\$1,287.62
	Invoice	Date	Description		Amount
	CH120921	12/09/2021	BIA storage, website, mailings, printing, supplies reimbursement		\$1,287.62
			1321 - BIA		

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99523	12/17/2021			COMPLETE MAILING SERVICE INC.	\$7,491.35
	Invoice	Date	Description		Amount
	6751	12/14/2021	Winter recreation mailing		\$7,491.35
99524	12/17/2021			CRITICAL REACH	\$330.00
	Invoice	Date	Description		Amount
	1805	12/06/2021	APBnet annual support fee		\$330.00
99525	12/17/2021			DOCTORS ON DUTY	\$800.00
	Invoice	Date	Description		Amount
	DOD120421	12/04/2021	New employee testing		\$800.00
99526	12/17/2021			HANYA FOJACO	\$906.75
	Invoice	Date	Description		Amount
	HF121321	12/13/2021	Instructor payment		\$906.75
99527	12/17/2021			HINDERLITER DELLAMAS AND ASSOCIATES	\$600.00
	Invoice	Date	Description		Amount
	SIN013378	12/10/2021	District sales tax auditing services		\$300.00
	SIN013379	12/10/2021	District sales tax auditing services		\$300.00
99528	12/17/2021			HOME DEPOT CREDIT SERVICES	\$107.10
	Invoice	Date	Description		Amount
	9515683	12/09/2021	Respirator, gloves, lumber, brass elbow		\$107.10
99529	12/17/2021			HUMBOLDT PETROLEUM LLC	\$30.00
	Invoice	Date	Description		Amount
	090823	11/30/2021	November car washes		\$30.00
99530	12/17/2021			JIM MALBERG - PETTY CASH CUSTODIAN	\$583.47
	Invoice	Date	Description		Amount
	PC121721	12/15/2021	Petty cash expenditures		\$583.47
99531	12/17/2021			KBA Document Solutions LLC	\$3.94
	Invoice	Date	Description		Amount
	55Y1234820	12/10/2021	Recreation copier usage charges		\$3.94
99532	12/17/2021			KIMLEY HORN AND ASSOCIATES INC	\$20,089.23
	Invoice	Date	Description		Amount
	20140454	11/30/2021	Clares St. traffic calming		\$6,615.00
	20140456	11/30/2021	Capitola Rd. striping		\$720.00
	20140458	11/30/2021	Park Ave. traffic calming		\$720.00
	097763118-1121	11/30/2021	Traffic signal adaptive control engineering		\$12,034.23
			1200 - CIP	\$19,369.23	
			1308 - SB1	\$360	
			1309 - RTC	\$360	
99533	12/17/2021			KING'S PAINT AND PAPER INC.	\$16.32
	Invoice	Date	Description		Amount
	A0318289	12/08/2021	Jade St. paint		\$16.32

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99534	12/17/2021			LAW ENFORCEMENT PSYCHOLOGICAL SERVICES INC.	\$400.00
	Invoice	Date	Description		Amount
	1771	11/30/2021	Employee psychological assessment		\$400.00
99535	12/17/2021			LLOYDS TIRE SERVICE	\$662.79
	Invoice	Date	Description		Amount
	208787	12/03/2021	2011 Ford F250 tires		\$662.79
99536	12/17/2021			MID COUNTY AUTO SUPPLY	\$41.59
	Invoice	Date	Description		Amount
	MID-1534321	12/07/2021	Spark plugs		\$41.59
99537	12/17/2021			MILLER'S TRANSFER & STORAGE CO.	\$259.60
	Invoice	Date	Description		Amount
	93451	12/01/2021	December record storage		\$259.60
99538	12/17/2021			MISSION LINEN SUPPLY	\$108.65
	Invoice	Date	Description		Amount
	516053785	12/08/2021	Fleet uniform cleaning, towels		\$33.65
	516082832	12/13/2021	Recreation mops, mats, towels		\$75.00
99539	12/17/2021			MOFFATT AND NICHOL	\$4,467.00
	Invoice	Date	Description		Amount
	765426	12/07/2021	Wharf final permits, bid & construction support 1200 - CIP		\$4,467.00
99540	12/17/2021			NORTH BAY FORD	\$46.16
	Invoice	Date	Description		Amount
	283587	12/07/2021	Ignition coil assembly		\$46.16
99541	12/17/2021			O'REILLY AUTO PARTS	\$47.92
	Invoice	Date	Description		Amount
	2763-249259	11/30/2021	Spark plugs		\$47.92
99542	12/17/2021			OUTSIDE-IN	\$713.60
	Invoice	Date	Description		Amount
	2719	10/14/2021	BIA Sip N Stroll stemless goblets 1321 - BIA		\$713.60
99543	12/17/2021			PACIFIC GAS & ELECTRIC	\$10.01
	Invoice	Date	Description		Amount
	PGE121021-acct0	12/10/2021	Wharf Road Rispin Mansion utilities		\$10.01
99544	12/17/2021			PALACE BUSINESS SOLUTIONS	\$153.43
	Invoice	Date	Description		Amount
	629818-0	12/02/2021	Paper, cartridges		\$105.48
	629380-0	11/30/2021	Cartridge		\$47.95

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99545	12/17/2021			PHIL ALLEGRI ELECTRIC INC.	\$447.57
	Invoice	Date	Description		Amount
	29869	12/13/2021	3045 Capitola Rd. panel re-wiring		\$447.57
99546	12/17/2021			PHOENIX GROUP INFORMATION SYSTEMS	\$776.20
	Invoice	Date	Description		Amount
	000264	12/08/2021	Bluetooth printer		\$776.20
99547	12/17/2021			PRINTING SYSTEMS INC	\$218.59
	Invoice	Date	Description		Amount
	220669	10/19/2021	Business license envelopes		\$218.59
99548	12/17/2021			RYDIN DECAL	\$1,593.01
	Invoice	Date	Description		Amount
	387508	12/06/2021	Parking permits		\$1,593.01
99549	12/17/2021			SANTA CRUZ COUNTY INFORMATION SERVICES	\$655.71
	Invoice	Date	Description		Amount
	SCC120621	12/06/2021	November open query scan charges		\$655.71
99550	12/17/2021			SANTA CRUZ COUNTY LAW ENFORCEMENT CHIEFS ASSOC.	\$50.00
	Invoice	Date	Description		Amount
	SCCLECA121021	12/10/2021	2022 membership dues		\$50.00
99551	12/17/2021			SANTA CRUZ SENTINEL	\$961.60
	Invoice	Date	Description		Amount
	0001316882	11/30/2021	November legal ads		\$961.60
99552	12/17/2021			SARAH RYAN	\$671.45
	Invoice	Date	Description		Amount
	SR110621	11/06/2021	SLI training reimbursement		\$671.45
99553	12/17/2021			SHANTA SHENOY	\$286.00
	Invoice	Date	Description		Amount
	SS121321	12/13/2021	Instructor payment		\$286.00

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99554	12/17/2021			SOQUEL CREEK WATER DISTRICT	\$3,548.40
	Invoice	Date	Description		Amount
	06-14476-0120221	12/02/2021	430 Kennedy Drive water service		\$127.18
	42-14952-0112421	11/24/2021	Cortez Park irrigation		\$141.17
	42-15297-0112421	11/24/2021	426 Capitola Ave irrigation		\$136.94
	42-15751-0112421	11/24/2021	2005 Wharf Road irrigation		\$59.08
	42-15969-0112421	11/24/2021	Lawn Way irrigation		\$81.15
	42-16122-0112421	11/24/2021	Esplanade fountain irrigation		\$70.50
	42-10504-0112421	11/24/2021	Cliff Drive irrigation		\$59.08
	42-11090-0112421	11/24/2021	Capitola Road irrigation		\$136.94
	42-11467-0112421	11/24/2021	Jade Street park irrigation		\$1,149.68
	42-11517-0112421	11/24/2021	41st Avenue irrigation		\$136.94
	42-14404-0112421	11/24/2021	Monterey Ave. Nobel Gulch Park irrigation		\$59.08
	42-16130-0112421	11/24/2021	Wharf Road irrigation		\$59.08
	42-16136-0112421	11/24/2021	1400 Wharf Road irrigation		\$463.74
	42-16407-0112421	11/24/2021	Bay Ave. irrigation		\$59.08
	34-18508-0112421	11/24/2021	1510 McGregor Drive water service		\$33.68
	42-14431-0112421	11/24/2021	Monterey Ave irrigation		\$656.54
	42-17688-0112421	11/24/2021	Lawn Way irrigation		\$59.46
	42-18238-0112421	11/24/2021	Capitola Road irrigation		\$59.08
			1000 - General Fund	\$3,084.66	
			1311 - Wharf Fund	\$463.74	
99555	12/17/2021			SOUTH BAY REGIONAL TRAINING	\$141.00
	Invoice	Date	Description		Amount
	142186	11/23/2021	PC 832 laws of arrest class		\$141.00
99556	12/17/2021			STAPLES ADVANTAGE	\$424.94
	Invoice	Date	Description		Amount
	8064386702	11/27/2021	Desk pad, pens		\$95.43
	8064325466	11/20/2021	Tape, wipes, Purell, wall clips, dust-off, scissors		\$329.51
99557	12/17/2021			STATE STEEL COMPANY	\$126.71
	Invoice	Date	Description		Amount
	127195	12/01/2021	Steel		\$126.71
99558	12/17/2021			SUMMIT UNIFORMS	\$3,522.99
	Invoice	Date	Description		Amount
	77462	11/16/2021	Jacket, hat		\$450.63
	77389	11/11/2021	Vest		\$873.91
	77390	11/11/2021	Vest		\$873.91
	77392	11/11/2021	Jacket, hat		\$450.63
	77391	11/11/2021	Vest		\$873.91
99559	12/17/2021			THE EMBLEM AUTHORITY	\$412.50
	Invoice	Date	Description		Amount
	37972	11/23/2021	Chevron, Sgt. CPL and hashmark patches		\$412.50

City of Capitola
City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99560	12/17/2021			THE HOME DEPOT PRO	\$180.34
	Invoice	Date	Description		Amount
	655642973	12/01/2021	Soap dispenser		\$180.34
99561	12/17/2021			TODD HANSON	\$2,696.35
	Invoice	Date	Description		Amount
	00015	12/01/2021	December BIA marketing, website management, media boost 1321 - BIA		\$2,696.35
99562	12/17/2021			TYLER BUSINESS FORMS	\$171.22
	Invoice	Date	Description		Amount
	66897	12/14/2021	Year end forms W2, 1095, 1099		\$171.22
99563	12/17/2021			UPS	\$4.00
	Invoice	Date	Description		Amount
	0000954791501	12/11/2021	Missing PLD fees		\$4.00
99564	12/17/2021			US BANK EQUIPMENT FINANCE	\$103.57
	Invoice	Date	Description		Amount
	459512596	12/03/2021	Recreation copier leases		\$103.57
99565	12/17/2021			US BANK EQUIPMENT FINANCE	\$26.06
	Invoice	Date	Description		Amount
	459512802	12/03/2021	Recreation copier lease		\$26.06
99566	12/17/2021			US BANK EQUIPMENT FINANCE	\$288.83
	Invoice	Date	Description		Amount
	459513024	12/03/2021	PD copier lease		\$288.83
99567	12/17/2021			WELLS FARGO BANK	\$8,425.42
	Invoice	Date	Description		Amount
	WF120321	12/03/2021	November credit card purchases		\$8,425.42
			1000 - General Fund	\$6,800.63	
			2211 - IT Fund	\$1,624.79	
			Purchases over \$500:		
			Ben Davis	\$513.48	Uniform pants 10 pairs
			FMS Solutions	\$1,226.00	Flashlight, baton holders, rifle mount
			Indeed	\$517.44	Job posting
			Carhartt	\$659.29	Uniform pants
			PDNC Inc.	\$1,624.79	IT consulting

Check Totals: \$75,715.31

EFT	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1252	12/13/2021			WELLS FARGO BANK	\$1,129.55
	Invoice	Date	Description		Amount
	WF121321	12/13/2021	December client analysis charges		\$1,129.55

EFT Totals: \$1,129.55

Library

City Checks Issued December 17, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
296	12/17/2021			KIMLEY HORN AND ASSOCIATES INC	\$960.00
	Invoice	Date	Description		Amount
	20140457	11/30/2021	Library driveway improvements		\$960.00

Library Totals: \$960.00

Main City Totals	Count	Total
Checks	55	\$75,715.31
EFTs	1	\$1,129.55
All	56	\$76,844.86

Payroll Totals	Count	Total
Checks	0	\$0.00
EFTs	91	\$235,921.10
All	91	\$235,921.10

Library Totals	Count	Total
Checks	1	\$960.00
EFTs	0	\$0.00
All	1	\$960.00

Grand Totals:	Count	Total
Checks	56	\$76,675.31
EFTs	92	\$237,050.65
All	148	\$313,725.96

City main account checks dated December 30, 2021, numbered 99568 to 99625, totaling \$217,487.52, six EFTs for \$185,465.15, and one payroll check for \$530.94, for a grand total of \$403,483.61, have been reviewed and authorized for distribution by the City Manager.

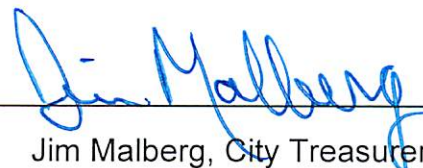
As of December 30, 2021, the unaudited cash balance is \$6,526,810.26.

**CASH POSITION - CITY OF CAPITOLA
December 30, 2021**

	12/30/2021
General Fund	\$ 753,013.86
Payroll Payables	\$ 60,847.03
Contingency Reserve Fund	\$ 2,061,345.66
Facilities Reserve Fund	\$ 522,714.09
Capital Improvement Fund	\$ 1,712,630.65
Stores Fund	\$ 63,517.15
Information Technology Fund	\$ 279,029.22
Equipment Replacement	\$ 615,073.86
Self-Insurance Liability Fund	\$ (68,202.65)
Workers' Comp. Ins. Fund	\$ 325,719.79
Compensated Absences Fund	\$ 201,121.60
TOTAL UNASSIGNED GENERAL FUNDS	\$ 6,526,810.26

The Emergency Reserve Fund balance is \$1,374,205.54 (not included above).
 The PERS Contingency Fund balance is \$1,029,628.32 (not included above).
 The Library Fund balance is \$330,922.99 (not included above).


 _____ 12/30/21
 Jamie Goldstein, City Manager Date


 _____ 12/30/21
 Jim Malberg, City Treasurer Date

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99568	12/27/2021			PACIFIC GAS & ELECTRIC	\$14,221.25
	Invoice	Date	Description		Amount
	PGE121421-acct9	12/14/2021	December gas & electricity		\$14,221.25
			1000 - General Fund	\$5,122.39	
			1300 - SLESF	\$113.50	
			1310 - Gas Tax	\$6,715.73	
			1311 - Wharf Fund	\$2,269.63	
99569	12/30/2021			ABC SUPPLY CO INC - MBA 742	\$123.71
	Invoice	Date	Description		Amount
	22310812	12/14/2021	Flash tape foil		\$123.71
99570	12/30/2021			ALPHA GRAPHICS	\$1,136.50
	Invoice	Date	Description		Amount
	46271250	12/27/2021	FY22 budget reports (15)		\$1,136.50
99571	12/30/2021			AMAZON CAPITAL SERVICES	\$129.55
	Invoice	Date	Description		Amount
	1LCH-CDDP-VLWJ	12/15/2021	Webcam, wired headset		\$57.75
	1PQY-W1LX-PV3T	12/16/2021	Monitor cables		\$18.40
	1V4W-WXPR-67V7	12/22/2021	Refrigerator water filter		\$53.40
			1000 - General Fund	\$53.40	
			2211 - IT Fund	\$76.15	
99572	12/30/2021			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice	Date	Description		Amount
	21517	12/22/2021	December wharf meter reading		\$40.00
			1311 - Wharf Fund	\$40.00	
99573	12/30/2021			BAYSIDE OIL II INC.	\$130.00
	Invoice	Date	Description		Amount
	44533	12/15/2021	Used oil recycling		\$130.00
99574	12/30/2021			BIG CREEK LUMBER	\$140.80
	Invoice	Date	Description		Amount
	1633301	11/05/2021	Cedar rail and split end post		\$140.80
99575	12/30/2021			BRINKS AWARDS & SIGNS	\$30.00
	Invoice	Date	Description		Amount
	85693	12/22/2021	Tags for lockers		\$30.00

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99576	12/30/2021			BURKE WILLIAMS AND SORENSEN LLP	\$24,512.50
	Invoice	Date	Description		Amount
	278724	12/28/2021	Recreation legal services		\$927.50
	278725	12/28/2021	Police legal services		\$742.00
	278726	12/28/2021	November legal services		\$768.50
	278722	12/28/2021	November legal services		\$14,734.00
	278723	12/28/2021	Planning legal services		\$7,340.50
99577	12/30/2021			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,495.50
	Invoice	Date	Description		Amount
	POA121121	12/17/2021	POA & gym dues PPE 12/11/21 1001 - Payroll		\$1,495.50
99578	12/30/2021			COMMUNITY TELEVISION OF SANTA CRUZ COUNTY	\$1,040.00
	Invoice	Date	Description		Amount
	3036	12/27/2021	November televised meetings		\$1,040.00
99579	12/30/2021			CRAIG FEENEY	\$675.00
	Invoice	Date	Description		Amount
	136	12/09/2021	HVAC maintenance		\$675.00
99580	12/30/2021			EQUITABLE	\$2,574.91
	Invoice	Date	Description		Amount
	1257251	11/11/2021	December LTD, STD, AD&D, life insurance		\$2,574.91
			1000 - General Fund	\$336.08	
			1001 - Payroll	\$2,238.83	
99581	12/30/2021			ESMERALDA GONZALEZ	\$171.59
	Invoice	Date	Description		Amount
	EG120721	12/07/2021	Febreze, face masks, disinfecting wipes, Lysol		\$171.59
99582	12/30/2021			FERGUSON ENTERPRISES LLC #795	\$732.25
	Invoice	Date	Description		Amount
	9637760	12/14/2021	Esplanade bathroom parts		\$732.25
99583	12/30/2021			FIRST ALARM	\$250.83
	Invoice	Date	Description		Amount
	655941	12/15/2021	Evidence room quarterly monitoring		\$250.83
99584	12/30/2021			FLYERS ENERGY LLC	\$2,303.68
	Invoice	Date	Description		Amount
	21-441877	12/20/2021	478 gallons gasoline		\$2,303.68

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99585	12/30/2021			GALLS LLC	\$144.37
	Invoice	Date	Description		Amount
	019910881	12/03/2021	Wool pants, command shirt		\$144.37
99586	12/30/2021			GEORGE McMENAMIN	\$1,146.25
	Invoice	Date	Description		Amount
	GM122221	12/22/2021	Bay St. & Peery park maintenance, Noble Gulch ivy treatment		\$1,146.25
99587	12/30/2021			HOME DEPOT CREDIT SERVICES	\$3,941.16
	Invoice	Date	Description		Amount
	3525231	12/15/2021	Gloves, sakrete		\$29.41
	1010240	12/07/2021	Sakrete, pallet fee		\$144.92
	5033388	12/13/2021	City Hall repairs		\$82.46
	4516386	12/14/2021	Sakrete, flap discs, sanding discs, epoxy, rustoleum		\$158.29
	5505975	11/23/2021	Jade St. water bubbler		\$59.34
	6622097	11/22/2021	Putty knives, brush		\$17.49
	6741946	11/22/2021	Spray handle, brush set, air fresheners		\$36.61
	8014505	11/30/2021	Loctite, poly rollers, glue epoxy		\$36.40
	8632704	11/30/2021	Storage hangers, wood screws		\$9.83
	5631903	11/23/2021	Putty knives, utility blades		\$43.56
	8612939	11/30/2021	Putty knives, wax rings, joint knife		\$64.60
	7014747	12/01/2021	Pine board, lumber, screws, level, fan		\$651.74
	5514789	12/03/2021	T-square, foil, gloves, pencil pull holder		\$63.47
	6014831	12/02/2021	Propane tank		\$22.87
	0624645	12/08/2021	Lumber, pine board, tool backpack		\$72.95
	1283775	12/07/2021	Mulch		\$45.52
	1524001	12/07/2021	Screw driver set, quikrete, bucket		\$39.69
	9010625	12/09/2021	Rafter square, impact socket, deadbolts		\$120.88
	6031848	12/02/2021	Joint compound, lumber, drywall, wet/dry vac, pliers, pencils		\$209.43
	2624246	12/06/2021	Pine board, lumber, hex bit		\$86.89
	2062940	12/16/2021	Battery		\$145.71
	2340592	12/16/2021	Plywood for Christmas wreath		\$48.40
	2525356	12/16/2021	Paint cups, Esplanade bathroom supplies		\$64.15
	4615140	12/14/2021	Roller pail, putty knife, impact nut driver set		\$29.87
	4615210	12/14/2021	Powersquid, wall plate, wall base adhesive		\$32.00
	8010804	12/10/2021	Funnel, paint thinner, DeWalt jig saw tool		\$233.21
	1063041	12/17/2021	Vanity, drain, plumber's putty, bath mirror, plumbing supplies		\$579.27
	6621082	12/22/2021	Braided supply lines, couplings, adapters		\$67.04
	6634863	12/22/2021	Flex seal		\$28.30
	7517308	12/21/2021	Scour pad, supplies		\$11.94
	7613418	12/21/2021	Cutoff discs, electrical box		\$47.57
	8034293	12/20/2021	Wharf sakrete		\$22.04
	8620779	12/20/2021	Hose, klean strip, utility knife, wet patch		\$145.93
	8034333	12/20/2021	Transfer pumps, extension cords, flex seal, voltage tester,		\$489.38
			1000 - General Fund	\$3,919.12	
			1311 - Wharf Fund	\$22.04	

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99588	12/30/2021			HUMBOLDT PETROLEUM LLC	\$82.50
	Invoice	Date	Description		Amount
	090670	10/10/2021	October car washes		\$37.50
	090699	10/20/2021	October car washes		\$37.50
	090853	12/15/2021	December car wash		\$7.50
99589	12/30/2021			INTERSTATE BATTERY SYSTEM OF SAN JOSE INC	\$252.59
	Invoice	Date	Description		Amount
	120118315	12/13/2021	Batteries		\$252.59
99590	12/30/2021			KBA Document Solutions LLC	\$164.07
	Invoice	Date	Description		Amount
	55Y1236391	12/16/2021	City Hall copier usage charges 2211 - IT Fund		\$164.07
99591	12/30/2021			KING'S PAINT AND PAPER INC.	\$348.79
	Invoice	Date	Description		Amount
	A0318695	12/28/2021	Jade St. paint		\$77.83
	A0318696	12/28/2021	Esplanade bathroom paint		\$241.22
	A0318517	12/16/2021	PD supplies		\$29.74
99592	12/30/2021			LINDE GAS & EQUIPMENT INC.	\$214.06
	Invoice	Date	Description		Amount
	67897342	12/22/2021	Acetylene rental		\$214.06
99593	12/30/2021			LUXLAUNDER	\$706.98
	Invoice	Date	Description		Amount
	LL113021	11/30/2021	November uniform cleaning		\$706.98
99594	12/30/2021			MASTER CLEANERS	\$151.13
	Invoice	Date	Description		Amount
	MC113021	11/30/2021	November uniform cleaning		\$151.13
99595	12/30/2021			MBS BUSINESS SYSTEMS	\$830.57
	Invoice	Date	Description		Amount
	416704	12/21/2021	PD copier usage charges		\$830.57
99596	12/30/2021			MISSION LINEN SUPPLY	\$196.46
	Invoice	Date	Description		Amount
	516190229	12/29/2021	Fleet uniform cleaning, towels		\$33.65
	516144632	12/22/2021	Fleet uniform cleaning, towels		\$33.65
	516053786	12/08/2021	Corp. yard uniform cleaning, towels		\$95.51
	516104472	12/15/2021	Fleet uniform cleaning, towels		\$33.65

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99597	12/30/2021			NAPA AUTO PARTS	\$191.65
	Invoice	Date	Description		Amount
	6841-071655	12/16/2021	Carb kit, gauge, paint stripper, hardware, windshield wash		\$191.65
99598	12/30/2021			NORTH BAY FORD	\$206.08
	Invoice	Date	Description		Amount
	283570	12/06/2021	Switch assembly		\$158.41
	283641	12/10/2021	Motor assembly		\$47.67
99599	12/30/2021			O'REILLY AUTO PARTS	\$175.89
	Invoice	Date	Description		Amount
	2763-250599	12/08/2021	Brake rotors		\$157.98
	2763-251817	12/15/2021	Returned brake rotors		(\$157.98)
	2763-253011	12/21/2021	Starter, cutting pad, battery cables		\$103.14
	2763-253359	12/22/2021	Starter, core return		\$6.27
	2763-254489	12/29/2021	Thermostat		\$66.48
99600	12/30/2021			OUTDOOR SUPPLY HARDWARE	\$362.70
	Invoice	Date	Description		Amount
	E50866	12/07/2021	Spray paint		\$13.06
	E50931	12/07/2021	Wire rope, pruners		\$42.68
	E45894	11/30/2021	Fasteners		\$5.93
	E50176	12/06/2021	Rustoleum, spray paint		\$32.71
	E51037	12/07/2021	Fence post		\$8.26
	E52630	12/10/2021	Teflon lube		\$6.53
	E56337	12/16/2021	Screw driver, jumbo roller		\$35.61
	E58909	12/20/2021	Bucket, spray paint, sand paper, routing bit, grinding wheel		\$158.66
	E59633	12/21/2021	Brush cleaner, wire, fasteners, flap wheel		\$59.26
99601	12/30/2021			PACIFIC GAS & ELECTRIC	\$3,922.18
	Invoice	Date	Description		Amount
	PGE121521-acct7	12/15/2021	Library gas and electricity		\$2,589.23
	PGE121421-acct5	12/14/2021	Pacific Cove parking lot utilities		\$1,332.95
99602	12/30/2021			PALACE BUSINESS SOLUTIONS	\$358.58
	Invoice	Date	Description		Amount
	631281-0	12/14/2021	Drawer pedestal, hanging folders		\$301.91
	631747-0	12/21/2021	Paper		\$56.67
99603	12/30/2021			PETERSON CATERPILLAR	\$114.47
	Invoice	Date	Description		Amount
	PC080189929	12/17/2021	926M belt		\$114.47
99604	12/30/2021			PHOENIX GROUP INFORMATION SYSTEMS	\$8,194.24
	Invoice	Date	Description		Amount
	112021070	12/16/2021	November citation processing		\$8,194.24

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99605	12/30/2021			PITNEY BOWES	\$2,349.10
	Invoice	Date	Description		Amount
	PB121921	12/19/2021	City Hall postage machine refill and rental 2210 - Stores Fund		\$2,349.10
99606	12/30/2021			PREFERRED BENEFIT INSURANCE ADMIN.	\$4,748.20
	Invoice	Date	Description		Amount
	EIA42767	12/01/2021	December dental and vision 1000 - General Fund \$184.20 1001 - Payroll \$4,564.00		\$4,748.20
99607	12/30/2021			SAN LORENZO LUMBER	\$462.13
	Invoice	Date	Description		Amount
	55-0690808	12/07/2021	Wharf entrance lumber 1311 - Wharf Fund		\$462.13
99608	12/30/2021			SANTA CRUZ AUTO PARTS INC.	\$279.92
	Invoice	Date	Description		Amount
	14508-428570	12/20/2021	Battery		\$146.25
	14508-427804	12/10/2021	Gloves, mixing cup, brake pads		\$133.67
99609	12/30/2021			SANTA CRUZ MUNICIPAL UTILITIES	\$330.18
	Invoice	Date	Description		Amount
	SCMU113021	11/30/2021	November water service for medians		\$330.18
99610	12/30/2021			SANTA CRUZ REGIONAL 911	\$125,222.25
	Invoice	Date	Description		Amount
	SCR121521	12/15/2021	Regional 911 operating contribution & SCRMS		\$125,222.25
99611	12/30/2021			SOQUEL CREEK WATER DISTRICT	\$1,998.55
	Invoice	Date	Description		Amount
	10-16317-0121621	12/16/2021	420 Capitola Ave. water		\$249.84
	13-10919-0121721	12/17/2021	2000 Wharf Road water service		\$44.04
	09-15964-0120921	12/09/2021	Monterey Ave. Esplanade water		\$902.36
	08-15562-0120921	12/09/2021	Cliff and Fairview water service		\$54.04
	08-15299-0120921	12/09/2021	Monterey Ave. water		\$143.85
	10-16315-0121621	12/16/2021	504 Beulah Dr. water		\$53.41
	10-16316-0121621	12/16/2021	426 Capitola Ave. water		\$99.34
	13-18567-0121721	12/17/2021	2005 Wharf Rd. water		\$451.67
99612	12/30/2021			STAPLES ADVANTAGE	\$96.49
	Invoice	Date	Description		Amount
	8064470007	12/04/2021	Stamp		\$18.52
	8064546262	12/11/2021	Disinfecting wipes, Lysol		\$77.97

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99613	12/30/2021			SUMMIT UNIFORMS	\$1,205.31
	Invoice	Date	Description		Amount
	77223	11/04/2021	Boots		\$272.34
	77982	12/16/2021	New employee uniform and supplies		\$932.97
99614	12/30/2021			SUPERIOR PRESS	\$442.46
	Invoice	Date	Description		Amount
	4446945	12/23/2021	AP checks		\$442.46
99615	12/30/2021			T MOBILE	\$193.71
	Invoice	Date	Description		Amount
	TM122121	12/21/2021	December cell phone usage		\$193.71
99616	12/30/2021			THE HOME DEPOT PRO	\$2,447.79
	Invoice	Date	Description		Amount
	658645163	12/16/2021	Janitorial supplies		\$399.92
	659803423	12/22/2021	Janitorial supplies		\$348.65
	658379714	12/15/2021	Janitorial supplies		\$1,339.53
	658564497	12/15/2021	Smoke alarm		\$143.98
	657237269	12/08/2021	Nitrile gloves		\$215.71
99617	12/30/2021			TPX COMMUNICATIONS	\$1,817.37
	Invoice	Date	Description		Amount
	151534701-0	12/23/2021	December phone service		\$1,817.37
			1000 - General Fund	\$1,069.14	
			2211 - IT Fund	\$748.23	
99618	12/30/2021			UNISAFE INC	\$129.52
	Invoice	Date	Description		Amount
	713131-2	12/01/2021	Sales tax on nitrile gloves		\$129.52
99619	12/30/2021			UNITED WAY OF SANTA CRUZ COUNTY	\$20.00
	Invoice	Date	Description		Amount
	UW121721	12/17/2021	December United Way employee contributions		\$20.00
			1001 - Payroll		
99620	12/30/2021			UPEC LIUNA LOCAL 792	\$752.50
	Invoice	Date	Description		Amount
	UPEC123121	12/17/2021	December UPEC dues		\$752.50
			1001 - Payroll		
99621	12/30/2021			UPS	\$6.90
	Invoice	Date	Description		Amount
	0000954791511	12/18/2021	PD shipping		\$6.90

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
99622	12/30/2021			US BANK PARS Acct 6746022400	\$502.99
	Invoice	Date	Description		Amount
	PARS121121	12/17/2021	PARS contributions PPE 12/11/21 1001 - Payroll		\$502.99
99623	12/30/2021			VERIZON WIRELESS	\$2,919.76
	Invoice	Date	Description		Amount
	9894776759	12/10/2021	December telephone charges		\$2,919.76
99624	12/30/2021			WESTERN EXTERMINATOR COMPANY	\$139.60
	Invoice	Date	Description		Amount
	3035300	12/01/2021	December City Hall rodent control		\$69.80
	3035301	12/01/2021	December turnouts rodent control		\$69.80
99625	12/30/2021			Heidi Thomas	\$10.00
	Invoice	Date	Description		Amount
	500124444	12/16/2021	Citation refund		\$10.00
Check Totals:					\$217,487.52

EFT

1253	12/23/2021			WEX HEALTH INC.	\$135.00
	Invoice	Date	Description		Amount
	0001437854-IN	11/30/2021	November COBRA and FSA admin.		\$135.00
1254	12/20/2021			CalPERS Member Services Division	\$54,848.78
	Invoice	Date	Description		Amount
	1002007738-43	12/17/2021	PERS contributions PPE 12/11/21 1001 - Payroll		\$54,848.78
1255	12/20/2021			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$19,675.03
	Invoice	Date	Description		Amount
	1-123-993-696	12/17/2021	State taxes PPE 12/11/21 1001 - Payroll		\$19,675.03
1256	12/20/2021			INTERNAL REVENUE SERVICE	\$60,949.27
	Invoice	Date	Description		Amount
	55687925	12/17/2021	Federal taxes & Medicare PPE 12/11/21 1001 - Payroll		\$60,949.27
1257	12/20/2021			STATE DISBURSEMENT UNIT	\$652.61
	Invoice	Date	Description		Amount
	38131944	12/17/2021	Employee garnishments PPE 12/11/21 1001 - Payroll		\$652.61

City Checks Issued December 30, 2021

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1258	12/28/2021			VOYA FINANCIAL	\$49,204.46
	Invoice	Date	Description		Amount
	VOYA121721	12/17/2021	Employee 457 contributions PPE 12/11/21 1001 - Payroll		\$49,204.46

EFT Totals: \$185,465.15

Main City Totals	Count	Total
Checks	58	\$217,487.52
EFTs	6	\$185,465.15
All	64	\$402,952.67

Payroll Totals	Count	Total
Checks	1	\$530.94
EFTs	0	\$0.00
All	1	\$530.94

Grand Totals:	Count	Total
Checks	59	\$218,018.46
EFTs	6	\$185,465.15
All	65	\$403,483.61

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Finance Department, Jim Malberg

Subject: FY 2020-21 Audit Report



Recommended Action: Receive report.

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

The City's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021, has again received an "unmodified" opinion, which indicates the auditor believes the financial statements are presented fairly in all material respects. The City's annual audit and ACFR meet all state and federal requirements and will be available to the public at City Hall as well as on the City's website.

Discussion: The financial report presents the financial condition, results of operations, and current economic condition for the City and component units' Fiscal Year ended June 30, 2021. Financial information for the Successor Agency is presented as a separate Private Purpose Trust Fund within the ACFR.

The independent audit firm Eide Bailly LLP issued the following opinion on the City's financial records, found on page two of the ACFR: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola, California, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America."

The Fiscal Year (FY) 2020-21 ACFR has been submitted to the Government Finance Officers' Association for the Excellence in Financial Reporting Award. The City's ACFR has received this prestigious award for the last nine fiscal years. Previously, the City had received the California Society of Municipal Finance Officers Award for the Outstanding Financial Reporting every year since FY 2000.

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

Fiscal Impact: The following are key financial highlights of the FY 2020-21 ACFR:

• Net Position		
○ Current and other assets		\$ 26,419,144
○ Capital assets		<u>33,947,364</u>
○ Total Assets		\$ 60,366,508
○ Total Deferred Outflows of Resources		<u>\$ 6,261,262</u>
○ Other Liabilities		\$ 1,222,910
○ Long-term liabilities		
▪ Due in one year		496,959
▪ Due in more than one year		<u>30,221,897</u>
○ Total Liabilities		<u>\$ 31,941,766</u>
○ Total Deferred Inflows of Resources		<u>\$ 1,565,469</u>
○ Net Position:		
○ Net investment in capital assets		\$ 32,052,715
○ Restricted		12,055,063
○ Unrestricted		<u>(10,987,243)</u>
○ Total Net Position		<u>\$ 33,120,535</u>
• Revenues		
○ General Revenues:		
○ Taxes:		
▪ Sales and use taxes		\$ 7,705,348
▪ Property taxes		2,793,549
▪ Transient occupancy taxes		1,529,015
▪ Franchise taxes		561,969
▪ Business license taxes		291,590
○ Motor vehicle in-lieu		232,475
○ Investment income		335,472
○ Miscellaneous revenue		203,806
○ Program Revenues:		
▪ Charges for services		2,418,654
▪ Operating grants and contributions		3,124,803
▪ Capital contributions and grants		<u>1,167,294</u>
○ Total Revenues		<u>\$ 20,363,975</u>
• Expenses		
○ General Government		\$ 3,736,255
○ Public Safety		7,236,650
○ Community Development		978,887
○ Culture and Recreation		1,106,517
○ Public Works		3,092,354
○ Interest and other charges		<u>66,645</u>
○ Total Expenses		<u>\$ 16,217,308</u>
○ Change in Net Position		4,146,667
○ Beginning Net Position		<u>28,973,868</u>
○ Ending Net Position		<u>\$ 33,120,535</u>

• General Fund	
○ Fund balance:	
○ Non-spendable:	
▪ Prepaid items	\$ 0
○ Assigned:	
▪ Emergency Reserve	1,374,206
▪ Contingency Reserve	2,584,176
▪ PERS Retirement Trust	1,015,553
○ Unassigned	<u>6,338,927</u>
○ Total Fund Balance	<u>\$ 11,312,862</u>
• Capital Assets:	
○ Land	\$ 4,883,789
○ Building & Improvements	2,398,168
○ Equipment	4,217,845
○ Infrastructure	33,990,293
○ Construction in Progress	<u>16,580,592</u>
○ Total Capital Assets	<u>\$ 62,070,687</u>
○ Less Depreciation	<u>28,123,323</u>
○ Capital Assets Net of Depreciation	<u>\$ 33,947,364</u>
• Long-Term Debt / Liability	
○ Pacific Cove Capital Lease	934,557
○ Beach & Village Parking Lease	960,092
○ Compensated Absences	981,426
○ Net OPEB Obligation	1,731,223
○ Net Pension Liability	<u>26,111,558</u>
○ Total Long-Term Debt	<u>\$ 30,718,856</u>

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

Attachments:

1. Attachment 1: City of Capitola FY 2020-21 ACFR
2. Attachment 2: Governance Communication Letter
3. Attachment 3: Internal Control Compliance Report

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager



December 30, 2021

To the Honorable Members of the City Council of
City of Capitola
Capitola, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for City of Capitola (City), California, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 30, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our planning letter dated June 1, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 30, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to the City Pension and Other Postemployment Benefits (OPEB) liabilities.

Management's estimate of these is based on actuarial estimated performed by management specialists. We evaluated the key factors and assumptions used to develop these actuarial estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to: the Discount rates used in estimated pension and OPEB liabilities.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

There was no corrected or uncorrected misstatement.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 30, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Modification of the Auditor's Report

We have made no modification to our auditor's report.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing board and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the City Council of the City of Capitola
Capitola, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The signature is written in a cursive, handwritten style. It reads "Eide Sully LLP".

Menlo Park, California
December 30, 2021

Annual Comprehensive Financial Report



City of Capitola, California
Fiscal Year Ended June 30, 2021

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CITY OF CAPITOLA, CALIFORNIA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by the Capitola Finance Department

**City of Capitola
Comprehensive Annual Financial Report
Year Ended June 30, 2021**

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Comprehensive Annual Financial Report
Year Ended June 30, 2021**

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**City of Capitola
Comprehensive Annual Financial Report
Year Ended June 30, 2021**

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INTRODUCTORY SECTION

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December 30, 2021

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

SUBJECT: Annual Comprehensive Financial Report - June 30, 2021

REPORT PURPOSE AND ORGANIZATION

State law requires the accounts and fiscal affairs of all municipal entities be audited annually by an independent certified public accountant. The City's independent auditor Eide Bailly LLP has audited the City's financial statements and issued an unmodified opinion that the financial statements for fiscal year ended June 30, 2021, are fairly presented in conformity with generally accepted accounting principles (GAAP). This opinion, along with the basic financial statements of the City, are hereby submitted as the Annual Comprehensive Financial Report (ACFR) for the City of Capitola for the fiscal year ended June 30, 2021 and included in the financial section of this report in fulfillment of the above requirement.

The independent audit of the financial statements is also typically conducted in conjunction with the federally mandated Single Audit. The standards governing the Single Audit require the independent auditor to report on items beyond fair presentation of the financial statements, including internal controls and compliance with legal requirements involving the administration of federal awards. A Single Audit Report on Federal Award Programs was not required or prepared in fiscal year 2021 because the City had less than \$750,000 in federal grant expenditures. The City's last required Single Audit Report is available for the year ended June 30, 2012.

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

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

CITY OF CAPITOLA PROFILE

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

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

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

Capitola is also fortunate to have outstanding educational opportunities. In addition to having New Brighton Middle School within its City limits, both Cabrillo Community College and the University of California, Santa Cruz, are within eight miles of the City. According to the U.S. Census Bureau's 2010 data, 94% of Capitola residents are high school graduates and 39% possess a Bachelors' Degree or higher-level degree.

Form of Government

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

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

City Services

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

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

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

Budgetary Policy and Control

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

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

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

Factors Affecting Financial Condition

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

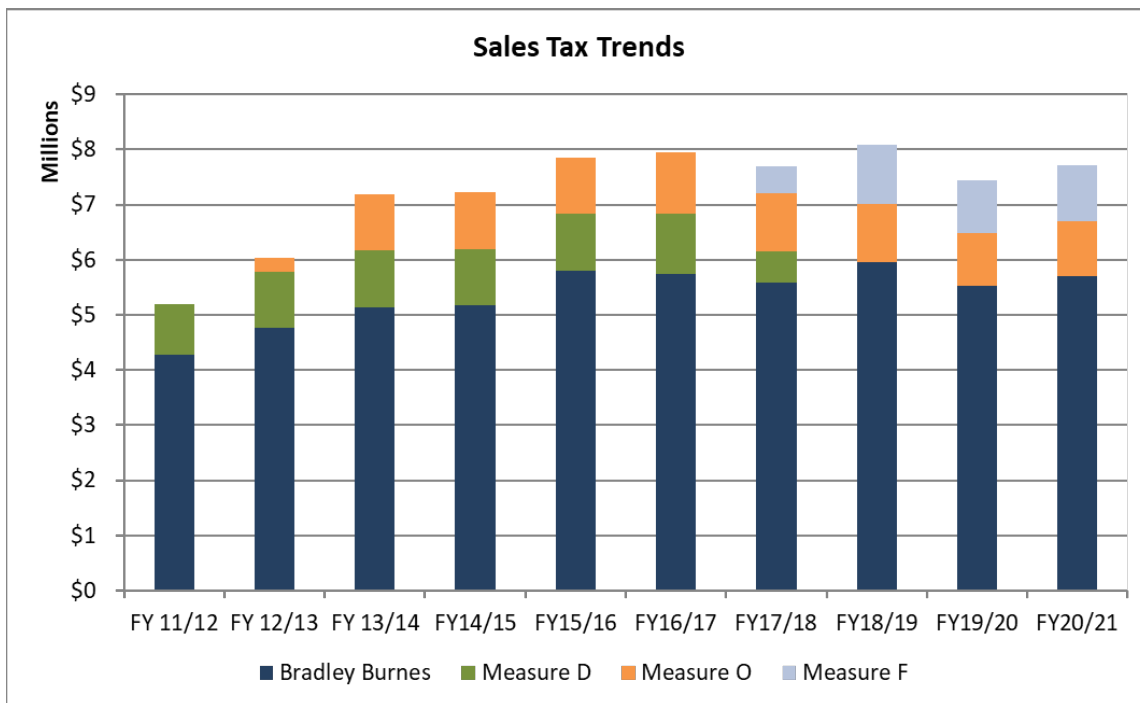
Local Economy

The City of Capitola had seen the local economy level off after several years of growth. This appeared to be the case again in FY 2020, however with the onset of the global Coronavirus Pandemic (COVID-19) in March 2020 city revenues were severely impacted during the fourth quarter of FY 2020 and throughout FY 2021. The City acted promptly in response to COVID-19 by reducing revenue projections and eliminating all non-essential expenses beginning in mid-March 2020. Additionally, the City froze six vacant positions and began negotiating concessions with all labor groups to address the projected revenue shortfalls. The fiscal impacts from COVID-19 were not as severe as originally projected and concessions made with the labor groups were eliminated Dec. 27, 2021, and some expenditures that were eliminated were restored, however, the six frozen vacant positions remained frozen for FY 2021 and were not restored in the Adopted FY 2022 Budget. Due to the proactive and conservative fiscal management by the City, General Fund operations resulted in a net increase in fund balance of approximately \$3.6 million. Revenues were \$2.0 million above the amended FY 2021 budget and \$2.0 million above the prior year while expenses were \$789,400 below the amended budget and were \$2.9 million lower than the prior year. With all the unknown fiscal impacts related to COVID-19, a conservative approach was taken in developing the City's two-year budget plan, with an emphasis placed on navigating through the fiscal impacts of COVID-19 while maintaining core City services without sacrificing the financial future of the City.

The three major sources of General Fund revenue include Sales Tax, Property Tax, and Transient Occupancy Tax (TOT). These three revenues account for approximately 75% of all General Fund Revenues.

Sales tax is the City's largest source of revenue, accounting for just under 50% of the General Fund Revenues. The City sales tax consists of 1% Bradley Burns, 0.25% Capitola District Tax (Measure O), and a 0.25% Capitola District Tax (Measure F) that is effective from January 1, 2018 through December 31, 2027. In FY 2020/21, the combined sales tax receipts of \$7.71 million were \$497,847 (6.91%) higher than budgetary estimates and \$264,603 (3.56%) above the prior year primarily due to the effects of COVID-19.

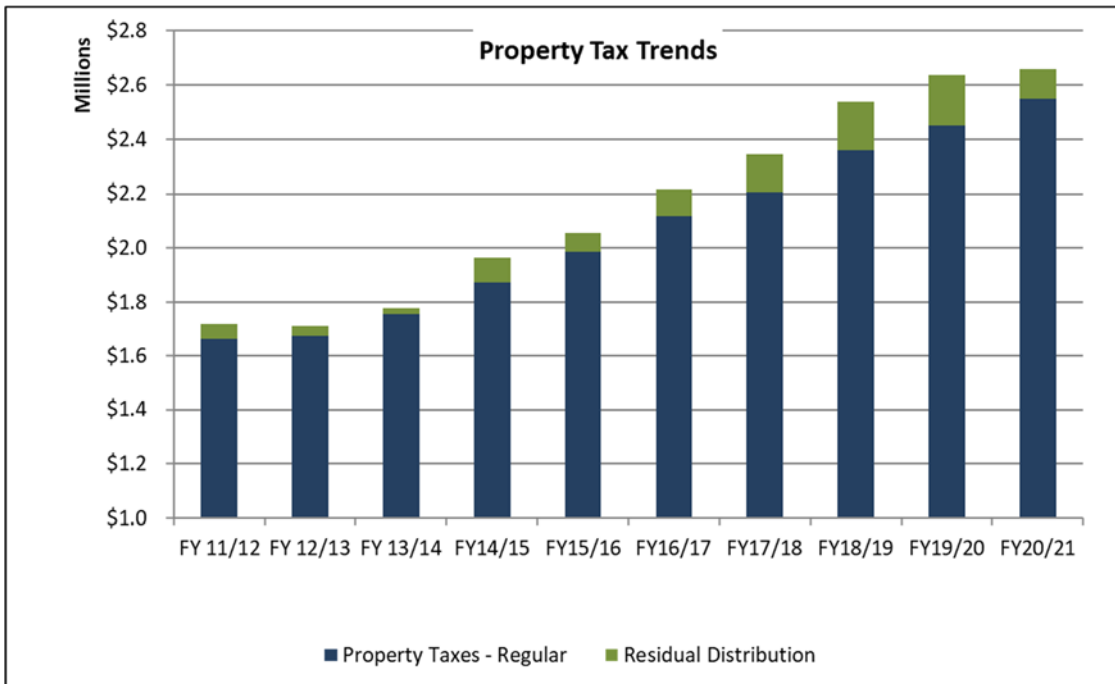
Sales tax receipts are volatile and reflect the current local, state, and national economic condition. Sales Tax collections for the City of Capitola increased year over year after decreasing in the prior year. In FY 2009-10, the economy began to slowly show signs of recovery however sales tax revenues have been relatively flat since FY 2015-16. The following chart shows sales tax trends over the past ten years as well as demonstrates the proportional share of District and Bradley Burns Sales taxes.



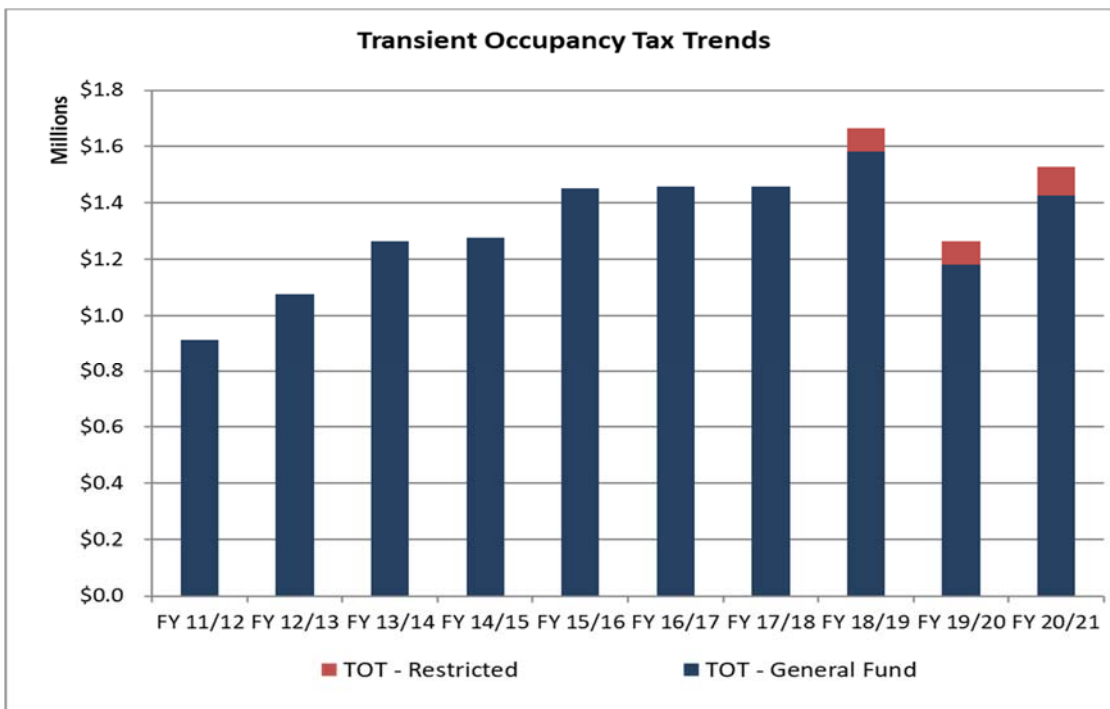
Capitola’s second major source of revenue is property tax. In FY 2019/20 the General Fund received \$2.45 million in property tax receipts, prior to inclusion of Documentary Transfer Tax and Residual RDA distributions. This base amount was approximately \$91,172 more than the prior year however was \$11,121 below the final budgeted amount. Over the last five fiscal years the City has averaged approximately 6% growth in annual property tax collections however in FY 2019/20 the increase was approximately 3.9% over the prior year.

Due to the dissolution of the Capitola Redevelopment Agency (RDA), the RDA’s tax increment revenues are distributed to the Successor Agency Redevelopment Property Tax Trust Fund (RPTTF) in amounts that are only sufficient to fund obligations approved by the independent Oversight Board. Before the RDA dissolution, the City and RDA received over \$2 million a year. FY 2019-20 marked the first year since the dissolution of the RDA that the City did not receive residual distributions of RPTTF revenues. The end of the Required Obligation Payment Schedule (ROPS) is in June 2021 and the City is utilizing approximately \$248,000 of existing fund balance to meet the remaining obligations.

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



Transient occupancy tax (TOT) represents approximately 10% of General Fund revenues. While tourism and economic growth have remained stable, TOT revenue remained flat from FY 2015-16 through FY 2017-18 due to limitations on hotel and vacation rental room inventory. In November 2018 Capitola voters approved an increase in the TOT rate from 10% to 12% with 0.40% dedicated to local business groups and 0.35% dedicated to Early Childhood and Youth programs. While TOT revenues were the most impacted revenues due to COVID-19 and saw a significant reduction during the fourth quarter of FY 2019-20. The chart below provides a 10-year history of TOT revenues.



Long-term Financial Planning

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

Planning for Sales Tax Revenues

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

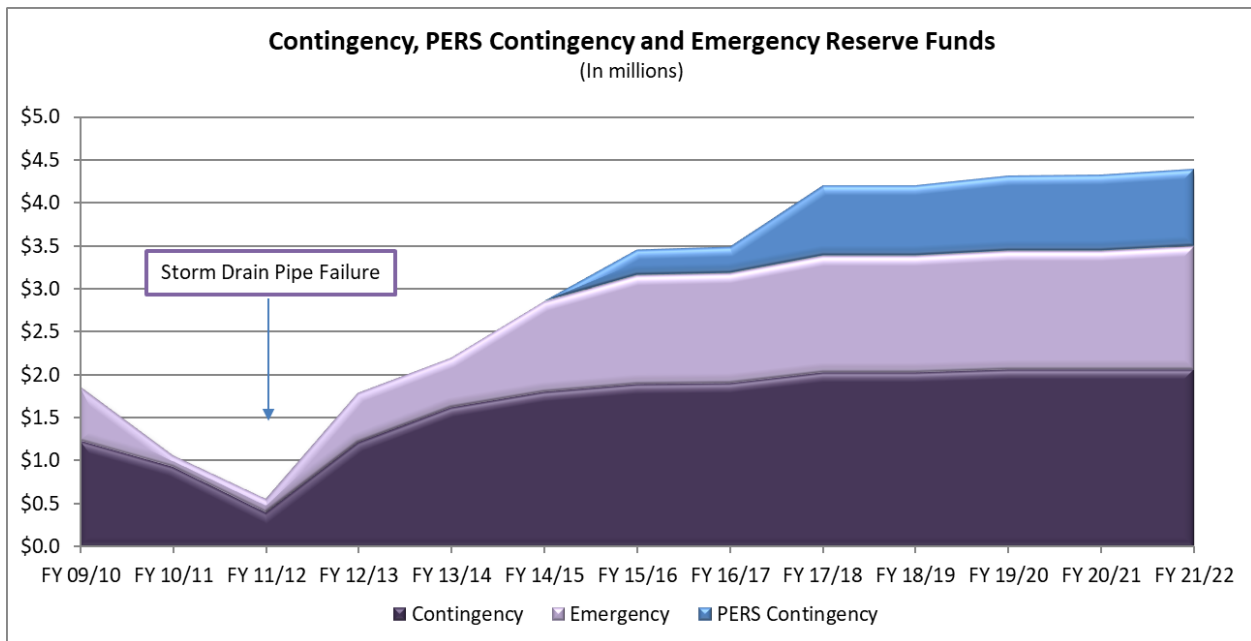
The second District tax, Measure F, was passed by voters in 2016 to extend Measure D, a temporary quarter of one percent sales tax, for an additional ten years. The City is committed to using this funding source to protect the wharf and beach from storms and rising sea levels, maintain police services, and improve sidewalks, parks, and bike safety. The adopted FY 2020-21 budget continued implementing these commitments as Measure F went into effect on January 1, 2018.

Replenishing and Increasing Reserves

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

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

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



Maintain the Facilities Reserve Fund

The City created a Facilities Reserve Fund in FY 2014-15. The purpose of the Facilities Reserve Fund is to create a mechanism to fund future facility maintenance projects. Examples of projects that could be financed through the fund include replacing roofs, painting exteriors, replacing mechanical/electrical equipment, and maintenance of adjoining parking spaces. The Facilities Reserve Fund ended FY 2020/21 with a cash balance of \$522,830. The FY 2021-22 budget does not include any funding into the Facilities Reserve Fund to offset anticipated expenditures of \$140,000 as the City continues to manage the fiscal impacts from CVOID-19. Staff anticipates restoring annual contributions to the Facilities Reserve in FY 2022-23.

Funding Other Post-Employment Benefits Obligation (OPEB)

The City created an OPEB trust fund in FY 2013-14. Before prefunding the OPEB Liability, the City historically contributed the Minimum Employer Contribution required under the Public Employees’ Medical and Hospital Care Act (PEMHCA). The transition from “pay as you go” financing to full funding, reduced the City’s long-term liability from \$1,011,800 to \$657,500. In May 2014 the Actuarial Standards Board adopted standard number 6 (ASOP 6) requiring the calculation of the “Implicit Rate Subsidy”. The implicit rate is an inherent subsidy of retiree healthcare costs by active employee healthcare costs when healthcare premiums paid by retirees and actives are the same. This was a highly controversial standard and the City’s previous actuary did not include the calculation in prior OPEB actuarial valuations.

Following the advice of the City’s auditors as well as the new Actuarial Consultant, the current OPEB Actuarial Valuation now includes the Implicit Rate Subsidy calculation. This one change caused the Unfunded Actuarial Accrued Liability to increase \$1,201,442 increasing the balance from \$584,737 on June 30, 2019 to \$1,572,208 on June 30, 2020. In the FY 2020-21 Adopted Budget the City reduced funding to the OPEB Trust by \$65,000 due to the financial impacts related to COVID-19. The City continued to make the “pay as you go” payments for retiree healthcare premiums and has restored funding to the OPEB Trust to the Annual Required Contribution amount of \$60,250 in FY 2021-22.

Controlling Personnel Costs

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

In FY 2018-19 all bargaining units agreed to multi-year contracts continuing with the cost sharing of CalPERS contributions originally negotiated in FY 2013-14, cost of living adjustments (COLA) based on the Consumer Price Index, and Flex Health Care spending increases. All bargaining units, with the exception of the Police Officers Association (POA), agreed to new two-year contracts through June 30, 2020 while the POA agreed to a new three-year contract through June 30, 2021. Due to COVID-19 the City negotiated concessions with all bargaining units that included reduced salaries from June 26, 2020 through Dec. 26, 2020 and extended all agreements through June 30, 2021.

Recent changes in CalPERS' risk pools have had a significant negative impact on the City. These changes will result in annual increases in CalPERS costs of 16.5% in FY 2021-22, 11.3% in FY 2022-23, and projected average increases of 5% over the following four years. Understanding that existing employees were already contributing more than the CalPERS-designated "employee share," the City's current labor contracts set future employee CalPERS contribution rates at a fixed percentage of compensation to reduce the impact on employees.

The number of positions city-wide decreased 7.25 FTE in FY 2020-21 due to freezing of vacant positions in order to mitigate the fiscal impacts from COVID-19. The total city-wide authorized FTE's in FY 2020-21 was 67.75 with 60.50 positions budgeted.

Major Initiatives

Capitola Mall Redevelopment

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

Funding Measure F Commitments

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

While the FY 2020-21 adopted budget did not include the allocation of Measure F funding to the Capital Improvement Project (CIP) fund due to COVID-19, the flume reconstruction and jetty reconstruction projects were fully funded and completed in FY 2020-21. Work began on these projects in FY 2017-18 along with the use of Measure F funds to replace the 20-year-old front end loader for beach maintenance. Additionally, the City was awarded a \$2 million grant from the State for the Wharf project with construction anticipated to start in late FY 2022-23.

New Capitola Branch Library

In 1999 the City of Capitola built a temporary 4,320 square foot library at the corner of Clares Street and Wharf Road. The City's former RDA entered a contract with the County to construct a permanent library and contributed \$2.67 million to a County-held trust fund that would be used to help build the Capitola library. Measure S, which was approved by voters on June 7, 2016, will provide an additional \$10 million which is \$2 million more than originally anticipated. The current project budget is \$15.15 million and is fully funded by the above-mentioned former RDA and Measure S funds as well as General Fund transfers and fundraising by the Capitola Library Capital Campaign Committee. The City broke ground on the new Library on November 9, 2018 and opened to the public on June 12, 2021 with the project coming in under budget by approximately \$500,000.

Relevant Financial Policies

Financial Management Policies

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

A key component of this policy focuses on reserve requirements. Each fiscal year, the final adopted General Fund budget is required to have a Contingency Reserve appropriation equal to 15% of the General Fund operating expenditures and an Emergency Reserve appropriation equal to 10% of the General Fund operating expenditures. The purpose of the Contingency Reserve is to provide a prudent level of financial resources to protect against temporary revenue shortfalls, unanticipated operating costs, and/or to meet short-term cash flow requirements. The purpose of the Emergency Reserve Fund is to protect against one-time significant costs that may arise from major unpredictable emergency events.

Investment Policy

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

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Capitola's ACFR for the fiscal years ended June 30, 2012 through June 30, 2020. This Certificate of Achievement is a prominent national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A GFOA Certificate of Achievement is valid for a period of only one year. The City of Capitola believes the FY 2020 ACFR conforms to the Certificate of Achievement program requirements and will be submitting it to GFOA for review.

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Jamie Goldstein
City Manager

CITY OF CAPITOLA
LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2021

ELECTED OFFICIALS

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

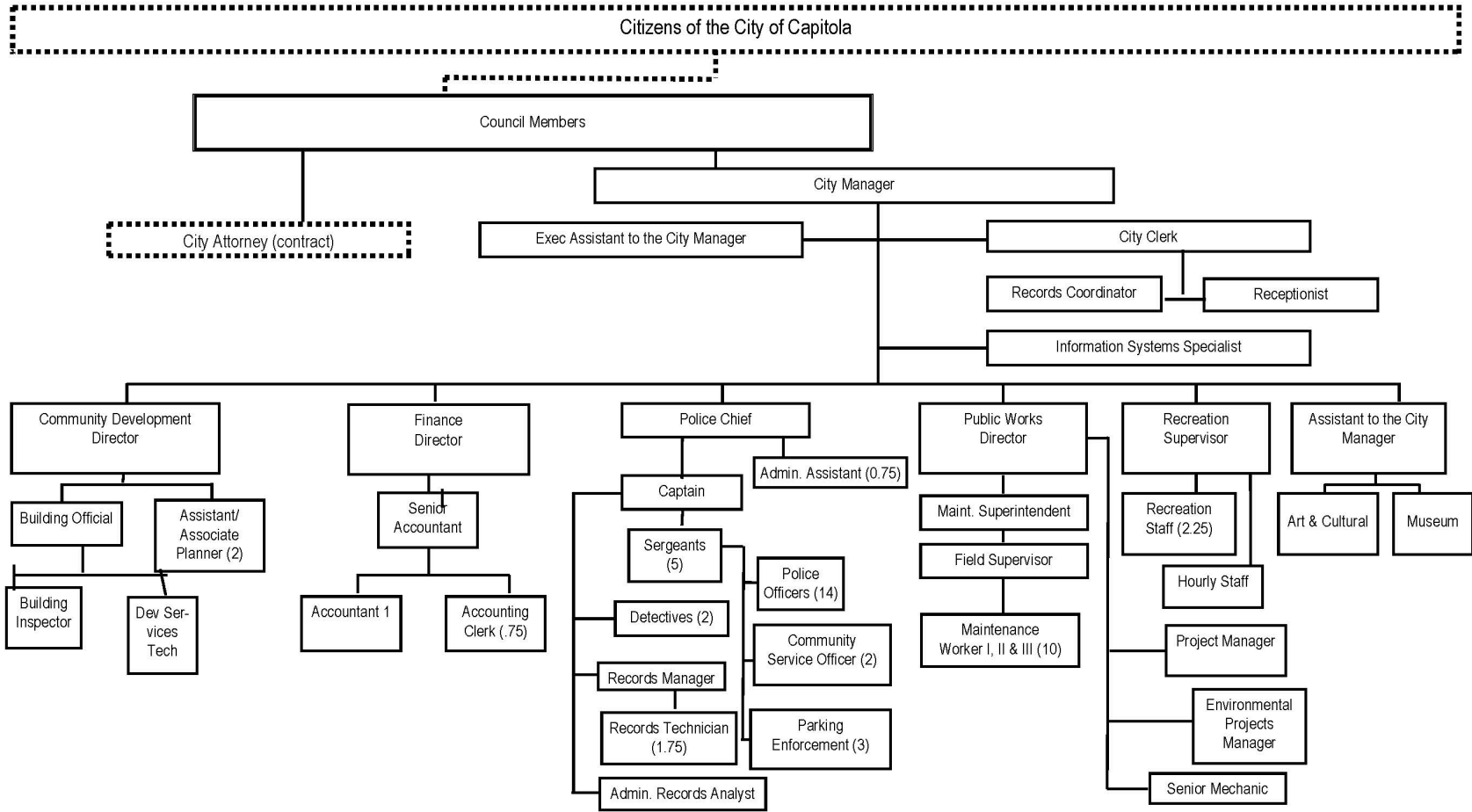
APPOINTED OFFICIALS

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

DEPARTMENT HEADS/ADMINISTRATORS

Assistant to the City Manager – Larry Laurent
Chief of Police – Terry McManus
City Clerk – Chloe Woodmansee
Community Development Director – Katie Herlihy
Finance Director – Jim Malberg
Public Works Director – Steve Jesberg

CITY OF CAPITOLA ORGANIZATIONAL CHART



CITY OF CAPITOLA

GFOA Awards



Government Finance Officers Association

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

Presented to

**City of Capitola
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable City Council
City of Capitola, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Capitola, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 16, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions, Schedule of City's Proportionate Share of the Plan's Net Pension Liability, Schedule of Pension Contributions, Schedules of Budgetary Comparison Schedules for the General Fund and each Major Special Revenue Fund, on pages 71 through 80, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Handwritten signature of Eide Bailly LLP in cursive script.

Menlo Park, California
December 30, 2021

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Management's Discussion and Analysis

As management of the City of Capitola, California, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33.1 million (net position).
- Total net position increased by \$4.1 million from the prior year.
- The City's net capital assets increased by \$4.5 million from the prior year.
- The City's long-term liabilities increased by \$2.2 million from the prior year. See Notes 6 and 10 for details.

Fund Highlights

- The City's governmental funds reported combined fund balances of \$25.2 million, a increase of \$1.2 million from the prior year. Of the \$25.2 million fund balance, \$3.2 million is assigned and \$8.9 million is unassigned, or available for spending at the City's discretion. An additional \$13.1 million is restricted for specific purposes by their providers through constitutional provisions or by enabling legislation in accordance with generally accepted accounting principles, which is further described in Note 1.
- The \$1.2 million increase in the combined governmental fund balances was primarily attributable to an increase in grant revenues relating to COVID 19.
- The Unassigned fund balance for the General Fund was \$8.9 million, or 68% of General Fund operating expenditures, a decrease of 1.0% compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

The Government-Wide Financial Statements can be found on pages 17-18 of this report.

Fund Financial Statements

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 19-27 of this report.

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

Notes to the Financial Statements

The Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29-70 of this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position. For the fiscal year ended June 30, 2021, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$33.1 million.

	Governmental Activities	
	2021	2020
Current and other assets	\$ 26,419,144	\$ 26,337,682
Capital assets	33,947,364	29,448,944
Total Assets	60,366,508	55,786,626
Total Deferred Outflows of Resources	6,261,262	6,366,417
Other liabilities	1,222,910	2,331,255
Long term liabilities		
Due in one year	496,959	175,959
Due in more than one year	30,221,897	28,384,457
Total Liabilities	31,941,766	30,891,671
Total Deferred Inflows of Resources	1,565,469	2,287,504
Net Position:		
Net investment in capital assets	32,052,715	27,367,459
Restricted	12,055,063	14,492,914
Unrestricted	(10,987,243)	(12,886,505)
Total Net Position	\$ 33,120,535	\$ 28,973,868

The largest portion of the City's net position, \$32.1 million, is reflected in its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending.

Although the City of Capitola's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used. An additional portion of the City's net position, \$12.1 million, represented resources that were subject to external restrictions on how they may be used. The remaining negative \$11.0 million of the City's net position, were "unrestricted," and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted portion of net position is negative mainly due to the City's \$27.8 million net pension and OPEB liabilities.

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

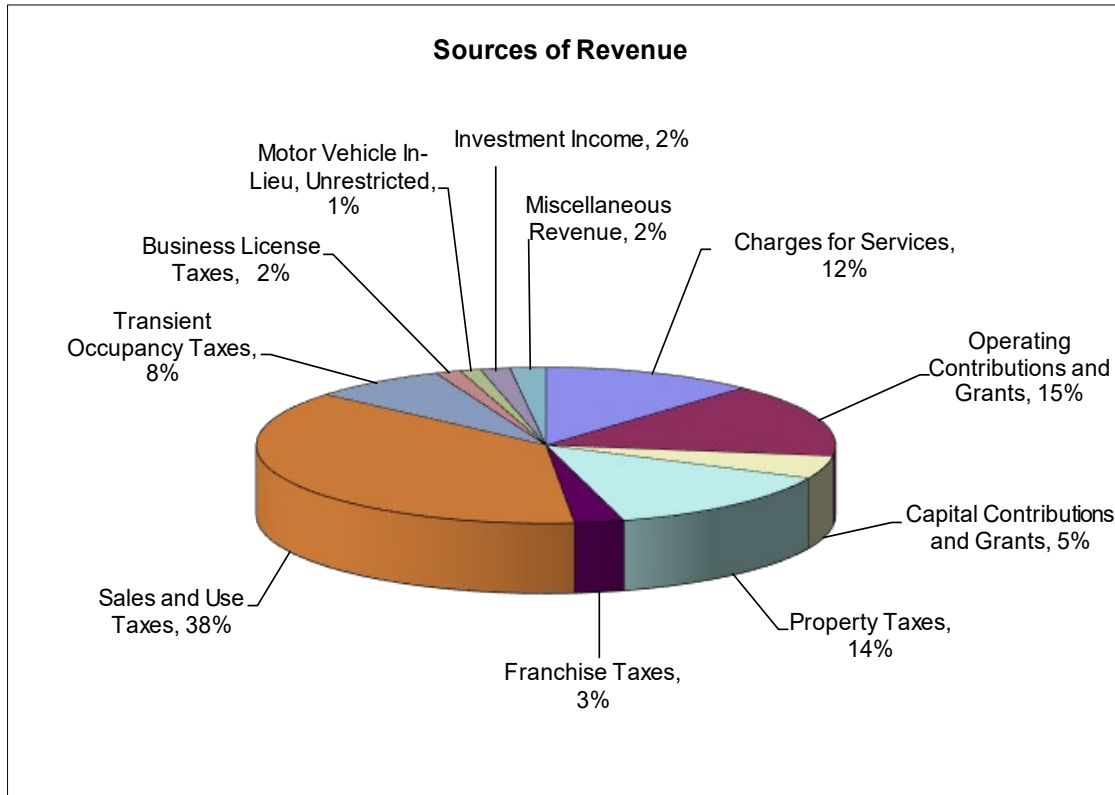
Governmental Activities

Governmental activities increased the City of Capitola's net position by \$4.1 million. The increase is due primarily to COVID 19 grants and the inflow of bond funds related to construction of the new Capitola Library. The table below shows the changes between fiscal years 2020 and 2021:

	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 2,418,654	\$ 2,875,646
Operating grants and contributions	3,124,803	500,949
Capital contributions and grants	1,167,294	7,357,094
General revenues:		
Taxes:		
Property taxes	2,793,549	2,711,883
Franchise taxes	561,969	556,708
Sales and use taxes	7,705,348	7,440,745
Transient occupancy taxes	1,529,015	1,262,816
Business license taxes	291,590	329,711
Motor vehicle in-lieu, unrestricted	232,475	233,459
Investment income, unrestricted	335,472	699,199
Miscellaneous revenue	203,806	16,383
Total revenues	<u>20,363,975</u>	<u>23,984,593</u>
Expenses		
General government	3,736,255	3,876,025
Public safety	7,236,650	7,809,697
Community development	978,887	1,097,095
Culture and recreation	1,106,517	1,792,763
Transportation	3,092,354	3,263,492
Interest and other charges	66,645	68,132
Total expenses	<u>16,217,308</u>	<u>17,907,204</u>
Change in Net Position	4,146,667	6,077,389
Beginning Net Position	<u>28,973,868</u>	<u>22,896,479</u>
Ending Net Position	<u><u>\$ 33,120,535</u></u>	<u><u>\$ 28,973,868</u></u>

Revenues

As shown in the Statement of Activities, revenues for FY 2021 totaled \$20.4 million. The following graph includes program and general revenues and shows the percentage of governmental revenues by source:



Revenues decreased by \$2.8 million, or 15.1%, from the prior year. This was primarily due to the following factors:

- Operating grants and contributions – Increased \$2,623,854 from the prior year. The increase was primarily due to recognizing COVID19 stimulus revenue.
- Property taxes – Increased \$81,666 over the prior year. This increase was consistent with property valuation increases provided by the County Auditor Controller.
- Sales and use taxes – Increased \$264,603 from the prior year primarily due the economic impacts related to COVID-19.
- Capital contributions and grants – Decreased \$6,189,800 from the prior year. The decrease was primarily due to the inflow of county wide bond funds related to construction of the new Capitola Branch Library.

Cost of Services

Based on generally accepted accounting principles, program revenues are derived directly from programs or from parties outside the reporting government's taxpayers or citizenry. These revenues reduce the net cost of the function to be financed from the government's general revenues. General revenues are all other revenues not categorized as program revenues and include taxes, unrestricted grants, contributions, investment earnings, and miscellaneous revenues. Total program revenues from governmental activities were \$6.7 million.

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

	Total Cost of Services	Program Revenues	Net Cost of Services
General government	\$ 3,736,255	\$ 3,949,065	\$ 212,810
Public safety	7,236,650	823,469	(6,413,181)
Community development	978,887	1,061,215	82,328
Culture and recreation	1,106,517	287,596	(818,921)
Transportation	3,092,354	589,406	(2,502,948)
Interest and other charges	66,645	-	(66,645)
Totals	\$ 16,217,308	\$ 6,710,751	\$ (9,506,557)

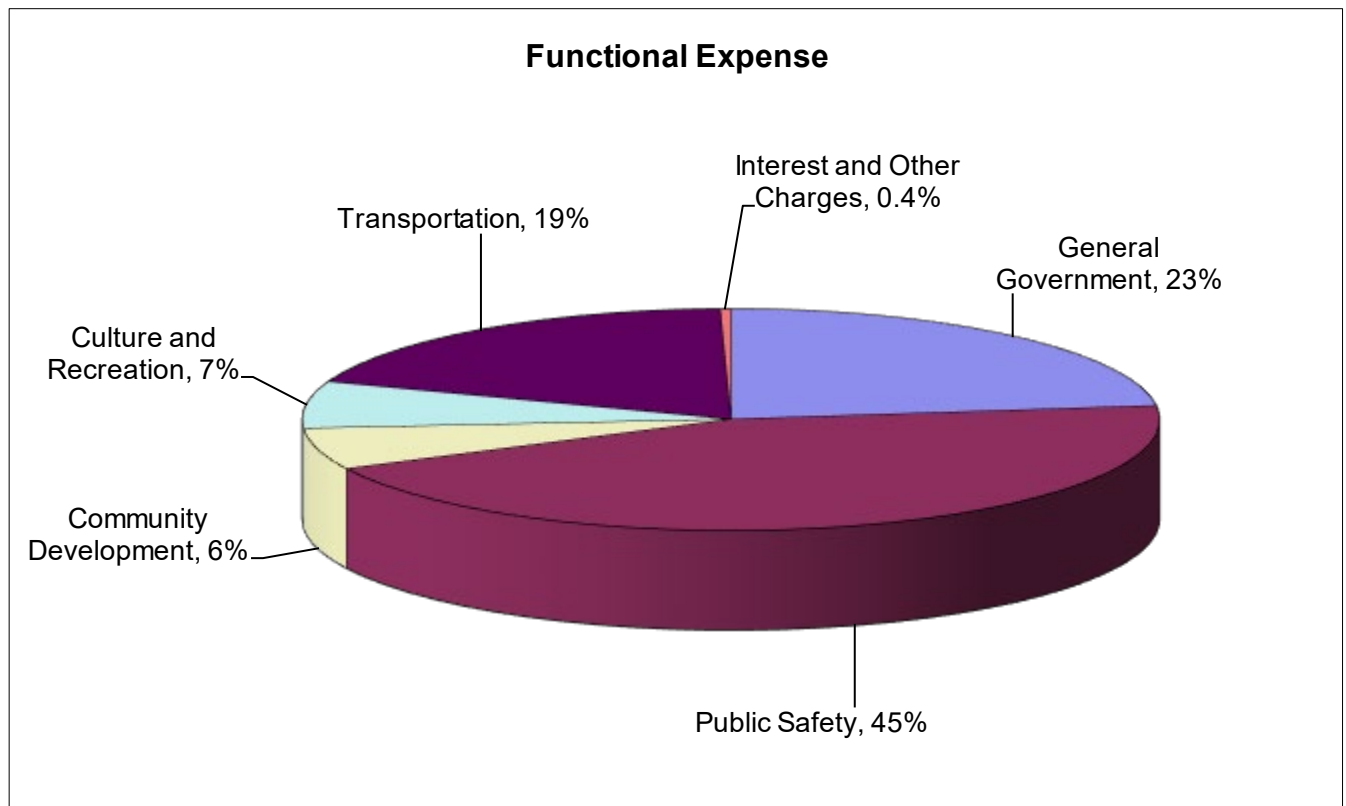
A description of each program is listed below:

- General Government expenses comprise approximately 23.0% of all government expenses. This includes City Council, City Manager, City Clerk, City Attorney, Finance, Administrative Services, and Risk Management. These programs are offset by parking meter collections, grants, and administrative support fees.
- Public Safety expenses comprise 44.6% of all governmental expenses. Revenues from fines, citations, grants, and animal services partially offset the cost of this program.
- Community Development expenses comprise approximately 6.0% of all governmental expenses. Various building and planning fees, along with grant revenues, assist in funding these program costs.
- Culture and Recreation expenses comprise 6.0% of all governmental expenses. These programs are primarily funded through recreational classes and sports fees.
- Transportation/Public Works expenses comprise 19.1% of all governmental expenses. This includes street, facility, park, and fleet maintenance. Costs are partially offset by motor vehicle fuel taxes and various fees.
- Interest expense and other charges comprise 0.4% of all governmental expenses. This interest expense is used to pay long-term debt obligations.

Expenses

As shown in the Statement of Activities, expenses decreased from the prior year by 9.4%. This was primarily due to increased expenses in general government and public safety related to filling previously vacant positions and new recreation programs. It should be noted that due to COVID-19 the City ended FY 2021 with six vacant positions.

A distribution of expenses by function is provided below:



Financial Analysis of the City's Funds

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

Governmental Funds

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

At the end of the current fiscal year, the City of Capitola's governmental funds reported a combined ending fund balance of \$25.2 million, an increase of \$1.2 million compared with the prior year. Of this fund balance, \$13.1 million is externally restricted for particular purposes, \$3.2 million is assigned by the management to multiple priorities, and \$8.9 million is available for spending at the City's discretion.

General Fund - The General Fund is the chief operating fund of the City of Capitola and had a fund balance of \$11.3 million at year end. This represents an increase of \$4.0 million, or 54.9% from the prior year. Approximately \$8.9 million was unassigned fund balance, which was available for spending at the City's discretion.

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

	City Budget Documents	General Plan / Open Space / Donations	Emergency / Contingency / Facilities Reserve / PERS	Internal Service Funds	Financial Statements
Beginning Fund Balance	\$ 885,934	\$ 145,722	\$ 4,875,242	\$ 1,398,185	\$ 7,305,083
Revenues	16,212,083	62,338	98,692	938,013	17,311,126
Expenditures	11,985,507	5,437	-	1,126,721	13,117,665
Net Operating Difference	4,226,576	56,901	98,692	(188,708)	4,193,461
Financing Sources/Uses	(766,383)	-	-	580,701	(185,682)
Net Change	3,460,193	56,901	98,692	391,993	4,007,779
Ending Fund Balance	<u>\$ 4,346,127</u>	<u>\$ 202,623</u>	<u>\$ 4,973,934</u>	<u>\$ 1,790,178</u>	<u>\$ 11,312,862</u>

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2021, is presented as Required Supplementary Information following the notes to the financial statements. This information can be found on page 77. Key budgetary differences are provided below:

Revenues:

Actual revenues were above final budgeted amounts by \$2,134,542. This was primarily due to the fiscal impacts as a result COVID-19 not being as severe as originally anticipated.

Expenses:

Expenses, prior to transfers, were \$541,690 below the final budget total due primarily to the city reducing or eliminating all non-essential expenditures in response to COVID-19.

Appropriations:

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

Fund Balance:

The General Fund's ending fund balance was \$11.3 million as of June 30, 2021. This amount was approximately \$1.62 million less than the final budget projection based on the revenue and expenditure information noted above. A breakdown of General Fund balance is provided below. An additional discussion of the City's Contingency and Emergency Reserves can be found in the Financial Management Policies section of the Transmittal letter.

Fund balance:	
Restricted:	
Retiree benefits	\$ 1,015,553
Assigned:	
Emergency reserve	1,374,206
Unassigned:	
Contingencies	2,584,176
Unassigned	<u>6,338,927</u>
Total fund balance	<u><u>\$ 11,312,862</u></u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's value of governmental capital assets (net of accumulated depreciation) at the end of FY 2021 was \$33.9 million. This investment in capital assets includes land, building, equipment, vehicles and infrastructure. The infrastructure classification typically includes roads, streets, sidewalks, medians, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$4.5 million, or 15.3%. The increase is due to an increase in construction in progress related to the Capitola Library project. Additional information on the City of Capitola's capital assets can be found in Note 4 to the financial statements.

Statement of Net Position	
Asset Type	
Land	\$ 4,883,789
Buildings and improvements	2,398,168
Equipment	4,217,845
Infrastructure	33,990,293
Construction in progress	<u>16,580,592</u>
Total Fixed Assets	62,070,687
Less Depreciation	<u>(28,123,323)</u>
Capital Assets Net of Depreciation	<u><u>\$ 33,947,364</u></u>

Long-Term Debt

The City's long-term liabilities other than pension and OPEB at the end of FY 2021 was \$2.9 million, a decrease of \$.02 compared to FY 2020. The change is due to the scheduled principal payments during the fiscal year. An overview of all long-term obligations is presented below while comprehensive information can be found in Note 6.

Loans payable:	
Capital lease payable - Pacific Cove financing	\$ 934,557
Capital lease payable - Beach and Village financing	960,092
Compensated absences	<u>981,426</u>
 Total long-term debt	 <u><u>\$ 2,876,075</u></u>

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

On June 11, 2020, the Council adopted the FY 2020-21 Budget with a total appropriation of \$17.9 million and a General Fund appropriation of \$13.2 million. Adequate resources were projected to be available to fund the proposed expenditures. The General Fund budget reflects a conservative approach to mitigate the fiscal impacts associated with COVID-19 with projected sales tax revenues reduced by approximately 25%, transient occupancy tax revenues reduced 70% and property tax revenues increasing 4.0%. General Fund expenditures are budgeted to exceed General Fund revenues by approximately \$140,807 as the City manages the impacts from COVID-19.

The City has negotiated contracts with the Police Officers Association through FY 2020-21 and all remaining bargaining units through FY 2019/20, which include fixed cost of living adjustments (COLA's). All labor contracts were negotiated to extend through June 30, 2022 with employees making concessions to assist with managing through COVID-19. These concessions were ended Dec. 26, 2021. The City implemented caps on pension costs prior to the FY 2015-16 budget but modified the cap to ensure employees didn't experience large decreases in net pay due to the projected contribution rate increases. Those caps remain in place under the new contracts.

Prospects for the Future

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

In 2016 voters passed Measure F to extend the temporary quarter of one percent sales tax for an additional ten years. The City is committed to using this funding source to protect the wharf and beach from storms and rising sea levels, maintain police services, and improve sidewalks, parks, and bike safety. The adopted FY 2019/20 budget continued implementing these commitments as Measure F went into effect on January 1, 2018.

Opportunities for development include the Capitola Branch Library, Wharf resiliency improvements, flume repair or replacement, and jetty improvements. The new Capitola Branch Library began construction in November 2018, the flume and jetty projects are scheduled to be completed during FY 2020-21 while the wharf project is currently in the permitting phase with an anticipated start date during FY2021-22. The funding for the new library comes from several sources, including the recently passed countywide Measure S, the former RDA trust fund held by the County, fundraising, and contributions from the General Fund for the remainder.

The City has successfully completed all current RDA dissolution and Assembly Bill 1484 (AB 1484) reporting and audit requirements and received approval for repayment of the \$618,028 loan made to the former RDA. The final payment was made during FY 2018/19. Additional information can be found in the transmittal letter, as well as Note 14.

Local, State, and National Economy

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

In March 2020 both Santa Cruz County and the State of California issued Shelter-in-Place orders in response to COVID-19. This had severe negative impacts to City revenues at the end of the 3rd quarter and the entire 4th quarter of FY 2019-20. The City reduced expenditures to the greatest extent possible and negotiated concessions with all labor groups. These actions have helped navigate the fiscal impacts of COVID-19 since the onset of the pandemic and have enabled the City to maintain its reserve funds. Maintaining the reserve funds will assist the City in continuing to navigate the fiscal impacts related to COVID-19 while continuing to provide services to the residents of Capitola.

In early 2017 the CalPERS Board approved a decrease in the discount rate it uses to project future funding needs. The discount rate is the expected rate of return on investments. The decreased discount rate has a major impact to the City's yearly unfunded actuarial liability (UAL) payment.

The City's FY 2019/20 UAL payment is approximately \$1.5 million which is a 25% increase over the prior year. Current projections show the City's UAL increasing to \$2 million by FY 2021/22 and \$2.5 million by FY 2025/26. These rising pension costs will likely pose significant challenges in coming fiscal years.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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CITY OF CAPITOLA
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 15,463,411
Ristricted cash and investments	1,015,553
Accounts receivable	1,409,218
Due from other governments	1,933,976
Loans receivable	6,596,986
Capital assets:	
Non-depreciable:	
Land	4,883,789
Construction in progress	16,580,592
Depreciable:	
Equipment	4,217,845
Buildings and improvements	2,398,168
Infrastructure	33,990,293
Accumulated depreciation	(28,123,323)
Total Assets	60,366,508
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	5,248,438
OPEB related	1,012,824
Total Deferred Outflows of Resources	6,261,262
LIABILITIES	
Accounts payable	428,695
Accrued liabilities	199,933
Interest payable	29,843
Unearned revenue	203,914
Deposits payable	360,525
Noncurrent liabilities:	
Due within one year	496,959
Due in more than one year	2,379,116
Net other postemployment liability due in more than one year	1,731,223
Net pension liability due in more than one year	26,111,558
Total Liabilities	31,941,766
DEFERRED INFLOWS OF RESOURCES	
Pension related	1,402,461
OPEB related	163,008
Total Deferred Inflows of Resources	1,565,469
NET POSITION	
Net investment in capital assets	32,052,715
Restricted for:	
Public safety	99,061
Transportation	916,791
Community development	10,821,155
Culture and recreation	218,056
Unrestricted	(10,987,243)
Total Net Position	\$ 33,120,535

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

CITY OF CAPITOLA
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 3,736,255	\$ 1,057,228	\$ 2,891,837	\$ -	\$ 212,810
Public safety	7,236,650	509,108	195,319	119,042	(6,413,181)
Community development	978,887	538,757	-	522,458	82,328
Culture and recreation	1,106,517	274,066	13,530	-	(818,921)
Transportation	3,092,354	39,495	24,117	525,794	(2,502,948)
Interest and other charges	66,645	-	-	-	(66,645)
Total Governmental Activities	\$ 16,217,308	\$ 2,418,654	\$ 3,124,803	\$ 1,167,294	(9,506,557)
General Revenues:					
Taxes:					
					2,793,549
					561,969
					7,705,348
					1,529,015
					291,590
					232,475
					335,472
					203,806
					<u>13,653,224</u>
					4,146,667
					<u>28,973,868</u>
					<u>\$ 33,120,535</u>

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

GOVERNMENTAL FUNDS

Major Governmental Funds

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

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

Regional Transportation Commission (RTC) Streets
Santa Cruz County voters passed a 0.5 percent user sales tax to fund local roads. The RTC Streets fund will be utilized to increase the City's street program.

CAPITAL PROJECTS FUND

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

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

Non-Major Governmental Funds

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

CITY OF CAPITOLA
Governmental Funds
Balance Sheet
June 30, 2021

	General	Special Revenue Funds		
		Federal Home Loan Reuse	Capitola Housing Successor	RTC Streets
Assets				
Cash and investments	\$ 7,981,484	\$ 673,070	\$2,107,141	\$ 615,289
Restricted cash and investments	1,015,553	-	-	-
Accounts receivable	1,405,124	-	-	-
Due from other governments	1,879,404	526	966	29,758
Loans receivables	-	3,907,842	2,308,469	-
Total Assets	\$ 12,320,551	\$ 4,581,438	\$4,416,576	\$ 645,047
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 266,517	\$ 381	\$ 2,973	\$ -
Accrued liabilities	199,933	-	-	-
Unearned revenue	203,914	-	-	-
Deposits payable	337,325	-	-	-
Total Liabilities	1,007,689	381	2,973	-
Fund Balances				
Restricted	1,015,553	4,581,057	4,413,603	645,047
Assigned	1,374,206	-	-	-
Unassigned	8,923,103	-	-	-
Total Fund Balances	11,312,862	4,581,057	4,413,603	645,047
Total Liabilities and Fund Balances	\$ 12,320,551	\$ 4,581,438	\$4,416,576	\$ 645,047

Capital Projects Fund		Non-Major Governmental Funds	Totals
Capital Projects	Library		
\$ 1,891,474	\$ 830,053	\$ 1,364,900	\$ 15,463,411
-	-	-	1,015,553
-	-	4,094	1,409,218
-	1,248	22,074	1,933,976
-	-	380,675	6,596,986
<u>\$ 1,891,474</u>	<u>\$ 831,301</u>	<u>\$ 1,771,743</u>	<u>\$ 26,458,130</u>
\$ 42,270	\$ 62,157	\$ 54,397	\$ 428,695
-	-	-	199,933
-	-	-	203,914
7,200	15,000	1,000	360,525
<u>49,470</u>	<u>77,157</u>	<u>94,383</u>	<u>1,232,053</u>
-	754,144	1,716,346	13,125,750
1,842,004	-	-	3,216,210
-	-	(38,986)	8,884,117
<u>1,842,004</u>	<u>754,144</u>	<u>1,677,360</u>	<u>25,226,077</u>
<u>\$ 1,891,474</u>	<u>\$ 831,301</u>	<u>\$ 1,771,743</u>	<u>\$ 26,458,130</u>

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CITY OF CAPITOLA
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2021

Fund Balances of Governmental Funds	\$ 25,226,077
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets net of depreciation have not been included in governmental fund activity:	
Capital assets	62,070,687
Accumulated depreciation	(28,123,323)
Pension related deferred inflows and outflows of resources are not reported in the governmental funds:	
Deferred outflows	5,248,438
Deferred inflows	(1,402,461)
OPEB related deferred inflows and outflows of resources are not reported in the governmental funds:	
Deferred outflows	1,012,824
Deferred inflows	(163,008)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	
	(29,843)
Long-term liabilities have not been included in the governmental fund activity:	
Capital lease financing	(934,557)
Lease-back financing	(960,092)
Net pension liability	(26,111,558)
Compensated absences	(981,426)
Net OPEB liability	(1,731,223)
Net position of governmental activities	\$ 33,120,535

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

CITY OF CAPITOLA
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021

Capital Projects Fund		Non-Major Governmental Funds		Totals
Capital Projects	Library			
\$ -	\$ -	\$ 225,061		\$ 13,063,809
12,414	-	14,042		679,143
-	-	-		495,572
310,112	522,458	304,862		3,832,173
-	-	121,225		1,535,529
-	20,208	125,126		335,472
42,864	89,520	11,086		422,277
<u>365,390</u>	<u>632,186</u>	<u>801,402</u>		<u>20,363,975</u>
-	784,093	(57,396)		3,021,275
-	-	91,942		6,074,881
-	-	93,957		859,080
-	-	79,020		1,026,142
-	-	165,752		2,529,300
1,028,373	3,500,416	-		5,410,009
-	-	186,836		186,836
-	-	66,645		66,645
<u>1,028,373</u>	<u>4,284,509</u>	<u>626,756</u>		<u>19,174,168</u>
<u>(662,983)</u>	<u>(3,652,323)</u>	<u>174,646</u>		<u>1,189,807</u>
-	-	280,968		323,968
(43,000)	-	(52,286)		(323,968)
<u>(43,000)</u>	<u>-</u>	<u>228,682</u>		<u>-</u>
(705,983)	(3,652,323)	403,328		1,189,807
<u>2,547,987</u>	<u>4,406,467</u>	<u>1,274,032</u>		<u>24,036,270</u>
<u>\$ 1,842,004</u>	<u>\$ 754,144</u>	<u>\$ 1,677,360</u>		<u>\$ 25,226,077</u>

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

Capital Projects Fund		Non-Major Governmental Funds		Totals
Capital Projects	Library			
\$ -	\$ -	\$ 225,061		\$ 13,063,809
12,414	-	14,042		679,143
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<u>(662,983)</u>	<u>(3,652,323)</u>	<u>174,646</u>		<u>1,189,807</u>
-	-	280,968		323,968
(43,000)	-	(52,286)		(323,968)
<u>(43,000)</u>	<u>-</u>	<u>228,682</u>		<u>-</u>
(705,983)	(3,652,323)	403,328		1,189,807
<u>2,547,987</u>	<u>4,406,467</u>	<u>1,274,032</u>		<u>24,036,270</u>
<u>\$ 1,842,004</u>	<u>\$ 754,144</u>	<u>\$ 1,677,360</u>		<u>\$ 25,226,077</u>

CITY OF CAPITOLA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 1,189,807

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

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

Capital outlays	5,410,010
Depreciation	(911,590)

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

186,836

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

Change in net pension liability and related deferrals	(1,203,337)
Change in net OPEB	(301,946)

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

Change in compensated absences payable	(223,113)
Change in net position of governmental activities	<u>\$ 4,146,667</u>

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

CITY OF CAPITOLA
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

	<u>Private Purpose Trust Fund</u>
ASSETS	
Cash and investments	\$ 165,074
Total Assets	<u>165,074</u>
NET POSITION	
Restricted in trust for successor agency and other purposes	<u>165,074</u>
Total Net Position (Deficit)	<u><u>\$ 165,074</u></u>

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

CITY OF CAPITOLA
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
RPTTF distributions	<u>\$ -</u>
DEDUCTIONS	
Enforceable obligations	<u>29,904</u>
Change in Net Position	(29,904)
Net Position, Beginning of Year	<u>194,978</u>
Net Position, End of Year	<u><u>\$ 165,074</u></u>

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

**City of Capitola
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Year Ended June 30 2021**

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CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

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

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

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

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

The City reports the following major governmental funds:

General Fund

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

Federal Home Loan Reuse Fund

The Federal Home Loan Reuse Fund accounts for housing loans due to the City from the recipients of previous HOME Program grants. Receipts in the Home Program Reuse Fund are restricted to affordable housing activities in accordance with the federal HOME program re-use guidelines.

Capital Projects Fund

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

Item 8 C.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Capitola Housing Successor Fund

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

Library Fund

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

RTC Streets

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

All remaining governmental are aggregated and reported as nonmajor funds.

The City also reports the following fiduciary funds:

Private Purpose Trust Funds

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

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

1) Cash and Investments

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

1) Cash and Investments (continued)

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

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

2) Receivables and Payables

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

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

3) Property Taxes

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

3) Property Taxes (continued)

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

4) Capital Assets

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

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

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

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

5) Prepaid Items

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

6) Deferred Outflows/Inflows of Resources

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

7) Compensated Absences

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

8) Reclassifications and Eliminations

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

9) Use of Estimates

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

10) Fund Equity

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

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

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

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

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

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

11) Pension Plans

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

12) Other Postemployment Benefits (OPEB)

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

E. New Accounting Pronouncements

Effective this Fiscal Year

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance related to fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, or the FY 2020/2021. This Statement did not have an impact on the financial statements.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective this Fiscal Year

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 61*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 or FY 2020/2021. This Statement did not have an impact on the financial statements.

GASB Statement No. 98 – In October 2021, GASB issued Statement No. 98, *the Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, or the FY 2022/2023. Earlier implementation is encouraged. The City implemented the provisions of this statement effective July 1, 2020.

Effective in Future Fiscal Years

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective in Future Fiscal Years (continued)

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

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 61*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 or FY 2020/2021. The City is evaluating the impact of this Statement on the financial statements.

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective in Future Fiscal Years (continued)

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to establish accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except for the requirement relating to Statement 87 and Implementation Guide 2019-3; reinsurance recoveries, and terminology used to refer to derivative instruments which are effective upon issuance. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022 or FY 2023/2024. The City is evaluating the impact of this Statement on the financial statements.

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. New Accounting Pronouncements (continued)

Effective in Future Fiscal Years (continued)

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

2. CASH AND INVESTMENTS

Cash and investments held by the City at June 30, 2021, are classified in the accompanying financial statement as follows:

Statement of Net Position:	
Cash and investments	\$ 16,478,964
Statement of Fiduciary Net Position:	
Cash and investments	165,074
Total cash and investments	<u>\$ 16,644,038</u>

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

Petty cash	\$ 1,444
Demand deposits	1,711,887
Investments with LAIF	12,365,618
Certificates of Deposit	1,549,536
PARS	1,015,553
Total cash and investments	<u>\$ 16,644,038</u>

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

2. CASH AND INVESTMENTS (continued)

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

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

2. CASH AND INVESTMENTS, (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. As of June 30, 2021, the City had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1 year</u>	<u>1-5 years</u>
Investments with LAIF	\$ 12,365,618	\$ 12,365,618	\$ -
Certificates of Deposit	1,549,536	-	1,549,536
PARS	1,015,553	1,015,553	-
Total Investments	<u>\$ 14,930,707</u>	<u>\$ 13,381,171</u>	<u>\$ 1,549,536</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments in LAIF and in PARS were not rated as of June 30, 2021. Investments in the negotiable certificates of deposit were fully insured by the Federal Deposit Insurance Corporation (FDIC).

Concentration of Risk

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

2. CASH AND INVESTMENTS, (continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker/dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, the City had deposits with financial institutions in excess of federal depository insurance limits by \$1,715,359 that were held in collateralized accounts.

Investment in State Investment Pool

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

Fair Value Measurements

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

2. CASH AND INVESTMENTS, (continued)

Fair Value Measurements, (continued)

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

At June 30, 2021, the City had the following recurring fair value measurements:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1 year	1-5 years
Investments with LAIF	\$ 12,365,618	\$ 12,365,618	\$ -
Certificates of Deposit	1,549,536	-	1,549,536
PARS	1,015,553	1,015,553	-
Total Investments	\$ 14,930,707	\$ 13,381,171	\$ 1,549,536

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, are as follows:

	Transfer In			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Transfers Out				
General Fund	\$ -	\$ -	\$ 228,682	\$ 228,682
Capital Projects Fund	43,000	-	-	43,000
Non-Major Governmental Funds	-	-	52,286	52,286
Total	<u>\$ 43,000</u>	<u>\$ -</u>	<u>\$ 280,968</u>	<u>\$ 323,968</u>

The General and the Affordable Housing Funds transferred \$106,066 to the Beach Village Lot and \$88,616 to the Pacific Cover Debt Financing Fund for debt service payments. The General Fund transferred \$43,000 to the Capital Projects Funds for various capital projects. In addition, the Nonmajor Transient Occupancy Tax Fund transferred to the Capitola Village and Wharf BIA Fund for Wharf related projects.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, is as follows:

	Ending Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,883,789	\$ -	\$ -	\$ 4,883,789
Construction in progress	14,494,833	4,381,606	(2,295,847)	16,580,592
	<u>19,378,622</u>	<u>4,381,606</u>	<u>(2,295,847)</u>	<u>21,464,381</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Equipment	4,170,592	47,252	-	4,217,844
Building and improvements	2,398,168	-	-	2,398,168
Infrastructure	30,713,295	3,276,998	-	33,990,293
	<u>37,282,055</u>	<u>3,324,250</u>	<u>-</u>	<u>40,606,305</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Equipment	(3,432,432)	(239,496)	-	(3,671,928)
Building and improvements	(1,644,685)	(48,470)	-	(1,693,155)
Infrastructure	(22,134,616)	(623,623)	-	(22,758,239)
	<u>(27,211,733)</u>	<u>(911,589)</u>	<u>-</u>	<u>(28,123,322)</u>
Total capital assets, being depreciated, net	<u>10,070,322</u>	<u>2,412,661</u>	<u>-</u>	<u>12,482,983</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 29,448,944</u>	<u>\$ 6,794,267</u>	<u>\$(2,295,847)</u>	<u>\$ 33,947,364</u>

Depreciation Allocations

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

Governmental Activities:	
General government	\$ 417,098
Public safety	104,453
Cultural and recreation	40,493
Transportation	349,546
Total Depreciation Expense - Governmental Activities	<u>\$ 911,590</u>

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

5. OTHER LONG-TERM RECEIVABLES

Housing and Community Development Loan Program

The City uses Federal Home Loan Reuse, Affordable Housing and CDBG Program Income funds to provide housing loans to eligible applicants. Such loans are made to low and moderate-income households to improve or rehabilitate residences. These loans have been reflected in the financial statements as loans receivable. The City accounts for this program in the Special Revenue Funds. Total detail of loans receivable of \$6.6 million at June 30, 2021, is listed below:

	CDBG Program Income	Federal Home Loan Reuse	Capitola Housing Successor	Total
Individual Loans	\$ 380,675	\$ 237,301	\$ 504,886	\$ 1,122,862
Bay Avenue Senior Apartments	-	3,518,897	1,803,583	5,322,480
Wharf Road Manor	-	151,644	-	151,644
Totals	<u>\$ 380,675</u>	<u>\$ 3,907,842</u>	<u>\$ 2,308,469</u>	<u>\$ 6,596,986</u>

6. LONG-TERM LIABILITIES

A summary of changes in long-term debt for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Lease - Cove Financing	\$ 1,058,455	\$ -	\$ (123,898)	\$ 934,557	\$ 113,021
Beach and Village Lot II Financing	1,023,030	-	(62,938)	960,092	62,938
Compensated Absences	758,313	544,236	(321,123)	981,426	321,000
Totals	<u>\$ 2,839,798</u>	<u>\$ 544,236</u>	<u>\$ (507,959)</u>	<u>\$ 2,876,075</u>	<u>\$ 496,959</u>

Capital Leases Payable - Pacific Cove Debt Financing

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

6. LONG-TERM LIABILITIES, (continued)

Capital Leases Payable - Pacific Cove Debt Financing, (continued)

Future lease payments under the capital lease as of June 30, 2021, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 116,724	\$ 48,342	\$ 165,066
2023	120,548	44,518	165,066
2024	124,498	40,568	165,066
2025	128,577	36,489	165,066
2026	132,789	32,276	165,065
2027-2030	311,421	69,230	380,651
Total	<u>\$ 934,557</u>	<u>\$ 271,423</u>	<u>\$ 1,205,980</u>

Capital Leases Payable - Beach and Village Lot II Financing

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

Future lease payments under the capital lease as of June 30, 2021, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 64,360	\$ 23,851	\$ 88,211
2023	65,815	22,187	88,002
2024	67,302	20,485	87,787
2025	68,823	18,745	87,568
2026	70,379	14,884	85,263
2027-2031	376,483	49,555	426,038
2032-2034	246,930	8,454	255,384
Total	<u>\$ 960,092</u>	<u>\$ 158,161</u>	<u>\$ 1,118,253</u>

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

6. LONG TERM LIABILITIES, (continued)

Compensated Absences

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

City employees accumulate earned but unused benefits that can be converted to cash at termination of employment. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, totals \$981,426 as of June 30, 2021.

7. FUND BALANCES

The details of the fund balances as of June 30, 2021, are presented below:

	<u>General Fund</u>	<u>Federal Home Loan Reuse</u>	<u>Capitola Housing Successor</u>	<u>Capital Projects</u>
Restricted for:				
Public Safety	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	-	-
Community Development	-	4,581,057	4,413,603	-
Culture and Recreation	-	-	-	-
Retiree benefits	1,015,553	-	-	-
Assigned to:				
Debt Service	-	-	-	-
Other Capital Projects	-	-	-	1,842,004
Emergency Reserve	1,374,206	-	-	-
Unassigned:				
Contingencies	2,584,176	-	-	-
Unassigned	6,338,927	-	-	-
Total	<u><u>\$ 11,312,862</u></u>	<u><u>\$ 4,581,057</u></u>	<u><u>\$ 4,413,603</u></u>	<u><u>\$ 1,842,004</u></u>

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

7. FUND BALANCES, (continued)

	Library Fund	RTC Streets Fund	Non-Major Governmental Funds	Total Governmental Funds
Restricted for:				
Public Safety	\$ -	\$ -	\$ 99,061	\$ 99,061
Transportation	-	645,047	271,744	916,791
Community Development	754,144	-	1,072,351	10,821,155
Culture and Recreation	-	-	218,056	218,056
Retiree benefits	-	-	-	1,015,553
Assigned to:				
Debt Service	-	-	55,134	55,134
Other Capital Projects	-	-	-	1,842,004
Emergency Reserve	-	-	-	1,374,206
Unassigned:				
Contingencies	-	-	-	2,584,176
Unassigned	-	-	(38,986)	6,299,941
Total	\$ 754,144	\$ 645,047	\$ 1,677,360	\$ 25,226,077

Deficit Fund Balances

The following fund reported deficit fund balances at June 30, 2021:

Beach and Village Lot II Debt Financing Fund \$ (38,986)

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

8. RISK MANAGEMENT

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

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

Item 8 C.

9. JOINT VENTURES

Santa Cruz Consolidated Emergency Communications Center

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

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

Other Activities

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS

Plan Description

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

Benefits Provided

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Benefits Provided (continued)

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	52
Monthly benefits, as a % of eligible compensation	2%-2.5%	1.0%-2.5%
Required employee contribution rates	7.95%	6.75%
Required employer contribution rates*	12.36%	7.73%

*Annual employer UAL payment of \$835,791 is not included in the rates above

	Safety	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Membership date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.0%-2.7%
Required employee contribution rates	6.75%	13.00%
Required employer contribution rates*	25.91%	13.04%

*Annual employer UAL payment of \$853,670 is not included in the rates above

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2021 for Safety Plan and Miscellaneous Plan were \$1,307,218 and \$1,024,725, respectively.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Net Pension Liability

The City of Capitola's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	Miscellaneous	Safety
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases ⁽¹⁾	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽²⁾	7.15%	7.15%
Mortality Rate Table ⁽³⁾	Derived using CALPERS' membership data for all Funds.	Derived using CALPERS' membership data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.

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

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Discount Rate

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Discount Rate, (continued)

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

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

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

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

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

Pension Plan Fiduciary Net Position

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Proportionate Share of Net Pension Liability

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous plan	\$ 12,430,057	\$ 2,214,693	\$ 681,915	\$ 1,818,746
Safety plan	13,681,501	3,033,745	720,546	2,175,997
Total pension plans	<u>\$ 26,111,558</u>	<u>\$ 5,248,438</u>	<u>\$ 1,402,461</u>	<u>\$ 3,994,743</u>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the Plan as of the June 30, 2020 and 2021 was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2020	0.290385%	0.200559%
Proportionate Share of NPL - June 30, 2021	0.294685%	0.205355%
Change - Increase (Decrease)	<u>0.004300%</u>	<u>0.004796%</u>

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

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

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous plan	\$ 18,059,463	\$ 12,430,057	\$ 7,778,656
Safety plan	20,003,359	13,681,501	8,493,819
Total pension plans	<u>\$ 38,062,822</u>	<u>\$ 26,111,558</u>	<u>\$ 16,272,475</u>

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

Recognition of Gains and Losses

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

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

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

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

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

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

For the year ended June 30, 2021, the City incurred a pension expense of \$482,521 and \$720,816 for the Miscellaneous plan and Safety plan, respectively.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

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

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,024,725	\$ -
Contributions in excess of proportionate share	-	(530,380)
Changes in assumptions	-	(88,656)
Difference in expected and actual experience	640,558	-
Adjustment due to differences in proportions	180,155	(62,879)
Net differences between projected and actual earnings on plan investments	369,255	-
Total	\$ 2,214,693	\$ (681,915)

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,307,218	\$ -
Contributions in excess of proportionate share	-	(674,973)
Changes in assumptions	-	(45,573)
Difference in expected and actual experience	1,060,931	-
Adjustment due to differences in proportions	368,239	-
Net differences between projected and actual earnings on plan investments	297,357	-
Total	\$ 3,033,745	\$ (720,546)

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

10. DEFINED BENEFIT PENSION PLANS, (continued)

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

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

Miscellaneous Plan	
Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2022	\$ (97,919)
2023	216,435
2024	212,432
2025	177,105
	\$ 508,053

Safety Plan	
Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2022	\$ 175,747
2023	380,389
2024	300,853
2025	148,992
	\$ 1,005,981

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

11. PUBLIC AGENCY RETIREMENT PLAN

Overview

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

Plan Description

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

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

Contributions

A total annual contribution of 7.5% of covered earnings is contributed to the PARS account for each eligible employee. The City contributes 1.3% and the employee contributes 6.2%. During the fiscal year ending June 30, 2021, contributions totaled \$36,774. The City acts as administrator with a trustee managing the investments and accounts. Fees are charged by the trustee and are paid from member earnings. Employer liabilities under the Plan are limited to the amount of the current contributions.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

Employees Covered

At the June 30, 2020 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

	Active employees	71
Inactive employees or beneficiaries currently receiving benefits payments	<u>19</u>	<u>90</u>

Contributions

The obligation of the City to contribute to the plan is based on an actuarial determined rate. For the fiscal year ended June 30, 2021, the City's cash contributions were in the form implied of subsidy for \$36,774. The City makes contributions and participates in the California Employers' Retiree Benefit Trust (CERBT) Fund for the purpose of prefunding obligations for past services. Through this plan, the California Public Employees' Retirement System (CalPERS) Board of Administration has the sole and exclusive control and power over the administration and investment of the prefunding plan.

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was based on the following actuarial methods and assumptions:

Discount Rate	7.00%
Inflation	2.75%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	7.00%
Mortality Rate	Mortality Rates from 2017 CalPERS Experience Study
Healthcare Trend Rate	5.9% in 2020 dropping to 5.00% in 2029

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

Discount Rate

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

Changes in Net OPEB Liability

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

	Increase/(Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 1,939,917	\$ 367,709	\$ 1,572,208
Changes recognized for year:			
Service Cost	113,292	-	113,292
Interest	140,891	-	140,891
Changes of benefit terms	-	-	-
Difference in expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions	-	82,353	(82,353)
Net investment income	-	12,995	(12,995)
Administrative expenses	-	(180)	180
Benefit payments, including refunds of employee contributions	(82,353)	(82,353)	-
Net changes	171,830	12,815	159,015
Balance at June 30, 2021	\$ 2,111,747	\$ 380,524	\$ 1,731,223

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent) than the current rate, for measurement period ended June 30, 2020:

Net OPEB Liability		
Discount Rate -1% (6%)	Current Discount Rate (7%)	Discount Rate +1% (8%)
\$1,961,107	\$ 1,731,223	\$1,533,227

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage higher than the current rate, for measurement period ended June 30, 2020:

Net OPEB Liability		
Trend Rate - 1% (4.9%-3.0%)	Healthcare Cost Trend Rates (5.9%-4.0%)	Trend Rate + 1% (6.9%-5.0%)
\$1,471,996	\$ 1,731,223	\$2,046,427

OPEB expense and Deferred Items Summary

For the year ended June 30, 2021, the City recognized OPEB expenses of \$301,946. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 36,774	\$ -
Changes of Assumptions	964,155	-
Differences between Expected and Actual Experiences	-	(163,008)
Net differences between projected and actual earnings on plan investments	11,895	-
Total	\$ 1,012,824	\$ (163,008)

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS, (continued)

OPEB expense and Deferred Items Summary, (continued)

For the year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB in the amount of \$36,774 for its contributions subsequent to the measurement date. This amount will be recognized as an OPEB expense in fiscal year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized as OPEB expense as follows:

Year Ended June 30		
2021	\$	102,020
2022		102,019
2023		101,989
2024		101,491
2025		98,906
Thereafter		306,617
Total	\$	<u>813,042</u>

13. COMMITMENTS AND CONTINGENT LIABILITIES

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

14. SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY

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

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

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

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

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

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

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

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

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

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

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

Long-Term Debt

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

CITY OF CAPITOLA
Notes to Financial Statements
Year Ended June 30, 2021

15. RISKS AND UNCERTAINTIES

Grants

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

City/Successor Agency Obligations

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2021 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. Over the last fiscal year, the Successor Agency has been successful in receiving funding for all approved obligations, with the exception of City/RDA loans. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time as to be immaterial or not.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2021

Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years*

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 113,292	\$ 32,631	\$ 27,267	\$ 26,537
Interest	140,891	62,516	57,232	51,739
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(203,258)	-	-
Change of assumptions	-	1,202,217	-	-
Benefit payments, included refunds of employee contributions	(82,353)	(28,801)	(27,697)	(26,632)
Net change in total OPEB liability	<u>171,830</u>	<u>1,065,305</u>	<u>56,802</u>	<u>51,644</u>
Total OPEB liability - beginning of year	<u>1,939,917</u>	<u>874,612</u>	<u>817,810</u>	<u>766,166</u>
Total OPEB liability - end of year (a)	<u><u>\$ 2,111,747</u></u>	<u><u>\$ 1,939,917</u></u>	<u><u>\$ 874,612</u></u>	<u><u>\$ 817,810</u></u>
Fiduciary Net Position				
Net investment income	\$ 12,995	\$ 17,834	\$ 16,868	\$ 15,205
Contributions				
Employer	82,353	88,801	87,697	81,540
Employee	-	-	-	-
Benefit payments, including refunds of employee contributions	(82,353)	(28,801)	(27,697)	(26,632)
Administrative expense	(180)	-	(397)	(127)
Other	-	-	31	-
Net change in plan fiduciary net position	<u>12,815</u>	<u>77,834</u>	<u>76,502</u>	<u>69,986</u>
Fiduciary net position - beginning of year	<u>367,709</u>	<u>289,875</u>	<u>213,373</u>	<u>143,387</u>
Fiduciary net position - end of year (b)	<u>380,524</u>	<u>367,709</u>	<u>289,875</u>	<u>213,373</u>
Net OPEB liability - end of year = (a) - (b)	<u><u>\$ 1,731,223</u></u>	<u><u>\$ 1,572,208</u></u>	<u><u>\$ 584,737</u></u>	<u><u>\$ 604,437</u></u>
Fiduciary net position as a percentage of the total OPEB liability	18.02%	18.95%	33.14%	26.09%
Covered employee payroll	\$ 5,757,120	\$ 5,567,350	\$ 5,361,855	\$ 5,787,564
Discount rate	7.00%	7.00%	7.00%	7.00%
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017

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

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2021

Schedule of OPEB Contributions
 Last Ten Years*

	2021	2020	2019	2018
Actuarially determined contribution	\$ 36,774	\$ 91,600	\$ 88,801	\$ 86,090
Contributions in relation to the actuarially determined contribution	(36,774)	(91,600)	(88,801)	(86,090)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ 6,145,766	 \$ 5,757,120	 \$ 5,567,350	 \$ 5,361,855
Contributions as a percentage of covered employee payroll	0.60%	1.59%	1.60%	1.61%

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

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CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2021

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

Miscellaneous Plan	2021	2020	2019
Proportion of the Collective Net Pension Liability	0.29469%	0.29039%	0.28641%
Proportionate Share of the Collective Net Pension Liability	\$ 12,430,057	\$ 11,628,468	\$ 10,793,804
Covered Payroll	\$ 3,799,393	\$ 3,504,309	\$ 3,434,216
Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	327.2%	331.8%	314.3%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.7%	77.7%	77.7%
Measurement Date	6/30/2020	6/30/2019	6/30/2018
Discount Rate	7.15%	7.15%	7.15%
Safety Plan	2021	2020	2019
Proportion of the Collective Net Pension Liability	0.20536%	0.20056%	0.19718%
Proportionate Share of the Collective Net Pension Liability	\$ 13,681,501	\$ 12,519,942	\$ 11,569,787
Covered Payroll	\$ 2,371,092	\$ 2,381,492	\$ 2,487,719
Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	577.0%	525.7%	465.1%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	73.1%	73.4%	73.4%
Measurement Date	6/30/2020	6/30/2019	6/30/2018
Discount Rate	7.15%	7.15%	7.15%

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

2018	2017	2016	2015
0.27777%	0.27444%	0.27813%	0.23223%
\$ 10,949,665	\$ 9,533,602	\$ 7,630,270	\$ 5,739,418
\$ 3,370,438	\$ 3,245,529	\$ 3,147,103	\$ 258,938
324.9%	293.8%	242.5%	2216.5%
75.4%	75.9%	79.9%	81.2%
6/30/2017	6/30/2016	6/30/2015	6/30/2014
7.15%	7.65%	7.65%	7.50%

2018	2017	2016	2015
0.19088%	0.19118%	0.18590%	0.17280%
\$ 11,405,601	\$ 9,901,586	\$ 7,660,071	\$ 6,481,759
\$ 2,402,133	\$ 2,308,245	\$ 2,283,732	\$ 5,207,351
474.8%	429.0%	335.4%	124.5%
71.7%	72.7%	77.3%	78.8%
6/30/2017	6/30/2016	6/30/2015	6/30/2014
7.15%	7.65%	7.65%	7.50%

CITY OF CAPITOLA
Required Supplementary Information
Year Ended June 30, 2021

Schedule of Pension Contributions
Last 10 Years*

Miscellenaous Plan	2021	2020	2019
Contractually Determined Contribution	\$ 1,024,725	\$ 913,110	\$ 838,617
Contributions in Relation to the Contractually Determined Contribution	<u>(1,024,725)</u>	<u>(913,110)</u>	<u>(838,617)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,040,667	\$ 3,799,393	\$3,504,309
Contributions as a Percentage of Covered Payroll	50.22%	24.03%	23.93%
Safety Plan	2021	2020	2019
Contractually Determined Contribution	\$ 1,307,218	\$ 1,199,415	\$ 954,292
Contributions in Relation to the Contractually Determined Contribution	<u>(1,307,218)</u>	<u>(1,199,415)</u>	<u>(954,292)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,300,530	\$ 2,371,092	\$2,381,492
Contributions as a Percentage of Covered Payroll	56.82%	50.58%	40.07%

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

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

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

CITY OF CAPITOLA
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,542,633	\$ 11,896,940	\$ 12,838,748	\$ 941,808
Licenses and permits	566,100	566,100	652,687	86,587
Fines and forfeitures	482,900	482,900	495,572	12,672
Intergovernmental	62,200	648,041	1,656,018	1,007,977
Charges for services	1,300,830	1,411,603	1,414,304	2,701
Use of money and property	36,500	36,500	179,097	142,597
Other revenue	76,500	134,500	74,700	(59,800)
Total revenues	13,067,663	15,176,584	17,311,126	2,134,542
Expenditures:				
Current:				
General government:				
City council	67,610	74,360	96,777	(22,417)
City manager	848,213	833,976	1,006,133	(172,157)
Personnel	276,594	277,858	(118,259)	396,117
City attorney	255,000	255,000	191,591	63,409
Finance	777,587	745,453	837,290	(91,837)
Community grants	-	20,000	281,046	(261,046)
Public safety	6,564,221	6,814,050	5,982,939	831,111
Community development	701,075	947,649	717,370	230,279
Culture and recreation	973,249	1,206,112	947,122	258,990
Transportation	2,344,296	2,419,897	2,294,436	125,461
Capital Outlay	65,000	65,000	881,220	(816,220)
Total expenditures	12,872,845	13,659,355	13,117,665	541,690
Excess (deficiency) of revenues over (under) expenditures	194,818	1,517,229	4,193,461	1,592,852
Other financing sources (uses):				
Transfers In	43,000	43,000	43,000	-
Transfers out	359,383	809,383	(228,682)	(1,038,065)
Total Other Financing Sources (Uses)	402,383	852,383	(185,682)	(1,038,065)
Net change in fund balance	597,201	2,369,612	4,007,779	1,638,167
Fund balance, beginning of year	7,305,083	7,305,083	7,305,083	-
Fund balance, end of year	\$ 7,902,284	\$ 9,674,695	\$ 11,312,862	\$ 1,638,167

CITY OF CAPITOLA
Required Supplementary Information
Federal Home Loan Reuse Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 8,019	\$ 8,019
Other revenue	-	-	97,293	97,293
Total revenues	-	-	105,312	105,312
Expenditures:				
Current:				
Community development	3,700	3,700	3,700	-
Net change in fund balance	(3,700)	(3,700)	101,612	105,312
Fund balance, beginning of year	4,479,445	4,479,445	4,479,445	-
Fund balance, end of year	<u>\$ 4,475,745</u>	<u>\$ 4,475,745</u>	<u>\$ 4,581,057</u>	<u>\$ 105,312</u>

CITY OF CAPITOLA
Required Supplementary Information
Capitola Housing Successor Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,980	\$ 1,980
Other revenue	-	-	106,814	106,814
Total revenues	-	-	108,794	108,794
Expenditures:				
Current:				
Community development	80,000	80,000	44,053	35,947
Net change in fund balance	(80,000)	(80,000)	64,741	144,741
Fund balance, beginning of year	4,348,862	4,348,862	4,348,862	-
Fund balance, end of year	<u>\$ 4,268,862</u>	<u>\$ 4,268,862</u>	<u>\$ 4,413,603</u>	<u>\$ 144,741</u>

CITY OF CAPITOLA
Required Supplementary Information
RTC Streets Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 1,038,723	\$ 788,723
Use of money and property	-	-	1,042	1,042
Total revenues	250,000	250,000	1,039,765	789,765
Expenditures:				
Current:				
Transportation	250,000	250,000	69,112	180,888
Net change in fund balance	-	-	970,653	970,653
Fund balance, beginning of year	(325,606)	(325,606)	(325,606)	-
Fund balance, end of year	\$ (325,606)	\$ (325,606)	\$ 645,047	\$ 970,653

CITY OF CAPITOLA
Notes to Required Supplementary Information
Year Ended June 30, 2021

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF CAPITOLA
Capital Projects Fund
Major Capital Projects Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 12,414	\$ 12,414
Intergovernmental	-	-	310,112	310,112
Other revenue	-	-	42,864	42,864
Total revenues	-	-	365,390	365,390
Expenditures:				
Capital outlay	775,000	775,000	1,028,373	(253,373)
Net change in fund balance	(775,000)	(775,000)	(705,983)	69,017
Fund balance, beginning	2,547,987	2,547,987	2,547,987	-
Fund balance, ending	\$ 1,772,987	\$ 1,772,987	\$ 1,842,004	\$ 69,017

CITY OF CAPITOLA
Capital Projects Fund
Library Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,962,700	\$ 1,962,700	\$ 522,458	\$ (1,440,242)
Use of money and property	-	-	20,208	20,208
Other revenue	-	-	89,520	89,520
Total revenues	<u>1,962,700</u>	<u>1,962,700</u>	<u>632,186</u>	<u>(1,330,514)</u>
Expenditures:				
Current:				
General government:	-	-	784,093	(784,093)
Capital outlay	<u>1,962,700</u>	<u>1,962,700</u>	<u>3,500,416</u>	<u>(1,537,716)</u>
Total expenditures	<u>1,962,700</u>	<u>1,962,700</u>	<u>4,284,509</u>	<u>(2,321,809)</u>
Net change in fund balance	-	-	(3,652,323)	(3,652,323)
Fund balance, beginning of year	<u>4,406,467</u>	<u>4,406,467</u>	<u>4,406,467</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 4,406,467</u></u>	<u><u>\$ 4,406,467</u></u>	<u><u>\$ 754,144</u></u>	<u><u>\$ (3,652,323)</u></u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statements
June 30, 2021

NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

Affordable Housing – This fund accounts for a flexible local source of funding for the creation of new affordable housing, rehabilitation of existing affording housing, funding of local programs to assist lower and moderate income buyers purchase affordable housing, or as leverage of local funds for larger State and Federal grants.

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

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statements
June 30, 2021

DEBT SERVICE FUNDS

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

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

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

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2021

	SPECIAL REVENUE FUNDS		
	SB1 Road Rehab and Maintenance	Supplemental Law Enforcement	Gas Tax
ASSETS			
Cash and investments	\$ 184,731	\$ 119,022	\$ 80,056
Accounts receivable	-	798	-
Due from other governments	18,400	86	56
Loans receivables, net	-	-	-
Total Assets	<u>\$ 203,131</u>	<u>\$ 119,906</u>	<u>\$ 80,112</u>
LIABILITIES			
Accounts payable	-	20,845	12,236
Due to other funds	-	-	-
Deposits payable	-	-	-
Total Liabilities	<u>-</u>	<u>20,845</u>	<u>12,236</u>
FUND BALANCES			
Restricted	203,131	99,061	67,876
Unassigned	-	-	-
Total Fund Balances	<u>203,131</u>	<u>99,061</u>	<u>67,876</u>
Total Liabilities and Fund Balances	<u>\$ 203,131</u>	<u>\$ 119,906</u>	<u>\$ 80,112</u>

SPECIAL REVENUE FUNDS

Wharf	Parking Reserve	Technology Fees	PEG Cable TV Access Fee	Capitola Village and Wharf BIA	CDBG
\$ 137,778	\$ 737	\$ 83,433	\$ 80,728	\$ 30,924	\$ 27,740
-	-	-	-	3,296	-
106	-	-	3,108	-	-
-	-	-	-	-	-
<u>\$ 137,884</u>	<u>\$ 737</u>	<u>\$ 83,433</u>	<u>\$ 83,836</u>	<u>\$ 34,220</u>	<u>\$ 27,740</u>
\$ 2,664	\$ -	\$ -	\$ -	\$ 4,820	\$ 750
-	-	-	-	-	-
1,000	-	-	-	-	-
<u>3,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,820</u>	<u>750</u>
134,220	737	83,433	83,836	29,400	26,990
-	-	-	-	-	-
<u>134,220</u>	<u>737</u>	<u>83,433</u>	<u>83,836</u>	<u>29,400</u>	<u>26,990</u>
<u>\$ 137,884</u>	<u>\$ 737</u>	<u>\$ 83,433</u>	<u>\$ 83,836</u>	<u>\$ 34,220</u>	<u>\$ 27,740</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Balance Sheet (continued)
June 30, 2021

	SPECIAL REVENUE FUNDS		
	CDBG Program Income	Affordable Housing	Restricted Transient Occupancy Tax
ASSETS			
Cash and investments	\$ 109,284	\$ 373,820	\$ 81,524
Accounts receivable	-	-	-
Due from other governments	93	214	-
Loans receivables, net	380,675	-	-
Total Assets	<u>\$ 490,052</u>	<u>\$ 374,034</u>	<u>\$ 81,524</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 13,082
Due to other funds	-	-	-
Deposits payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>13,082</u>
FUND BALANCES			
Restricted	490,052	374,034	68,442
Unassigned	-	-	-
Total Fund Balances	<u>490,052</u>	<u>374,034</u>	<u>68,442</u>
Total Liabilities and Fund Balances	<u>\$ 490,052</u>	<u>\$ 374,034</u>	<u>\$ 81,524</u>

DEBT SERVICE FUNDS		
Beach & Village Lot II Debt Financing	Pacific Cove Debt Financing	Non-Major Governmental Funds
\$ -	\$ 55,123	\$ 1,364,900
-	-	4,094
-	11	22,074
-	-	380,675
<u>\$ -</u>	<u>\$ 55,134</u>	<u>\$ 1,771,743</u>
\$ -	\$ -	\$ 54,397
38,986	-	38,986
-	-	1,000
<u>38,986</u>	<u>-</u>	<u>94,383</u>
-	55,134	1,716,346
<u>(38,986)</u>	<u>-</u>	<u>(38,986)</u>
<u>(38,986)</u>	<u>55,134</u>	<u>1,677,360</u>
<u>\$ -</u>	<u>\$ 55,134</u>	<u>\$ 1,771,743</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS		
	SB1	Supplemental	
	Road Rehab and Maintenance	Law Enforcement	Gas Tax
REVENUES			
Taxes	\$ -	\$ -	\$ 225,061
Licenses and permits	-	-	-
Intergovernmental	185,820	119,042	-
Charges for services	-	-	-
Use of money and property	425	399	223
Other revenue	-	-	-
Total Revenues	<u>186,245</u>	<u>119,441</u>	<u>225,284</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Public safety	-	91,942	-
Community development	-	-	-
Culture and recreation	-	-	-
Transportation	-	-	165,752
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>91,942</u>	<u>165,752</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>186,245</u>	<u>27,499</u>	<u>59,532</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	186,245	27,499	59,532
Fund Balances, beginning of year	<u>16,886</u>	<u>71,562</u>	<u>8,344</u>
Fund Balances, end of year	<u>\$ 203,131</u>	<u>\$ 99,061</u>	<u>\$ 67,876</u>

	SPECIAL REVENUE FUNDS		
	CDBG Program Income	Affordable Housing	Restricted Transient Occupancy Tax
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	77,089	-
Use of money and property	525	839	-
Other revenue	-	6,086	-
Total Revenues	<u>525</u>	<u>84,014</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	-	-	(71,684)
Public safety	-	-	-
Community development	3,310	-	-
Culture and recreation	-	-	-
Transportation	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,310</u>	<u>-</u>	<u>(71,684)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(2,785)</u>	<u>84,014</u>	<u>71,684</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(25,000)	(27,286)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,000)</u>	<u>(27,286)</u>
Net change in fund balances	(2,785)	59,014	44,398
Fund Balances, beginning of year	<u>492,837</u>	<u>315,020</u>	<u>24,044</u>
Fund Balances, end of year	<u>\$ 490,052</u>	<u>\$ 374,034</u>	<u>\$ 68,442</u>

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures (continued)
and Changes in Fund Balances
Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS		
	CDBG Program Income	Affordable Housing	Restricted Transient Occupancy Tax
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	77,089	-
Use of money and property	525	839	-
Other revenue	-	6,086	-
Total Revenues	<u>525</u>	<u>84,014</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	-	-	(71,684)
Public safety	-	-	-
Community development	3,310	-	-
Culture and recreation	-	-	-
Transportation	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,310</u>	<u>-</u>	<u>(71,684)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(2,785)</u>	<u>84,014</u>	<u>71,684</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(25,000)	(27,286)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,000)</u>	<u>(27,286)</u>
Net change in fund balances	(2,785)	59,014	44,398
Fund Balances, beginning of year	<u>492,837</u>	<u>315,020</u>	<u>24,044</u>
Fund Balances, end of year	<u>\$ 490,052</u>	<u>\$ 374,034</u>	<u>\$ 68,442</u>

DEBT SERVICE FUNDS		
Beach and Village Lot II Debt Financing	Pacific Cove Debt Financing	Non-Major Governmental Funds
\$ -	\$ -	\$ 225,061
-	-	14,042
-	-	304,862
-	-	121,225
-	55	125,126
-	-	11,086
-	55	801,402
-	-	(57,396)
-	-	91,942
-	-	93,957
-	-	79,020
-	-	165,752
62,938	123,898	186,836
25,478	41,167	66,645
88,416	165,065	626,756
(88,416)	(165,010)	174,646
88,616	165,066	280,968
-	-	(52,286)
88,616	165,066	228,682
200	56	403,328
(39,186)	55,078	1,274,032
\$ (38,986)	\$ 55,134	\$ 1,677,360

CITY OF CAPITOLA
Senate Bill 1 – Road Rehab Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 193,401	\$ 193,401	\$ 185,820	\$ (7,581)
Use of money and property	-	-	425	425
Total revenues	193,401	193,401	186,245	(7,156)
Expenditures:				
Capital Outlay	193,401	193,401	-	193,401
Net change in fund balance	-	-	186,245	(200,557)
Fund balance, beginning of year	16,886	16,886	16,886	-
Fund balance, end of year	\$ 16,886	\$ 16,886	\$ 203,131	\$ (200,557)

CITY OF CAPITOLA
Supplemental Law Enforcement Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 119,042	\$ 19,042
Use of money and property	400	400	399	(1)
Total revenues	<u>100,400</u>	<u>100,400</u>	<u>119,441</u>	<u>19,041</u>
Expenditures:				
Current:				
Public safety	<u>98,000</u>	<u>98,000</u>	<u>91,942</u>	<u>6,058</u>
Net change in fund balance	2,400	2,400	27,499	25,099
Fund balance, beginning of year	<u>71,562</u>	<u>71,562</u>	<u>71,562</u>	<u>-</u>
Fund balance, end of year	<u>\$ 73,962</u>	<u>\$ 73,962</u>	<u>\$ 99,061</u>	<u>\$ 25,099</u>

CITY OF CAPITOLA
Gas Tax Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 259,800	\$ 259,800	\$ 225,061	\$ (34,739)
Use of money and property	-	-	223	223
Total revenues	259,800	259,800	225,284	(34,516)
Expenditures:				
Current:				
Transportation	259,800	259,800	165,752	94,048
Net change in fund balance	-	-	59,532	59,532
Fund balance, beginning of year	8,344	8,344	8,344	-
Fund balance, end of year	\$ 8,344	\$ 8,344	\$ 67,876	\$ 59,532

CITY OF CAPITOLA
Wharf Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 88,100	\$ 88,100	\$ 122,022	\$ 33,922
Expenditures:				
Current:				
Culture and recreation	88,100	88,100	79,020	9,080
Net change in fund balance	-	-	43,002	43,002
Fund balance, beginning of year	91,218	91,218	91,218	-
Fund balance, end of year	<u>\$ 91,218</u>	<u>\$ 91,218</u>	<u>\$ 134,220</u>	<u>\$ 43,002</u>

CITY OF CAPITOLA
Parking Reserve Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

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

**CITY OF CAPITOLA
Technology Fees Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 9,000	\$ 9,000	\$ 14,847	\$ 5,847
Expenditures:				
Current:				
Community development	9,000	9,000	4,649	4,351
Net change in fund balance	-	-	10,198	10,198
Fund balance, beginning of year	73,235	73,235	73,235	-
Fund balance, end of year	<u>\$ 73,235</u>	<u>\$ 73,235</u>	<u>\$ 83,433</u>	<u>\$ 10,198</u>

CITY OF CAPITOLA
PEG Cable TV Access Fee Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 14,042	\$ (958)
Use of money and property	500	500	452	(48)
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>14,494</u>	<u>(1,006)</u>
Expenditures:				
Current:				
General government	-	21,000	14,288	6,712
Net change in fund balance	15,500	(5,500)	206	5,706
Fund balance, beginning of year	<u>83,630</u>	<u>83,630</u>	<u>83,630</u>	<u>-</u>
Fund balance, end of year	<u>\$ 99,130</u>	<u>\$ 78,130</u>	<u>\$ 83,836</u>	<u>\$ 5,706</u>

CITY OF CAPITOLA
Capitola Village and Wharf BIA Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ 83,356	\$ 83,356	\$ 29,289	\$ (54,067)
Use of money and property	-	-	186	186
Other revenue	8,450	8,450	5,000	(3,450)
Total revenues	91,806	91,806	34,475	(57,331)
Expenditures:				
Current:				
Community development	84,880	84,880	73,675	11,205
Excess (deficiency) of revenues over (under) expenditures	6,926	6,926	(39,200)	(46,126)
Other financing sources (uses):				
Transfers In	-	-	27,286	27,286
Net change in fund balance	6,926	6,926	(11,914)	(18,840)
Fund balance, beginning of year	41,314	41,314	41,314	-
Fund balance, end of year	<u>\$ 48,240</u>	<u>\$ 48,240</u>	<u>\$ 29,400</u>	<u>\$ (18,840)</u>

CITY OF CAPITOLA
CDBG Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Community development	-	-	12,323	(12,323)
Net change in fund balance	-	-	(12,323)	(12,323)
Fund balance, beginning of year	39,313	39,313	39,313	-
Fund balance, end of year	<u>\$ 39,313</u>	<u>\$ 39,313</u>	<u>\$ 26,990</u>	<u>\$ (12,323)</u>

CITY OF CAPITOLA
CDBG Program Income Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 525	\$ 525
Expenditures:				
Current:				
Community development	-	-	3,310	(3,310)
Net change in fund balance	-	-	(2,785)	3,835
Fund balance, beginning of year	492,837	492,837	492,837	-
Fund balance, end of year	<u>\$ 492,837</u>	<u>\$ 492,837</u>	<u>\$ 490,052</u>	<u>\$ 3,835</u>

CITY OF CAPITOLA
Affordable Housing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 77,089	\$ 47,089
Use of money and property	-	-	839	839
Other revenue	-	-	6,086	6,086
Total revenues	30,000	30,000	84,014	54,014
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	5,000	5,000	59,014	54,014
Fund balance, beginning of year	315,020	315,020	315,020	-
Fund balance, end of year	<u>\$ 320,020</u>	<u>\$ 320,020</u>	<u>\$ 374,034</u>	<u>\$ 54,014</u>

**CITY OF CAPITOLA
Restricted TOT Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ 31,720	\$ 31,720	\$ -	\$ (31,720)
Expenditures:				
Current:				
General government:	24,300	24,300	(71,684)	95,984
Excess (deficiency) of revenues over (under) expenditures	7,420	7,420	71,684	95,984
Other financing sources (uses):				
Transfers out	(7,400)	(7,400)	(27,286)	(19,886)
Net change in fund balance	20	20	44,398	76,098
Fund balance, beginning of year	24,044	24,044	24,044	-
Fund balance, end of year	\$ 24,064	\$ 24,064	\$ 68,442	\$ 76,098

CITY OF CAPITOLA
Beach and Village Lot II Debt Financing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service expenditures:				
Principal	62,938	62,938	62,938	-
Interest	25,478	25,478	25,478	-
Total expenditures	88,416	88,416	88,416	-
Excess (deficiency) of revenues over (under) expenditures	(88,416)	(88,416)	(88,416)	-
Other financing sources (uses):				
Transfers in	88,616	88,616	88,616	-
Net change in fund balance	200	200	200	-
Fund balance, beginning of year	(39,186)	(39,186)	(39,186)	-
Fund balance, end of year	\$ (38,986)	\$ (38,986)	\$ (38,986)	\$ -

CITY OF CAPITOLA
Pacific Cove Debt Financing Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 55	\$ 55
Debt service expenditures:				
Principal	123,898	123,898	123,898	-
Interest	41,167	41,167	41,167	-
Total expenditures	165,065	165,065	165,065	-
Excess (deficiency) of revenues over (under) expenditures	(165,065)	(165,065)	(165,010)	55
Other financing sources (uses):				
Transfers in	165,066	165,066	165,066	-
Net change in fund balance	1	1	56	55
Fund balance, beginning of year	55,078	55,078	55,078	-
Fund balance, end of year	<u>\$ 55,079</u>	<u>\$ 55,079</u>	<u>\$ 55,134</u>	<u>\$ 55</u>

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CITY OF CAPITOLA
 Comprehensive Annual Financial Report
 Statistical Section (Unaudited)
 Table of Contents
 Fiscal Year Ended June 30, 2021

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

Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

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

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Demographic and Economic Information

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

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Operating Information

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

Operating Indicators by Function	132
Capital Asset Statistics by Function	133

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

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

	2012	2013	2014	2015*	2016	2017	2018	2019	2020	2021
Primary Government activities										
Net Investment in Capital Assets	\$ 11,918	\$ 11,521	\$ 12,751	\$ 11,604	\$ 13,154	\$ 14,457	\$ 15,773	\$ 18,563	\$ 27,367	\$ 32,053
Restricted for										
Public Safety	51	101	119	101	98	8	10	17	72	99
Transportation	2,445	1,513	416	393	113	119	420	630	26	917
Community Development	1,141	3,511	3,852	6,357	6,599	8,811	11,191	14,105	14,221	10,821
Culture and Recreation	88	77	116	141	143	159	121	146	175	218
Total Restricted	3,725	5,202	4,503	6,992	6,953	9,097	11,742	14,896	14,493	12,055
Unrestricted	4,134	4,893	5,957	(9,381)	(8,884)	(9,883)	(11,536)	(10,563)	(12,887)	(10,987)
Total Primary Government net position	\$ 19,777	\$ 21,616	\$ 23,211	\$ 9,215	\$ 11,223	\$ 13,671	\$ 15,978	\$ 22,896	\$ 28,974	\$ 33,121

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

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

Source: City of Capitola Finance Department.

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

	Fiscal Year			
	2012	2013	2014	2015*
EXPENSES:				
Primary government activities				
General government	\$ 4,851	\$ 4,862	\$ 3,403	\$ 3,582
Public safety	5,491	5,411	5,412	6,181
Community development	3,471	727	741	809
Culture and recreation	1,010	1,398	970	974
Transportation	2,556	2,456	3,070	2,866
Interest and other charges	419	288	211	217
Total primary government expenses	17,798	15,142	13,807	14,629
PROGRAM REVENUES:				
Primary government activities				
Charges for services:				
General government	1,059	948	1,109	1,012
Public safety	759	732	782	806
Community development	1,145	523	683	633
Culture and recreation	751	685	749	765
Transportation	166	145	131	120
Operating grants and contributions	3,131	2,292	313	657
Capital grants and contributions	-	3	15	12
Total primary govt program revenues	7,011	5,328	3,782	4,005
NET PRIMARY GOVT REV/(EXP)	(10,787)	(9,814)	(10,025)	(10,624)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION:				
Primary government activities				
Taxes:				
Property Taxes	2,993	1,778	1,849	2,041
Transaction and Use Tax (.25%)	932	1,510	-	-
Sales and Use tax	3,322	4,531	2,036	7,330
Transient occupancy taxes	913	1,074	1,263	1,276
Franchise taxes	483	479	497	508
Business license tax	281	292	287	284
Other taxes				
Intergovernmental	947	241	327	265
Investment income	190	131	107	119
Other general revenues	309	497	238	242
Transfers				
Extraordinary Item	380	1,118	-	-
Total primary government activities	10,750	11,651	6,604	12,065
CHANGES IN NET POSITION:				
Total primary government activities	\$ (37)	\$ 1,837	\$ (3,421)	\$ 1,441

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

Source: City of Capitola Finance Department

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

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	3,557	\$	3,975	\$	3,594	\$	3,595	\$	3,876	\$	3,736
	6,211		7,462		6,822		7,037		7,810		7,237
	1,076		1,090		1,057		956		1,097		979
	1,150		1,302		1,228		1,192		1,793		1,107
	3,218		3,212		3,382		3,384		3,263		3,092
	158		119		77		76		68		67
	<u>15,370</u>		<u>17,160</u>		<u>16,161</u>		<u>16,241</u>		<u>17,907</u>		<u>16,217</u>
	970		911		1,057		1,132		1,022		1,057
	701		597		601		579		554		509
	727		637		695		528		619		539
	751		640		636		614		633		274
	112		116		34		44		47		39
	400		3,329		1,832		650		501		3,125
	511		146		413		5,678		7,357		1,167
	<u>4,172</u>		<u>6,376</u>		<u>5,267</u>		<u>9,224</u>		<u>10,734</u>		<u>6,711</u>
	<u>(11,198)</u>		<u>(10,784)</u>		<u>(10,893)</u>		<u>(7,017)</u>		<u>(7,174)</u>		<u>(9,507)</u>
	2,194		2,288		2,498		2,630		2,712		2,794
	-		-		-		-		-		-
	7,860		7,959		7,688		8,077		7,441		7,705
	1,452		1,458		1,457		1,582		1,263		1,529
	524		535		555		545		557		562
	298		302		308		308		330		292
	226		201		223		224		233		232
	227		264		237		450		699		335
	424		225		406		119		16		204
	-		-		-		-		-		-
	<u>13,205</u>		<u>13,232</u>		<u>13,374</u>		<u>13,935</u>		<u>13,251</u>		<u>13,653</u>
\$	<u>2,007</u>	\$	<u>2,448</u>	\$	<u>2,480</u>	\$	<u>6,918</u>	\$	<u>6,077</u>	\$	<u>4,147</u>

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

	2012	2013	2014	2015	2016
GENERAL FUND					
Fund Balance GASB 54					
Nonspendable	1,970	2,024	620	618	524
Restricted	-	-	-	-	300
Assigned	-	570	584	1,049	1,262
Unassigned	2,608	2,846	3,686	4,338	4,599
Total General Fund	<u>4,578</u>	<u>5,440</u>	<u>4,890</u>	<u>6,005</u>	<u>6,685</u>
ALL OTHER GOVERNMENT FUNDS					
Fund Balance GASB 54					
Nonspendable	586	-	-	-	-
Restricted	1,858	1,497	1,043	985	736
Assigned	1,045	1,046	1,764	2,457	2,745
Unassigned	(148)	(19)	(2)	(41)	(215)
Total All Other Govt Funds	<u>3,341</u>	<u>2,524</u>	<u>2,805</u>	<u>3,401</u>	<u>3,266</u>
TOTAL	<u>\$ 7,919</u>	<u>\$ 7,964</u>	<u>\$ 7,695</u>	<u>\$ 9,406</u>	<u>\$ 9,951</u>

Source: City of Capitola Finance Department.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
426	58	21	-	-
300	816	867	917	1,016
1,277	1,277	1,344	1,344	1,374
<u>5,345</u>	<u>4,603</u>	<u>5,627</u>	<u>5,044</u>	<u>8,923</u>
<u>7,348</u>	<u>6,755</u>	<u>7,859</u>	<u>7,305</u>	<u>11,313</u>
-	-	-	-	-
834	11,742	14,896	14,493	12,110
1,927	1,633	2,110	2,603	1,842
(39)	(39)	(39)	(365)	(39)
<u>2,722</u>	<u>13,336</u>	<u>16,968</u>	<u>16,731</u>	<u>13,913</u>
<u>\$ 10,070</u>	<u>\$ 20,091</u>	<u>\$ 24,826</u>	<u>\$ 24,036</u>	<u>\$ 25,226</u>

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

	2012	2013	2014	2015
REVENUES:				
Taxes	\$ 9,878	\$ 9,607	\$11,112	\$11,416
Licenses & permits	630	520	703	629
Intergovernmental	2,755	837	637	757
Fines and forfeitures	724	688	731	671
Charges for services	1,907	1,862	2,053	2,078
Use of money and property	403	235	219	228
Other	90	238	128	132
Total revenues	<u>16,387</u>	<u>13,987</u>	<u>15,583</u>	<u>15,911</u>
EXPENSES:				
Current:				
General government	4,034	3,865	2,749	2,443
Public safety	5,436	5,369	5,838	5,917
Community development	3,458	712	722	823
Culture and recreation	1,041	1,118	966	978
Transportation	2,204	2,157	2,782	2,577
Capital outlay	757	551	3,328	535
Subtotal	<u>16,930</u>	<u>13,772</u>	<u>16,385</u>	<u>13,273</u>
Debt service:				
Debt issuance costs	43	38	12	-
Principal retirement	673	1,031	616	699
Interest and agent fees	394	320	210	229
Subtotal	<u>1,110</u>	<u>1,389</u>	<u>838</u>	<u>928</u>
Total expenditures	<u>18,040</u>	<u>15,161</u>	<u>17,223</u>	<u>14,201</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(1,653)</u>	<u>(1,174)</u>	<u>(1,640)</u>	<u>1,710</u>
OTHER FINANCING SOURCES/(USES):				
Sale of capital assets	2,390	99	-	-
Transfers in	2,272	2,151	1,861	2,091
Transfers out	(2,272)	(2,151)	(1,861)	(2,091)
Issuance of bonds	-	-	1,372	-
Total other financing sources/(uses)	<u>2,390</u>	<u>99</u>	<u>1,372</u>	<u>-</u>
Special Items				
Flood Disaster loss/recovery	(623)	1,118	-	-
Gain/Loss on RDA dissolution	(190)	-	-	-
Net change in fund balances	<u>(76)</u>	<u>43</u>	<u>(268)</u>	<u>1,710</u>
Beginning fund balance, as restated	7,995	7,920	7,963	7,695
Changes in fund balance	(76)	43	(268)	1,710
Ending fund balance	<u>\$ 7,919</u>	<u>\$ 7,963</u>	<u>\$ 7,695</u>	<u>\$ 9,405</u>
Debt Service as a percentage of non-capital expenditures				
Total Expenditures	\$18,040	\$15,161	\$17,223	\$14,201
Capitalized Portion of Capital Outlay	824	306	3,809	(153)
Total Non-Capitalized Expenditures	<u>17,216</u>	<u>14,855</u>	<u>13,414</u>	<u>14,354</u>
Debt service: Principal and Interest	1,110	1,389	838	928
Debt service as a percentage of noncapital expenditures	6.45%	9.35%	6.25%	6.47%

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

2016	2017	2018	2019	2020	2021
\$12,250	\$12,436	\$12,416	\$13,097	\$12,307	\$13,064
671	626	766	663	726	679
656	560	558	522	520	496
787	1,475	2,250	6,030	7,521	3,832
2,165	1,970	2,007	2,020	1,959	1,536
324	376	237	450	699	335
328	114	406	378	252	422
<u>17,181</u>	<u>17,557</u>	<u>18,641</u>	<u>23,159</u>	<u>23,985</u>	<u>20,364</u>
2,712	3,153	2,824	2,819	2,965	3,021
6,134	6,495	6,333	6,552	6,467	6,075
1,005	976	967	913	963	859
1,039	1,137	1,154	1,130	1,710	1,026
2,744	2,637	2,852	2,981	2,714	2,529
2,074	2,113	1,924	3,770	9,698	5,410
<u>15,708</u>	<u>16,511</u>	<u>16,054</u>	<u>18,165</u>	<u>24,518</u>	<u>18,921</u>
-	-	-	-	-	-
764	788	829	182	186	187
163	139	95	78	71	67
<u>927</u>	<u>927</u>	<u>924</u>	<u>259</u>	<u>257</u>	<u>253</u>
<u>16,635</u>	<u>17,438</u>	<u>16,977</u>	<u>18,424</u>	<u>24,775</u>	<u>19,174</u>
<u>546</u>	<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>
-	-	-	-	-	-
2,784	1,815	2,865	1,676	1,734	324
(2,784)	(1,815)	(2,865)	(1,676)	(1,734)	(324)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>546</u>	<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>
<u>9,405</u>	<u>9,951</u>	<u>10,070</u>	<u>20,091</u>	<u>24,826</u>	<u>24,036</u>
<u>546</u>	<u>119</u>	<u>1,664</u>	<u>4,735</u>	<u>(790)</u>	<u>1,190</u>
<u>\$ 9,951</u>	<u>\$10,070</u>	<u>\$11,734</u>	<u>\$24,826</u>	<u>\$24,036</u>	<u>\$25,226</u>
\$16,635	\$17,438	\$16,977	\$18,424	\$24,775	\$19,174
2,079	2,231	2,063	3,681	9,535	5,410
<u>14,556</u>	<u>15,207</u>	<u>14,914</u>	<u>14,743</u>	<u>15,240</u>	<u>13,764</u>
927	927	924	259	257	253
6.37%	6.10%	6.19%	1.76%	1.69%	1.84%

Source: City of Capitola Finance Department.

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

Fiscal Year	General Revenue By Source							Total General Revenues
	Sales Tax Revenue ⁽¹⁾	Property Taxes ⁽²⁾	Transient Occupancy Tax	Franchise Taxes	Business Licenses	Investment Income	Miscellaneous, Intergovernmental and Other Revenues	
2012	\$ 5,200,303	\$ 2,993,125	\$ 912,851	\$ 482,782	\$ 281,336	\$ 190,390	\$ 309,110	\$ 10,369,897
2013	6,040,542	1,778,037	1,074,507	478,627	291,642	131,166	398,320	10,192,841
2014	7,179,727	1,849,375	1,263,175	496,759	286,638	107,218	564,801	11,747,693
2015	7,330,443	2,041,248	1,275,716	507,517	284,474	118,770	506,803	12,064,971
2016	7,859,511	2,193,588	1,451,512	524,214	298,020	227,142	650,656	13,204,643
2017	7,959,086	2,288,341	1,457,704	534,513	301,545	264,040	426,525	13,231,754
2018	7,687,959	2,721,299	1,456,899	555,475	308,236	237,383	406,456	13,373,707
2019	8,076,583	2,854,103	1,581,864	545,424	307,930	450,099	119,011	13,935,014
2020	7,440,745	2,945,342	1,262,816	556,708	329,711	699,199	16,383	13,250,904
2021	7,705,348	3,026,024	1,529,015	561,969	291,590	335,472	203,806	13,653,224

NOTES:

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

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

Source: City of Capitola Finance Department.

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

City of Capitola					
Fiscal Year	Secured	Unsecured	SBE Nonunitary	Total Assessed Value	% Change
2012	\$ 1,717,637	\$ 66,695	\$ 579	\$ 1,784,911	0.72%
2013	1,726,023	71,136	83	1,797,242	0.69%
2014	1,784,629	75,387	84	1,860,100	3.50%
2015	1,906,637	81,887	84	1,988,608	6.91%
2016	2,026,035	76,862	83	2,102,980	5.75%
2017	2,156,464	77,622	84	2,234,170	6.24%
2018	2,294,174	84,389	84	2,378,647	6.47%
2019	2,412,636	87,922	111	2,500,669	5.13%
2020	2,530,955	81,815	111	2,612,882	4.49%
2021	2,657,657	77,632	111	2,735,400	4.69%

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

Source: HdL Companies, Santa Cruz County Assessor 2020-21 Combined Tax Rolls.

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

Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential	\$ 1,241,453	\$ 1,233,173	\$ 1,289,844	\$ 1,413,964	\$ 1,515,227	\$ 1,590,959	\$ 1,681,534	\$ 1,782,996	\$ 1,878,890	\$ 1,981,312
Commercial	369,399	387,425	384,916	379,721	392,427	439,224	476,377	487,098	501,612	523,379
Industrial	14,239	13,869	14,079	14,130	14,437	14,612	19,124	19,557	21,914	22,319
Institutional	14,788	15,078	14,662	14,716	15,134	15,966	15,054	9,927	10,943	9,290
Miscellaneous	6	6	6	6	6	6	267	272	277	283
Recreational	10,197	10,401	10,609	8,844	9,705	9,791	9,996	10,311	10,525	10,592
Vacant	13,303	13,370	13,823	14,934	15,263	16,274	15,393	21,333	19,848	19,308
SBE Nonunitary	579	83	84	84	83	84	84	110	110	111
Cross Reference	54,252	52,701	56,690	60,322	63,836	69,632	76,429	81,138	86,943	91,174
Unsecured	66,695	71,136	75,387	81,887	76,862	77,622	84,389	87,922	81,815	77,632
TOTALS	\$ 1,784,911	\$ 1,797,242	\$ 1,860,100	\$ 1,988,608	\$ 2,102,980	\$ 2,234,170	\$ 2,378,648	\$ 2,500,664	\$ 2,612,877	\$ 2,735,400
Total Direct Property Tax Rate	0.17987	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05372

NOTES: Exempt values are not included in Total.

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

Source: HdL Companies, Santa Cruz County Assessor 2011-12 and 2020-21 Combined Tax Rolls.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Direct Property Tax Rates										
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Redevelopment Rate ⁽²⁾	1.00000	-2.00000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Direct Property Tax Rate ⁽³⁾	0.17987	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05372
Overlapping Property Tax Rates ⁽⁴⁾										
Santa Cruz High School	0.02602	0.02615	0.02333	0.02087	0.01961	0.01848	0.04461	0.04272	0.03889	0.03800
Soquel Elementary School	0.02406	0.02435	0.02238	0.02045	0.01846	0.01811	0.04539	0.04251	0.03948	0.04140
Live Oak Elementary School	0.05295	0.05514	0.05383	0.05279	0.04600	0.03574	0.01988	0.02117	0.02072	0.02106
Cabrillo College	0.03896	0.04048	0.04047	0.03694	0.03669	0.03260	0.02425	0.02102	0.02117	0.02475
Total Overlapping Property Tax Rate ⁽³⁾	0.14199	0.14612	0.14001	0.13105	0.12076	0.10493	0.13413	0.12742	0.12026	0.12521
City Share of 1% levy per Proposition 13 ⁽⁵⁾	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471	0.07471
Total Direct Rate ⁽³⁾	0.17987	0.18035	0.05510	0.05461	0.05456	0.05452	0.05452	0.05438	0.05441	0.05438
Total Direct & Overlapping Rate	1.14199	1.14612	1.14001	1.13105	1.12076	1.10493	1.13413	1.12743	1.12026	1.12519

NOTES:

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

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

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

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

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

SOURCE: HdL Companies, Santa Cruz County Assessors Office.

CITY OF CAPITOLA, CALIFORNIA
 Top Ten Property Tax Payers
 Last Ten Fiscal Years

Taxpayer	2020-21			2011-12		
	Net Assessed Valuation	Rank	Percent of Total City Net Assessed Valuation	Net Assessed Valuation	Rank	Percent of Total City Net Assessed Valuation
MGP XI Capitola LLC	\$ 124,068,307	1	4.54%			
Santa Cruz Seaside Company	33,016,341	2	1.21%			
Aspromonte Hotels LLCFinance LLC	21,051,964	3	0.77%			
Target Corporation	19,009,524	4	0.69%	\$ 10,000,000	6	0.0056
George Ow Jr. Trustees	15,684,387	5	0.57%	13,421,248	4	0.75%
Loma Vista Estates Owners Assoc. Inc.	14,167,540	6	0.52%			
Brown Ranch Properties	12,505,643	7	0.46%	10,805,129	5	0.61%
Blai LP	11,787,243	8	0.43%			
Melanie Kett Wirtanen Trustee	9,319,724	9	0.34%	7,956,441	7	0.45%
850 Rosedale LLC	9,085,429	10	0.33%	7,756,701	8	0.43%
Macerich Partnership LP				68,041,246	1	3.81%
Macerich Capitola Adjacent LP				14,736,835	2	0.83%
Macquire Capitola Villas INC				14,553,438	3	0.82%
Macy's				7,465,149	9	0.42%
1100 41st Avenue LLC				7,284,451	10	0.41%
	<u>\$ 269,696,102</u>		<u>9.86%</u>	<u>\$ 162,020,638</u>		<u>9.09%</u>
Memo: Gross Assessed Value	\$ 2,735,399,795		100.00%	\$ 1,784,910,506		100.00%

Source: HdL Companies, Santa Cruz County Assessor 2010-11 and 2019-20 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

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

Fiscal Year Ended June 30,	Property Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 1,900,533	\$ 1,900,533	100%	\$ -	\$ 1,900,533	100%
2013	899,974	899,974	100%	-	899,974	100%
2014	927,676	927,676	100%	-	927,676	100%
2015	1,060,919	1,060,919	100%	-	1,060,919	100%
2016	1,104,034	1,104,034	100%	-	1,104,034	100%
2017	1,203,689	1,203,689	100%	-	1,203,689	100%
2018	1,331,609	1,331,609	100%	-	1,331,609	100%
2019	1,406,900	1,406,900	100%	-	1,406,900	100%
2020	1,452,553	1,452,553	100%	-	1,452,553	100%
2021	1,420,380	1,420,380	100%	-	1,420,380	100%

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

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

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

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

TOP 25 SALES TAX TAXPAYERS

As of June 30, 2021

- Ajs Fuel Market Of Capitola Service Stations
- Bed Bath & Beyond Home Furnishings
- BevMo Convenience Stores/Liquor
- Capitola Coast Service Stations
- Capitola Shell Service Stations
- Chevron Service Stations
- CVS Pharmacy Drug Stores
- Kohls Department Stores
- Lucky Grocery Stores
- Macys Department Stores
- Nob Hill General Store Grocery Stores
- O Neill Surf Shop Sporting Goods/Bike Stores
- Outdoor Supply Hardware Building Materials
- Pizza My Heart Quick-Service Restaurants
- Ross Family Apparel
- Royal Wholesale Electric Plumbing/Electrical Supplies
- Santa Cruz Subaru New Motor Vehicle Dealers
- Santa Cruz Toyota New Motor Vehicle Dealers
- Sierra Utility Sales Electrical Equipment
- Target Discount Dept Stores
- Toyota Lease Trust Auto Lease
- Trader Joes Grocery Stores
- Ulta Beauty Specialty Stores
- Whole Foods Market Grocery Stores
- Zelda's on the Beach Casual Dining

NOTES:

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

Source: HdL

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

Government/Total Primary Government Activities							
Fiscal Year Ended June 30	General Obligation Bonds	Lease Revenue Bonds	Other debt	Tot. Gov't./ Primary Gov't. Activities	Debt as a % of Taxable Assessed Property Value	Debt as a % of Total Personal Income	Debt per Capita
2012	\$ 3,375,000	\$ -	\$ 2,428,249	\$ 5,803,249	0.33%	1.76%	581
2013	2,890,000	-	1,882,272	4,772,272	0.27%	1.43%	478
2014	2,375,000	-	3,153,788	5,528,788	0.30%	1.55%	545
2015	1,830,000	-	3,000,243	4,830,243	0.24%	1.32%	483
2016	1,255,000	-	2,811,059	4,066,059	0.19%	1.07%	401
2017	645,000	-	2,632,952	3,277,952	0.15%	0.84%	323
2018	-	-	2,449,251	2,449,251	0.10%	0.58%	232
2019	-	-	2,267,652	2,267,652	0.09%	0.58%	221
2020	-	-	2,081,485	2,081,485	0.08%	0.47%	206
2021	-	-	1,894,649	1,894,649	0.07%	0.45%	188

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

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

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

Source: City of Capitola Financial Statements.

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

Fiscal Year Ended June 30	Government/Total Primary Government Activities			
	General Obligation Bonds	Debt as a % of Taxable Assessed Property Value	Debt as a % of Total Personal Income	Debt per Capita
2012	\$ 3,375,000	0.19%	1.02%	\$ 338
2013	2,890,000	0.16%	0.87%	289
2014	2,375,000	0.13%	0.67%	234
2015	1,830,000	0.10%	0.50%	183
2016	1,255,000	0.06%	0.33%	124
2017	645,000	0.03%	0.17%	63
2018	-	0.00%	0.00%	-
2019	-	0.00%	0.00%	-
2020	-	0.00%	0.00%	-
2021	-	0.00%	0.00%	-

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

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

CITY OF CAPITOLA, CALIFORNIA
 Direct and Overlapping Debt
 Fiscal Year ended June 30, 2019

2020-21 Assessed Valuation			\$ 2,735,653,131
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable ⁽¹⁾</u>	<u>Total Debt 6/30/2021</u>	<u>City's Share of Debt 6/30/2021</u>
Cabrillo Joint Community College District	5.381%	\$ 109,958,214	\$ 5,916,851
Santa Cruz City High School District	11.610%	150,795,968	17,507,412
Live Oak School District	6.268%	9,718,000	609,124
Soquel Union School District	39.115%	44,940,000	17,578,281
Santa Cruz Libraries Facilities Community Facilities District	5.992%	38,630,000	2,314,710
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 354,042,182</u>	<u>\$ 43,926,378</u>
Santa Cruz County Certificates of Participation	5.423%	\$ 65,060,193	\$ 3,528,214
Santa Cruz County Office of Education Certificates of Participation	5.423%	7,790,192	422,462
Santa Cruz City High School District Certificates of Participation	11.610%	1,758,314	204,140
Live Oak School District Certificates of Participation	6.268%	12,013,973	753,036
Santa Cruz City Schools Certificates of Participation	11.610%	860,000	99,846
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 87,482,672</u>	<u>\$ 5,007,698</u>
TOTAL CITY'S DIRECT DEBT			<u>\$ 1,894,649</u>
COMBINED TOTAL DEBT			<u>\$ 48,934,076 ⁽²⁾</u>
<u>RATIOS TO 2020-21 ASSESSED VALUATION:</u>			
Total Overlapping Tax and Assessment Debt			1.61%
Total Direct Debt			0.07%
Combined Total Debt			1.79%

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

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

Source: MuniServices, LLC, City of Capitola Finance Department

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Valuation	\$ 1,784,911	\$ 1,797,242	\$ 1,860,100	\$ 1,988,608	\$ 2,102,980	\$ 2,234,170	\$ 2,378,648	\$ 2,500,669	\$ 2,612,882	\$ 2,735,400
RDA Base Valuation	238,631	242,272	246,771	256,500	264,195	272,121	280,284	288,693	297,354	306,274
Adj. assessed valuation	1,546,280	1,554,970	1,613,329	1,732,108	1,838,785	1,962,049	2,098,364	2,211,976	2,315,528	2,429,125
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	231,942	233,246	241,999	259,816	275,818	294,307	314,755	331,796	347,329	364,369
Total net applicable debt										
Gen. obligation bonds	3,375	2,890	2,375	1,830	1,255	645	-	-	-	-
Legal debt margin	<u>\$ 228,567</u>	<u>\$ 230,356</u>	<u>\$ 239,624</u>	<u>\$ 257,986</u>	<u>\$ 274,563</u>	<u>\$ 293,662</u>	<u>\$ 314,755</u>	<u>\$ 331,796</u>	<u>\$ 347,329</u>	<u>\$ 364,369</u>
Ratio of Total Net Applicable Debt to Debt Limit	1.48%	1.25%	0.99%	0.71%	0.46%	0.22%	0.00%	0.00%	0.00%	0.00%

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

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

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

Fiscal Year Ended June 30,	Other Revenue Bonds				Tax Allocation Bonds			
	Available Revenue	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2012	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	\$ -	n/a
2013	-	-	-	n/a	-	-	-	n/a
2014	-	-	-	n/a	-	-	-	n/a
2015	-	-	-	n/a	-	-	-	n/a
2016	-	-	-	n/a	-	-	-	n/a
2017	-	-	-	n/a	-	-	-	n/a
2018	-	-	-	n/a	-	-	-	n/a
2019	-	-	-	n/a	-	-	-	n/a
2020	-	-	-	n/a	-	-	-	n/a
2021	-	-	-	n/a	-	-	-	n/a

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

SOURCE: City of Capitola Finance Department.

CITY OF CAPITOLA
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Total Personal Income (In Thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
2011	9,981	\$ 330,271	\$ 33,090	42.9	6.9%
2012	9,988	334,029	33,443	41.1	5.5%
2013	10,136	357,112	35,232	40.9	5.0%
2014	10,004	364,656	36,451	41.5	7.0%
2015	10,150	381,027	37,540	43.3	6.0%
2016	10,162	390,369	38,414	42.8	5.5%
2017	10,563	421,494	39,902	42.6	3.3%
2018	10,240	388,326	37,922	42.0	2.2%
2019	10,108	440,760	43,605	42.7	1.4%
2020	10,091	419,398	41,561	42.2	2.1%

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

CITY OF CAPITOLA
Principal Employers - Top Ten
Current year and nine years ago

Employer	2021			2012		
	Ranking	Number of Employees	% of Total Employment	Ranking	Number of Employees	% of Total Employment
Soquel Union School District	1	206	4.38%			
Subaru, Toyota, Kia of Santa Cruz	2	181	3.85%	1	180	2.61%
Target*	3	171	3.64%			
Pacific Coast Manor*	4	150	3.19%	10	90	1.30%
Culinary Enterprises Inc	5	136	2.89%	6	119	1.72%
Whole Foods Market	6	130	2.77%	5	126	1.83%
Gayle's Bakery & Rosticceria	7	123	2.62%	3	141	2.04%
Oceanside Supported Living	8	120	2.55%			
Trader Joe's	9	111	2.36%	7	101	1.46%
City of Capitola**	10	96	2.04%			
Macy's				2	150	2.17%
Sears				4	135	1.96%
Nob Hill				8	96	1.39%
Kohls				9	95	1.38%
Total Labor Force		4,700	100.00%		6900	100.00%

*Includes full-time and part-time employees.

**Includes full-time and seasonal employees.

SOURCE: MuniServices, LLC

CITY OF CAPITOLA
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
City Manager	7.75	7.65	7.65	7.65	7.65	6.50	6.50	6.00	7.50	7.50
Finance	4.38	4.38	4.50	4.50	4.50	4.50	3.75	3.75	3.75	3.75
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
	<u>13.13</u>	<u>13.03</u>	<u>13.15</u>	<u>13.15</u>	<u>13.15</u>	<u>12.00</u>	<u>11.25</u>	<u>10.75</u>	<u>11.25</u>	<u>11.25</u>
Police										
Chief, Captain, Sgts.	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Officers	15.00	15.00	15.00	15.00	16.00	16.00	16.00	15.00	15.00	15.00
CSOs	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement	3.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Administrative	3.75	4.25	4.65	4.65	4.65	4.50	4.50	4.50	4.50	4.50
	<u>29.75</u>	<u>30.25</u>	<u>31.65</u>	<u>30.65</u>	<u>31.65</u>	<u>31.50</u>	<u>31.50</u>	<u>30.50</u>	<u>30.50</u>	<u>30.50</u>
Public Works										
Streets	7.33	7.33	8.00	9.00	9.00	11.00	12.00	11.50	10.00	10.00
Parks	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Fleet Maintenance	1.00	1.00	1.00	1.50	1.25	1.00	1.00	1.50	2.00	2.00
	<u>11.33</u>	<u>12.33</u>	<u>13.00</u>	<u>14.50</u>	<u>14.25</u>	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>	<u>15.00</u>	<u>15.00</u>
Recreation										
Supervisor	1.00	1.00	1.00	2.00	2.00	2.50	2.50	2.50	1.00	1.00
Other - full year	1.50	2.00	2.00	2.25	2.75	1.25	1.25	1.25	4.00	4.00
	<u>2.50</u>	<u>3.00</u>	<u>3.00</u>	<u>4.25</u>	<u>4.75</u>	<u>3.75</u>	<u>3.75</u>	<u>3.75</u>	<u>5.00</u>	<u>5.00</u>
Community Development	1.67	2.00	2.50	3.00	3.50	3.50	3.50	3.00	3.00	3.00
Building	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Total City Employees	<u>60.38</u>	<u>62.61</u>	<u>65.30</u>	<u>67.55</u>	<u>69.30</u>	<u>68.75</u>	<u>68.00</u>	<u>67.00</u>	<u>67.75</u>	<u>67.75</u>

NOTES: Full time equivalents (FTE); does not include temporary or seasonal employees.

SOURCE: City of Capitola Finance Department.

CITY OF CAPITOLA
 Operating Indicators by Function
 Last Ten Fiscal Years (except as noted)

INDICATOR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Police department</u>										
Adult arrests	766	693	856	956	904	939	692	587	503	311
Calls for service (thousands)	20	16	20	18	17	20	19	15	19	15
<u>Public works</u>										
Miles paved	26	26	26	26	26	26	26	26	26	26
<u>New construction</u>										
<u>Commercial units</u>										
Valuation (millions)	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 5	\$ 2	\$ 2	\$ -	\$ -
<u>Residential units ⁽¹⁾</u>										
Valuation (millions)	\$ 7	\$ 9	\$ 9	\$ 3	\$ 3	\$ 9	\$ 6	\$ 8	\$ 9	\$ 9
<u>Recreation Revenue (thousands)</u>										
Classes	\$ 329	\$ 298	\$ 338	\$ 282	\$ 275	\$ 260	\$ 240	\$ 231	\$ 214	\$ 79
Sports fees	60	53	41	32	19	21	24	23	19	8
Junior Guard	241	240	268	312	328	258	238	244	160	85
Camp Capitola	121	94	103	139	129	100	96	111	100	105
Afterschool/School Support	-	-	-	-	-	-	-	-	24	48
Net Class Revenue	\$ 751	\$ 685	\$ 750	\$ 765	\$ 751	\$ 639	\$ 598	\$ 609	\$ 517	\$ 325
Jade St. Rental	6	7	5	7	7	6	8	5	5	-
Net Recreation Rev	\$ 757	\$ 692	\$ 755	\$ 772	\$ 758	\$ 645	\$ 606	\$ 614	\$ 522	\$ 325

(1) Residential units and associated valuations are total additional, new or substantially new (by code definition) units.

Source: City of Capitola Building, Finance, Police, and Public Works Departments.

CITY OF CAPITOLA
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26	26	26	26	26	26	26	26	26	26
Streetlights	71	71	71	71	71	71	71	71	71	71
Traffic signals	8	8	8	8	8	8	8	8	8	8
Parks and recreation										
Parks	7	8	8	8	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
General										
Commercial buildings	2	2	2	2	2	2	2	2	2	2

Source: City of Capitola Public Works Department.

Capitola City Council

Agenda Report



Meeting: January 13, 2022

From: City Manager Department

Subject: Revised Information Technology Specialist Job Description

Recommended Action: 1) Authorize the City Manager to Sign Side Letter with Confidential Employees Group; and 2) Approve Amended Information Systems Specialist Job Description

Background: The City of Capitola Information Systems Specialist position is currently a Fair Labor Standards Act (FLSA) exempt position filled at 40-hours/week. The employee incumbent in this position has requested that she be able to work less than 40-hours/week. To make this adjustment, staff proposes the position be classified as hourly FLSA Non-Exempt.

Discussion: The Information Systems Specialist position provides technical support, configuration, and management of technology resources. The City plans to use contract support to minimize the impact of the proposed reduction of hours. The City has moved many of its applications to the cloud which makes remote support easier than in the past.

Fiscal Impact: No anticipated fiscal impact

Attachments:

1. Side Letter with Confidential Employees
2. Amended Information Systems Specialist Job Description

Report Prepared By: Larry Laurent, Assistant to the City Manager

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

SIDE LETTER BETWEEN CITY OF CAPITOLA AND CAPITOLA CONFIDENTIAL EMPLOYEES

Pursuant the provisions of the Meyers-Milias-Brown Act (“MMBA”), this Side Letter of Agreement (“Side Letter Agreement”) is entered between the City of Capitola (“City”) and the Capitola Confidential Employees (“CE”) (collectively, “the Parties”).

WHEREAS, the Parties recognize the impacts of the COVID-19 pandemic on the City’s ability to provide essential services; and

WHEREAS, the Parties reaffirm their commitment to collaborative labor relations; and

WHEREAS, to meet needs of the incumbent employee, the number of hours worked by the Information Systems Specialist will be reduced.

WHEREAS, due to the reduction in hours, the Information Systems Specialist position will no longer to be FLSA Exempt; and

WHEREAS, the Parties have met and conferred in good faith, in accordance with the MMBA, concerning the terms and conditions of this Side Letter Agreement;

IT IS HEREBY AGREED AS FOLLOWS:

Section I.3 of the Confidential Employees MOU shall be amended to read:

Overtime

All Confidential employees other than Human Resources Analyst and Information Systems Specialist, are exempt under

FLSA, and therefore not entitled to overtime compensation. The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee’s election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

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

overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

Section II.3 of the Confidential Employees MOU shall be amended to read:

All Confidential Employees other than Human Resources Analyst and Information Systems Specialist, are entitled to ten days per year of administrative time off. Administrative Leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid-year, in which case administrative leave is prorated for the applicable period.

Section V.1 of the Confidential Employees MOU shall be amended to read:

Fair Labor Standards Act

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

This Side Letter Agreement is effective January 23, 2021. This Side Letter Agreement shall supersede any inconsistent provisions in the Parties' MOU and shall be incorporated into the MOU by this reference.

Capitola Confidential Employees

City of Capitola

By: _____

By: _____
City Manager
Date: _____

GENERAL PURPOSE

Performs a variety of complex technical and administrative work in the development, installation, maintenance, and support of municipal information systems.

SUPERVISION RECEIVED

Works under the general direction of the City Manager or designated appointee.

SUPERVISION EXERCISED None**ESSENTIAL DUTIES AND RESPONSIBILITIES**

Installs, supports and maintains all City of Capitola information systems hardware and software. Including, but not limited to, desktops, laptops, servers, switches, routers, databases and telephone systems.

Understand principles of hosted and cloud-based systems.

Manages operations to achieve goals within available resources; plans and organizes workloads and assignments.

Provides leadership and direction in the development of short and long-range information technology plans. Gathers, interprets, and prepares data for studies, reports and recommendations.

Assures that assigned areas of responsibility are performed within budget assists management in preparing annual budget requests; assures effective and efficient use of budgeted funds, materials, facilities, and time.

Prepares and provides information to assist in the decision-making process.

Consults with management to determine information requirements of departments, and determines the technical and functional requirements to meet department needs

Confers with department heads involved with proposed projects to ensure cooperation and further define nature of project.

Works with outside agency technical personnel to maintain shared computer systems,

Maintains information systems in a secure manner and attempts to following industry best practices.

Documents all hardware and software configurations and modifies as changes occur.

Provides necessary documentation to inform management of project status and deviation from goals.

Coordinates with management staff, support staff, technical personnel, or vendors to solve problems, as required.

Reviews reports of computer and peripheral equipment production, malfunction, and maintenance to ascertain costs and plan operating changes.

Prepares and solicits proposals for hardware and software solutions.

Responds to technical support requests.

Assists in training staff in the use of computer hardware and software.

Participates in technical projects such as writing equipment specifications

Manages 3rd party support relationships.

PERIPHERAL DUTIES

Represents the city at various conferences and meetings.

Serves as a member of various employee committees.

DESIRED MINIMUM QUALIFICATIONS

Education and Experience:

- A. Graduation from an accredited four-year college or university with a degree in computer science or a closely related field, or
- B. Three (3) years of progressively responsible related experience, or
- C. Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- A. Considerable knowledge of information systems, principles, and practices; considerable knowledge of hardware and software; knowledge of enterprise software systems; knowledge of local and wide area networks.
- B. Ability to prepare and analyze complex reports; ability to maintain efficient and effective automated systems; ability to install and troubleshoot information systems; ability to effectively coordinate with staff; ability to establish and maintain effective working relationships with employees, city officials; ability to communicate effectively orally and in writing.

SPECIAL REQUIREMENTS

Must be willing to sometimes work outside of standard business hours, including weekends.

Due to access to public safety computer systems, applicant will need to pass comprehensive background check.

TOOLS AND EQUIPMENT USED

Personal computer, including word processing and spreadsheet software; network computer system; phone system; copy machine; fax machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear, use hands to handle or feel objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to walk.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet but can be loud in the data center.

SELECTION GUIDELINES

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Due to access to public safety computer systems, applicant will need to pass comprehensive background check.

Capitola City Council Agenda Report

Meeting: January 13, 2022

From: City Manager Department

Subject: Liability Claim of Gina Cavuoto



Recommended Action: Reject liability claim.

Discussion: Gina Cavuoto has filed a liability claim against the City for an indeterminant amount.

Report Prepared By: Report Prepared By: Larry Laurent

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager

Capitola City Council

Agenda Report



Meeting: January 13, 2022

From: City Manager Department

Subject: Receive Update on Pandemic Response and Consider Adopting Proposed Resolution Allowing for the Continuation of Teleconferencing

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

Background: In December 2019, an outbreak of a respiratory illness linked to the novel coronavirus (COVID-19) was first identified. In March 2020, the State of California, the County of Santa Cruz, and the City of Capitola each declared a state of emergency due to the virus. Also in March 2020, the World Health Organization declared COVID-19 a pandemic.

State and local health officers issued health orders to stop the spread of COVID-19; in Santa Cruz County this included March, April, and May 2020 Shelter-In-Place orders that were more restrictive than statewide guidance. Since then, the County Health Officer has incorporated all Orders of the State Public Health Officer, which set baseline statewide restrictions on travel and business activities.

As of January 2022, more than 5.4 million people worldwide have died of COVID-19. This is likely an undercount of all those that have died from the virus. There have been 291 million cases reported worldwide.

Since the beginning of the pandemic in the United States more than 55 million COVID-19 cases have been reported and more than 825,609 people have died from the virus.

Discussion: Since the beginning of the pandemic, 75,847 deaths have been reported in California; there is a daily average of 45 deaths a day due to COVID-19. According to data from December 30, 2021, the average new COVID-19 case count per 100k was 46 (in contrast, the new case count per 100k was 9.2 according to data from December 1).

Boosters

You are eligible for a booster shot if:

- 1) You got a Pfizer or Moderna vaccine at least 6 months ago
- 2) If you got a Johnson & Johnson vaccine at least 2 months ago.

Booster shots can be a different vaccine brand than you received before, as long as you completed your original vaccine series (one dose of Johnson & Johnson or two doses of Pfizer or Moderna).

As of January 3, 2022, the total number of vaccinations administered in Santa Cruz County is

412,219. In the County, there are 211,378 (or 77.4%) people vaccinated with at least one dose, and 194,881 (71.3%) are fully vaccinated.

Omicron Variant & Surge

As stated by the World Health Organization (WHO), “all viruses, including SARS-CoV-2, the virus that causes COVID-19, change over time. Most changes have little to no impact on the virus’ properties. However, some changes may affect the virus’s properties, such as how easily it spreads, the associated disease severity, or the performance of vaccines, therapeutic medicines, diagnostic tools, or other public health and social measures”. On November 26, the WHO designated a new variant, B.1.1.529 as a Variant of Concern (VOC) and named it Omicron. The WHO has reported that “preliminary evidence suggests an increased risk of reinfection with this variant, as compared to other VOCs.

On November 30, the United States designated Omicron as a variant of concern. On December 1, California reported the first omicron case in the United States; Minnesota quickly followed reporting a case the next day.

As of January 4, the CDC estimates that 95% of the new infections are the Omicron variant, just over four weeks after it was first reported. Case numbers are currently rising at a faster rate than at any other time in the pandemic, however hospitalizations remain below last winter’s peaks.

Local Case Numbers and Statistics in Santa Cruz County

As of November 29, there were 20,864 total known COVID-19 cases in Santa Cruz County. As of January 6, there are 24,017 total known cases of COVID-19.

Rather than the total number of all COVID-19 cases since March 2020, it is helpful to compare the currently active known case count to identify trends and/or a surge. On November 29 there were 517 known active cases in Santa Cruz County; as of January 6, that number had grown to 1,957. As of January 6, 2022, COVID-19 has claimed 230 people’s lives in the County.

City Hall Operations

City Hall has been open to the public since June 2020 in one configuration or another, dependent upon applicable health guidance and local COVID-19 case levels.

City Hall operations have been updated slightly to account for this winter’s Omicron surge. Staff is now staggering their time in shared office spaces. The lobby has been rearranged, with a plexi-glass in-person service window installed at the front door. This keeps the lobby and City Hall facilities relatively closed off to non-staff members, while still allowing for in-person service. This recreates how City Hall functioned during last winter’s Delta surge. Members of the public are helped one-at-a-time at the window, and masks are required by everyone to enter City Hall.

Mask Mandates

On November 19, the Santa Cruz County Health Officer issued a new Order requiring the use of face coverings indoors, regardless of vaccination status. The new Order is effective at midnight November 21, 2021, and states that masks must be worn in private settings when non-household members are present. Health Officer Newell stated that “a potential winter surge appears to be a significant threat to the health and safety of our community”. The Order will remain in effect until it is rescinded, superseded, or amended in writing by the Health Officers, considering hospitalizations, variants of concern, and case and vaccination rates.

Due to rising cases, California Department of Public Health mandated that everyone in California wear a mask in indoor public spaces and workplaces from December 15, 2021, to January 15, 2022. On January 5, this mandate was extended by another month due to the Omicron surge.

If major changes occur between the date of agenda publication and the City Council meeting, further updates on the regional and local coronavirus response will be provided in a verbal report at the meeting.

Continuing Virtual/Teleconferencing Meetings

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

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

Fiscal Impact: Fiscal impacts are continually reviewed by Staff as business restrictions and consumer behaviors change in our community. In addition, the City Council has set aside \$600,000 to help ensure the City has available resources should the pandemic result in further unforeseen impacts, which remains in the approved FY 2021/22 Budget.

Attachments:

1. Attachment 1: Proposed Resolution

Report Prepared By: Chloé Woodmansee, City Clerk

Reviewed/Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

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

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

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

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

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

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

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

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

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

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

WHEREAS, on October 14, November 23, and December 9, 2021, the City Council adopted a resolution proclaiming the need to meet by teleconference pursuant to Government Code Section 54953; and

WHEREAS, the City Council, acting as a legislative body pursuant to Government Code section 54952(a) and for the benefit of the commissions, committees and other bodies that were created by the City Council pursuant to Government Code section 54952(b) (collectively referred to as "Legislative Bodies"), finds that the current conditions meet the circumstances set forth in Government Code section 54953(e)(3) to allow Legislative Bodies to continue to use

teleconferencing to hold open and public meetings if the Legislative Bodies comply with the requirements set forth in Government Code section 54953(e)(2) to ensure the public can safely participate in and observe local government meetings.

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

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

I HEREBY CERTIFY that the foregoing resolution was PASSED and ADOPTED by the City Council of the City of Capitola on the 13th day of January 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Sam Storey, Mayor

ATTEST: _____
Chloé Woodmansee, City Clerk

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Department of Public Works

Subject: Capitola Branch Library Project Notice of Completion



Recommended Action: Approve the Notice of Completion for the Capitola Branch Library Project constructed by Otto Construction at a final cost of \$13,190,813 and direct the Public Works Department to 1) record the Notice of Completion and 2) release the retention held in escrow of \$369,724.39.

Background: Development and reconstruction of the Capitola Branch Library Project has been a city goal for the past decade. The project gained momentum when Measure S was approved by the voters in June 2016, providing most of the funding for the project. The City Council hired the architectural firm of Noll and Tam to design the new building in November 2016. After several public workshops, Planning Commission, and City Council presentations, the City Council approved the final plans in April 2018. Bids were received in June 2018 and a contract awarded to Otto Construction in July 2018. Otto began construction in January 2019 and the building was opened to the public by the Santa Cruz Public Libraries in June 2021. The final items of construction were completed in December 2021.

Opening the building to the public and the official project completion was delayed for a year and half due to site conditions and conflicts with overhead utility lines.

Discussion: The new library is 11,700 square feet, more than twice the size of the old library building which was located on the same site. The new building includes many dedicated areas such as quiet reading areas, a children's area, study rooms, a teen room, community room, and staff offices. The existing Tot Lot play area was maintained and tied into the new building with a large deck.

A 99-year lease for the building is in place with the County of Santa Cruz who in turn has contracted with the Santa Cruz Public Library System to operate the library. Maintenance of the building and grounds, except for the Tot Lot, will be the responsibility of the County and Library System. The City of Capitola will continue to maintain the Tot Lot.

Fiscal Impact: The following tables itemize the final revenue and expenditures for the project:

Funding Source Received	Final Revenue Amount
Measure S	\$ 10,476,529
Successor Agency	\$ 2,624,410
City General Fund	\$ 1,552,492
Friends (donations)	\$ 719,128
County Library Funds	\$ 396,000
Investment earnings	\$ 213,267
PG&E	\$ 100,000
Sub-Total	\$ 16,081,826
Funding Due	
Noll and Tam	\$ 450,000
Total	\$ 16,531,826

Item	Final Expense
Construction	\$ 13,190,813
Architecture and Engineering	\$ 1,537,220
Permits/Special Inspections	\$ 149,816
Project Management	\$ 323,061
Misc	\$ 23,860
Furniture, Fixtures, & Equipment	\$ 421,888
Fundraising & other	\$ 119,245
Total	\$ 15,765,903

The remaining project fund balance is \$765,923. The allocation of these funds will be discussed with the City Council as part of the mid-year budget review which is scheduled for the next City Council meeting on January 23, 2022.

Attachments:

1. Notice of Completion

Report Prepared By: Steven Jesberg, Public Works Director

Reviewed By: Chloé Woodmansee, City Clerk; Sam Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Capitola
Public Works Department
Attn: Steven Jesberg
420 Capitola Avenue
Capitola, California 95010

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS INSTRUMENT IS BEING RECORDED FOR THE BENEFIT OF THE CITY OF CAPITOLA.
NO RECORDING FEE IS REQUIRED PURSUANT TO GOVERNMENT CODE §27383.

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the City of Capitola, owner of the property hereinafter described, whose address is 420 Capitola Avenue, Capitola, California, has caused a work of improvements more particularly described as follows:

PROJECT NAME: Capitola Branch Library Project

PROJECT DESCRIPTION: Construction of a new public library building

to be constructed on property more particularly described as follows:

DESCRIPTION: City owned property at Wharf Road and Clares Street

ADDRESS: 2005 Wharf Road, Capitola, CA 95010

APN: 034-541-34

The work of the improvement was completed by:

CONTRACTOR: Otto Construction

ADDRESS: 1717 Second Street, Sacramento CA 95811

The work of the improvements was actually completed on the 17th day of December 2021, and accepted by the City Council of said City on the 13th day of January 2022

Signature of City Official: _____

The undersigned certifies that he is an officer of the City of Capitola, that he has read the foregoing Notice of Completion and knows the content thereof; and that the same is true of his own knowledge, except as to those matters which are therein stated on information or belief, and as to those matters that he believes to be true. I certify under penalty of perjury that the foregoing is true and correct. Executed at the City of Capitola, County of Santa Cruz, State of California.

Steven E. Jesberg
Director of Public Works

Signed: _____

Date: _____

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Police Department

Subject: Presentation Regarding Proposed City of Santa Cruz Onstreet Parking Programs



Recommended Action: Receive a report regarding how the City of Santa Cruz is addressing oversized vehicles and an update on City of Capitola practices.

Background: Santa Cruz County continues to experience an increasing number of oversized vehicles parking for long periods of time on public streets. According to City of Santa Cruz staff reports, this trend is impacting the community, public safety, health, and the environment. During the November 10, 2021 Capitola City Council meeting, staff was directed to provide an overview of the most oversized vehicle parking programs introduced by the City of Santa Cruz. Additionally, staff was directed to provide an overview of our current practices.

Discussion: Balancing the preservation of public safety and health while trying to support a vulnerable population is a challenge facing most jurisdictions. Communities in Santa Cruz County are no different. The purpose of this report is to outline what steps are being considered in the City of Santa Cruz to manage oversized vehicles and the impacts on neighborhoods. The City of Santa Cruz has proposed a “City-Wide Parking Permit” program for oversized vehicles and a three-tiered “Safe Parking” program to assist individuals with transitional housing needs.

In 2015/2016, the City of Santa Cruz proposed an Oversize Vehicle Ordinance (OVO); implementing this ordinance required a Coastal Development Permit (CDP). The CDP was approved by the City of Santa Cruz Zoning Administrator, but then appealed to the Coastal Commission. The Commission reviewed the permit and found “substantial issue” concerning the ordinances’ consistency with Coastal Act policies. The Coastal Commission did not take action to approve or deny the permit. Because the permit was appealed, and no action was taken at the Coastal Commission, the proposed ordinance stalled and did not move forward.

In September 2021, Santa Cruz City Council created a subcommittee that included a broad list of stakeholders, local representatives, and members of the City Council. The committee proposed the City-Wide Parking Permit program for oversized vehicles and the Safe Parking program for transitional housing.

On October 26, 2021, Santa Cruz City Council held the first reading of Ordinance No. 2021-21, amending the current ordinance and introducing a new City-Wide Parking Permit program for oversized vehicles. Santa Cruz City Council also directed staff to implement a city-operated safe parking program.

The City-Wide Permit program ordinance amendment and policy were developed to provide parameters on the time, place, and manner of parking oversized vehicles on city streets. The goal was to address environmental and public health impacts. The proposed language defines an oversized vehicle as greater than or equal to 20 feet in length, or greater than eight feet in height and seven feet in width. While there are some exceptions for pull trailers and commercial trailers, the proposed ordinance would prohibit oversized vehicles from parking on city streets between the hours of midnight to 5:00 AM; prohibit utility connections; prohibit open fires, prohibit unsafe and unsanitary conditions; and prohibit oversized vehicles from parking within 100 feet of an intersection.

Allowances include resident/visitor permits that are valid for one year. The permit holder can use the permit for four periods of 72-hours per month. If a resident has an out-of-town visitor, a permit can be issued for six periods of 72 hours use per year.

Another exception is participation in a city-operated or sponsored safe parking program. The City will operate, sponsor, or authorize safe parking programs for oversized vehicles on City-owned or leased properties or on city-sanctioned private properties. Site locations would include hygiene stations and information and options for sanitation and black water dumping.

The safe parking framework will take a three-tiered approach:

- 1) Emergency Safe Parking spaces – A minimum of three emergency safe parking spaces will be provided immediately. Available for up to 72-hours and are designed to assist with registration and repairs.
- 2) Safe Overnight Parking – City staff will identify safe parking spaces for thirty oversized vehicles and supply overnight monitoring with hygiene units. Resources for transitional sheltering options will be provided at this location.
- 3) Safe Parking Program – City staff will work closely with County partners from the Human Services and Health departments to expand existing programs and will include case management support to assist individuals. Families with children, seniors, transition-aged youth, veterans, and individuals with disabilities are prioritized. \$300-500K for a robust safe parking program and this price does not include ongoing costs of hygiene units.

To implement the proposed ordinance, the City of Santa Cruz will need to process a Coastal Development Permit (CDP). The original appeal is still pending and since the 2016 decision, the Coastal Commission has allowed similar ordinances in other coastal cities. Within the City of Santa Cruz, any modification to permit parking within the Coastal Zone requires approval of a Coastal Development Permit, which can be appealed to the California Coastal Commission. In Capitola, an amendment to Municipal Code Section 10.36 (Stopping, Standing, and Parking), requires an ordinance amendment and certification by the Coastal Commission, since that section of code is within the City's Local Coastal Program Implementation Plan.

Some of the issues facing the City of Santa Cruz are also impacting Capitola. The Capitola Police Department has received some complaints from residents about oversized vehicles and their impacts on respective neighborhoods. The police department is committed to seeking the balance between the community's concerns and this vulnerable population. We have collected the necessary data and continue to utilize our local municipal code and the California Vehicle Code (CVC) to address vehicles on public streets. The police department works closely with property owners to address unwanted behavior in their parking lots by allowing law enforcement to exercise trespassing law under certain provisions. This program allows for property owners to work with the police department to post the property location and allow officers to enforce local regulations on their behalf. The police department will continue to monitor these issues and will work with residents and neighborhoods to address specific concerns.

Financial Impact: None.

Report Prepared By: Andrew Dally, Chief of Police

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Public Works Department

Subject: Authorize Purchase of a New Street Sweeper for the Department of Public Works



Recommended Action: Authorize the expenditure of up to \$350,000 for the purchase of a new Global Regenerative Air streetsweeper for the Public Works Department.

Background: The Department of Public Works operates a street sweeper five days a week to remove leaves and debris from city streets. Doing so also prevents oils, greases, and other pollutants from washing into the storm drain system and ultimately into the creek and bay. The City operates a single sweeper and keeps an older sweeper in the inventory for backup and parts. The current sweeper was purchased in 2014 and has 7,000 hours on the engine. Due to the continued use, the sweeper has required extensive reconstructive and maintenance work over the past two years to remain operational. In the past, the City has purchased a new sweeper on a five year cycle, but delayed this purchase to allow staff to complete a review of available sweepers.

Discussion: Public Works recommends the City purchase a Series 3 Sweeper from Global Environmental Products. The Global Series 3 sweeper is a three-wheel sweeper that has proven to be excellent in navigating the narrow and crowded streets of Capitola. Other sweepers on the market are either four-wheel vehicles that have a large turning radius or are too small to be effective.

For this purchase Public Works recommends switching to a generative air vacuum sweeper that relies on suction, rather than mechanical sweeping, to remove the debris. Staff believe this switch will reduce wear on the machine and reduce the annual maintenance and sweeper brooms costs.

The current cost of a new diesel engine powered sweeper is \$285,000 (Attachment 1). Global Environmental Products recently released an all-electric sweeper, at the cost of \$579,000 (Attachment 2). The Department investigated and received quotes from other street sweeper vendors, but no other vendor had a machine that met the department's needs.

Staff has reached out to Central Coast Community Energy (3CE) to see if they have a program to cover the additional cost for the electric sweeper. In response to our request, in December the 3CE Operations Board of Directors authorized the development of program to provide \$250,000 of funding for member agencies to purchase heavy duty electric vehicles. The program will be discussed at a 3CE Policy Board meeting in February and if approved and funded it could pay most of the cost differential between the diesel sweeper and the electric vehicle.

Staff's recommendation to authorized up to \$350,000 for the sweeper purchase will provide the flexibility of buying the electric sweeper if the 3CE program is approved, or if the program is not approved will pay for the purchase of the diesel sweeper.

Fiscal Impact: The purchase will be made with funding in the Equipment Replacement Internal Service Fund. The fund balance as of June 30, 2021, is \$684,836. Approved expenditures include \$170,000 for two Police patrol vehicles and a Public Works truck, leaving a balance of \$524,836.

This balance includes \$105,000 from FY 2019-20 and \$100,000 from FY 2021-22 for the purchase of a new sweeper in addition to \$200,000 from FY 2020-21 that was not designated for any specific equipment purchase.

Attachments:

1. Diesel street sweeper quotation from November 2021
2. Electric street sweeper quotation from November 2021

Report Prepared By: Steven Jesberg, Public Works Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

QUOTATION: R3 REGENERATIVE AIR SWEEPER

DATE: 11/18/2021

CUSTOMER: City of Capitola - Sourcewell

Terms: 30 Days Net

DEALER: Terry Equipment

FREIGHT: FOB - San Bernardino, CA

QUOTE NO.: OPEN CONTRACT

UAO#

GLOBAL R3 STANDARD EQUIPMENT

High Visibility Cab (Glass Entry Door included)	Sealed Beam Headlights
82 dBA In-Cab Noise Level	6.5 cu yd Hopper (Volumetric)
Dust & Weather Sealed Cab	Hopper Dump Alarm
Multi-Adjustable Suspension Seat	47" dia Gutter Brooms
Tilt & Telescoping Steering Wheel	In-Cab Gutter Broom Pressure Adjustment
Tinted Safety Windows & Windshield	Tuf-Grip Disposable Gutter Broom Segments
Left & Right Dual West Coast Mirrors	72" Wide Pick-Up Hood with Carbide Dirt Shoes
Windshield Wiper/Washer	32" Diameter Impeller includes wear-resistant coating
Ergonomic Go Pedal	Internal Impeller Housing components inc. Rubber Lining
Coolant Temp, Oil Pressure & Voltmeter Gauges	Two 18 gal Hydraulic Oil Tanks
Coolant, Eng Oil Pressure & Low Hyd Oil Warning Lights	Hydraulic Manifolds in LH Fender
Speedometer, Tachometer & Hourmeter	LED Gutter Broom Spotlights
Fuel Level Gauge	Sealed Beam Headlights
230 gal Polyethylene Water Tank	Stop/Tail Lights, Clearance Lights
15' Hydrant Hose with Coupling & Wrench	12.5' Turning Radius with Front Suspension
Gutter Broom Water Spray Jets	120 amp Heavy-Duty Alternator
Pickup Broom Water Spray Jets	All Sheet Metal Surfaces Primer Powder Coated
Fan Housing Water Spray Jets	Sheet Metal Surfaces Powder Coated
Dust Separator Water Spray Jets	Fender Mounted Tool Box
Centrifugal Type Dust Separator	Integral Cab Limb Guard Protection
Low Water Level Light in Cab	Front & Rear Tie Downs with Tow Hooks
Front Spray Bar	In-cab Pick-Up Hood front Curtain Raise Function
Buddy Seat	1 Sweeper Service Manual in English
Dual Front Tires with Front Suspension	1 Sweeper Parts Manual in English
Electrical Systems Locker	1 Sweeper Operator Manual in English
Manual Safety Props	Ergo Switch Standard
Hopper and Fan/Fan Housing Flusher	Rear View Camera Standard
	Stainless Steel Hopper

QTY	DESCRIPTION	List Price	Contract Price	Extended Price
1	GLOBAL R3 SWEEPER, TIER 4FINAL 173 HP ISUZU Eng, High Dump, Hydrostatic Drive, Dual Gutter Broom, A/C, Standard ERGO Sweeping Controls	\$235,820	\$224,029	\$224,029

*** Powder Coated Paint - White W/ Gray Frame ***

AVAILABLE OPTIONS:

QTY	PT NO.	DESCRIPTION	List Price	Contract Price	Extended Price
1	K323753	GB Speed Control	\$1,306	\$1,241	\$1,241
1	K247011	Dual GB Tilt	\$5,016	\$4,766	\$4,766
	K247013	GB Tilt, Left Single	\$2,508	\$2,383	
	K247012	GB Tilt, Right Single	\$2,508	\$2,383	
1	K247077	Hopper Access Door	\$3,094	\$2,939	\$2,939
	K310154	Hopper Coating	\$5,257	\$4,994	
1	M3JHE2FS	Comfort Glide Rear Suspension	\$7,494	\$7,119	\$7,119

Delivery: 90-120 days after receipt of order

SIGNATURE:

DATE:

rdino, CA All prices are valid for 30 days.

Late payment penalty 1% per month or part thereof.

Form GS-47.doc Rev: C 02/25/2013

5405 Industrial Parkway
 San Bernardino, CA 92407
 Tel: 1 (909) 713-1600
 Fax: 1 (909) 713-1613

www.globalsweeper.com



QUOTATION: R3 REGENERATIVE AIR SWEEPER

DATE: 9/30/2021

CUSTOMER: Capitola - Sourcewell

Terms: 30 Days Net

DEALER: Terry Equipment

FREIGHT: FOB - San Bernardino, CA

QUOTE NO.: OPEN CONTRACT

UAO#

E OPTIONS (continued):

QTY	PT NO.	DESCRIPTION	List Price	Contract Price	COMMENTS
1	K325256	AM/FM Radio w/ CD	\$540	\$513	513
1	K901325	Aux Power Plug Adaptor Port	\$325	\$309	309
1	K318806	Seat, High Back, Air	\$1,111	\$1,056	1056
	K247172	Heated & Remote Controlled Mirrors with Heavy Duty Brack	\$1,803	\$1,712	
	K324458	L.E.D. Stop/Tail/Clearance/Marker Lights	\$901	\$856	
1	K325221	Arrowstick (LED)	\$1,803	\$1,712	1712
	K325514	Limb Guard (Cab Beacon/Strobe)	\$286	\$271	
1	K302224	Fire Extinguisher	\$300	\$285	285
	K324815	Daytime Running Lights	\$225	\$214	
	FBO11122	Additional Front Broom - Joystick Controlled	\$31,793	\$30,203	
	NPN	Hopper Raise/Lower - Rear Fender Upgrade	\$276	\$262	
1	NPN	Additional 50 Gallon Water Tank	\$1,654	\$1,571	1571
	NPN	Catch Basin Hose	\$3,528	\$3,352	
1	328100	Automatic Safety Props	\$3,983	\$3,784	3784
1	302193	GB Plate - Bolt On	\$310	\$294	294
1	247724	High Speed Hopper Lift/Dump	\$2,067	\$1,964	1964
1	326844	Cab Strobe (LED)	\$538	\$511	511
	247632	Rear Flashing (LED) Strobes (mounted in hyd. Towers)(Qty.	\$538	\$511	
	324158	Front Flood Lights Dual (LED)	\$469	\$445	
	316607	Rear Flood Lights Dual (LED)	\$496	\$471	
	248537	Autolube - Full System R3	\$5,169	\$4,910	
1	329822	Remote Grease Block - 8 positions	\$1,654	\$1,571	1571
1	316609	In-Cab Water Tank Gauge	\$483	\$459	459
	326517	Battery Master Shutoff	\$290	\$275	
1	322420	Microtrap (PM-10 Option)	\$1,654	\$1,571	1571
	326566	Additional Rear Dock Bumpers	\$345	\$328	
	320886	Extended Dock Bumpers (Qty. 2)	\$483	\$459	
	329514	Spare Wheel/Tire - Front R3	\$1,365	\$1,297	
	329515	Spare Wheel/Tire - Rear R3	\$1,654	\$1,571	
	319802/3	GB Hour Meter - Dual (Qty. 2)	\$241	\$229	
1	324818	Hopper Emergency Lift w/Pump	\$1,240	\$1,178	1178
1	329516	Complete Set of Filters R3	\$689	\$655	655
1	NPN	41 Gallons - Biodegradable Hydraulic Oil	1716	1630	1630

Contract Price	\$	259,156.97
Sales Tax Rate 9%	\$	23,234.13
Freight	\$	3,500.00
Total Price FOB City of Capitola	\$	284,891.10

Delivery: 90-120 days after receipt of order

SIGNATURE: _____

DATE: _____

San Bernardino, CA. All prices are valid for 30 days.

Late payment penalty 1% per month or part thereof.

Form GS-47.doc Rev: C 02/25/2013

5405 Industrial Parkway
 San Bernardino, CA 92407
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QUOTATION: R3AIR EV - ELECTRIC SWEEPER

DATE: 11/18/2021

CUSTOMER: City of Capitola - Sourcewell

Terms: 30 Days Net

DEALER: Terry Equipment

FREIGHT: FOB: San Bernardino, CA

QUOTE NO.: OPEN CONTRACT

UAO#

GLOBAL R3AIR ELECTRIC REGENERATIVE AIR SWEEPER - ELECTRIC EQUIPMENT

High Visibility Cab (Glass Entry Door included)	Sealed Beam Headlights
Dust & Weather Sealed Cab	5.8 cu yd Hopper (Volumetric)
Multi-Adjustable Suspension Seat	Hopper Dump Alarm
Tilt & Telescoping Steering Wheel	47" dia Gutter Brooms
Tinted Safety Windows & Windshield	In-Cab Gutter Broom Pressure Adjustment
Left & Right Dual West Coast Mirrors	Tuf-Grip Disposable Gutter Broom Segments
Windshield Wiper/Washer	72" Wide Pick-Up Hood with Carbide Dirt Shoes
Ergonomic Go Pedal	32" Diameter Impeller includes wear-resistant coating
Speedometer, Tachometer & Hourmeter	Internal Impeller Housing components inc. Rubber Lining
230 gal Polyethylene Water Tank	Hydraulic Manifolds in LH Fender
15' Hydrant Hose with Coupling & Wrench	LED Gutter Broom Spotlights
Gutter Broom Water Spray Jets	Sealed Beam Headlights
Pickup Broom Water Spray Jets	Stop/Tail Lights, Clearance Lights
Fan Housing Water Spray Jets	12.5' Turning Radius with Front Suspension
Dust Separator Water Spray Jets	All Sheet Metal Surfaces Primer Powder Coated
Centrifugal Type Dust Separator	Sheet Metal Surfaces Powder Coated
Low Water Level Light in Cab	Fender Mounted Tool Box
Front Spray Bar	Integral Cab Limb Guard Protection
Buddy Seat	Front & Rear Tie Downs with Tow Hooks
Dual Front Tires with Front Suspension	In-cab Pick-Up Hood front Curtain Raise Function
Electrical Systems Locker	1 Sweeper Service Manual in English
Manual Safety Props	1 Sweeper Parts Manual in English
Hopper and Fan/Fan Housing Flusher	1 Sweeper Operator Manual in English
	Ergo Switch Standard
	Rear View Camera Standard

DESCRIPTION	List Price	Contract Price	Extended Price
1 GLOBAL R3AIR ELECTRIC REGEN SWEEPER, 210KW Battery (8-10 Hrs. Operating time) High Dump, ELECTRIC DRIVE, Dual Gutter Broom, A/C, Grey/White Powder Coated, Ergo Switch, Rear View Camera System...	578,447	549,525	\$ 549,525

*** Powder Coated Paint - Gray/White ***

GLOBAL R3AIR ELECTRIC REGEN SWEEPER- OPTIONAL EQUIPMENT

QTY	PT NO.	DESCRIPTION	List Price	Contract Price	Extended Price
1	K247077	Hopper Access Door	2,946	2,806	\$ 2,806
1	M3JHE2FS	Comfort Glide Rear Suspension	INC	INC	
1	K323753	GB Speed Control	1,331	1,265	\$ 1,265
1	K247011	Dual GB Tilt	5,112	4,856	\$ 4,856

SIGNATURE:

DATE:

Freight - FOB San Bernardino, CA

Payment is strictly 30 days net. Late payment penalty 1% per month or part thereof.

Form GS-180.doc Rev: 08/09/19

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QUOTATION

DATE: 11/18/2021

GLOBAL R3AIR ELECTRIC EQUIPMENT (continued)

PT NO.	DESCRIPTION	LIST PRICE	CONTRACT PRICE	Extended Price	
1	K323495-SS Stainless Steel Hopper	INC	INC		
1	K325256 AM/FM Radio w/ CD	551	523	\$	523
	K901325 Aux Power Plug Adaptor Port	325	309	\$	-
	K318806 Seat, High Back, Air	1,132	1,076	\$	-
1	K247172 Heated & Remote Controlled Mirrors with Heavy Duty Brac	1,837	1,745	\$	1,745
1	K325221 Arrowstick (LED)	1,837	1,745	\$	1,745
1	K325514 Limb Guard (Cab Beacon/Strobe)	291	276	\$	276
1	NPN Hopper Raise/Lower - Rear Fender Upgrade	281	267	\$	267
1	326844 Cab Strobe (LED)	548	521	\$	521
1	247632 Rear Flashing (LED) Strobes (mounted in hyd. Towers)(Q	548	521	\$	521
	NPN Catch Basin Hose	5,250	4,988	\$	-
1	316609 In-Cab Water Tank Gauge	492	467	\$	467
1	329822 Remote Grease Block - 8 positions	1,575	1,500	\$	1,500
1	338581 Hopper and Suction Hood Wash Out System	1,575	1,496	\$	1,496
1	320886 Extended Dock Bumpers (Qty. 2)	492	467	\$	467
1	NPN Biodegradable Hydraulic Oil	1,716	1,630	\$	1,630

Contract Price	\$	569,611.11
Sales Tax Rate 9%	\$	51,264.99
Freight FOB Capitola	\$	3,500.00
Total Price FOB City of Capitola	\$	578,276.10

Delivery: 240 days after receipt of order

Freight - FOB San Bernardino, CA

Payment is strictly 30 days net. Late payment penalty 1% per month or part thereof.

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Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: Finance Department

Subject: Amend FY 2021-22 City Fee Schedule



Recommended Action: Adopt the proposed resolution amending the fee schedule for Fiscal Year (FY) 2021-22.

Background: Since the adoption of Resolution No. 4229 adopting the City's Fee Schedule for FY 2021-22, the City Council adopted Ordinance No. 1048, adding Chapter 9.62: Film Permits to the Capitola Municipal Code. The ordinance states that fees for film permits will be set by City Council. In addition, City Recreation staff is proposing a clarification to the "per day" fee as it pertains to the Recreation Afterschool Program.

Discussion:

Film Permit: City Staff analyzed the work patterns of the Clerk's Office; the division that processes film permit applications. Generally, film permit applications fall into two categories; basic film permit requests and major film permit requests, which involve more back-and-forth communication and inter-department collaboration between the Clerk's Office and the Police and Public Works Departments. The following summarizes costs, and proposed rate for both permit types.

Permit Type	City Clerk	Deputy City Clerk	Police Dept Analyst	Public Works Project Manager	Total City Cost	Proposed Permit Cost
Basic Film Permit	n/a	1hr at \$107	n/a	n/a	\$107	\$50
Major Film Permit	0.5hrs at \$136 = \$68	2hrs at \$107 = \$214	1hr at \$121	0.5hrs at \$158 = \$79	\$482	\$250

Afterschool Program: The FY 2021-22 Fee Schedule lists the Afterschool Program resident / non-resident daily rate at \$15 / \$17. This fee is intended to be used to calculate the monthly fee for the Afterschool Program for a given month based on the number of school days for each school based on the individual school's monthly schedule. The fee was established to recover the cost of providing three hours per school day of afterschool programming. There has been confusion among program participants and recreation staff around minimum school day schedules which increase the number of hours participants are in the Afterschool Program to more than 3 hours for that day.

Staff proposes to amend the daily rate to an hourly rate of \$5.00 for residents and \$5.67 for non-residents to calculate the monthly fee based on the number of school days and the number of operating hours including minimum schedule days, in the month. The establishment of an hourly fee allows for participants to pay for the number of hours in program based on their individual

school schedule while providing staff with some expectations of necessary staffing levels for each month. The Recreation Division will not be offering drop-in or daily al-la carte Afterschool Programming at this time.

Fiscal Impact: The establishment of these new fees is intended to offset the cost of providing these services to the community.

Attachments:

1. Proposed Fee Schedule Resolution
2. FY 2021-22 Amended Fee Schedule
3. FY 2021-22 Animal Service Fees
4. FY 2021-22 Amended Fee Schedule Comparison

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Chloé Woodmansee, 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 THE CITY'S FEE SCHEDULE FOR
FISCAL YEAR 2021-22**

WHEREAS, the City Council adopted Resolution No. 4229 on June 24, 2021, adopting the City's Fee Schedule for Fiscal Year 2021-22; and

WHEREAS, since that adoption the City Manager Department is proposing to offer new Film Permits; and

WHEREAS, staff is proposing to amend the Afterschool Program fees; and

WHEREAS, the proposed fees do not exceed the cost of providing the related services,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby adopt the amended City of Capitola Fee Schedule pursuant to the changes in Exhibit A (Fee Schedule 2021-22) and the unchanged Exhibit B (Animal Service Fees) attached hereto.

BE IT FURTHER RESOLVED that the above fees become effective immediately upon adoption of this resolution.

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 13th of January 2022, by the following vote:

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

Sam Storey, Mayor

ATTEST:

Chloe Woodmansee, City Clerk

Description	2021/22 Amended Fee Schedule
MISCELLANEOUS FEES	
Administrative Decision Appeal Fee	\$545
Bingo Permit	\$65
Capitola Municipal Code	0.15 / page
Capitola Municipal Code Supplement Service (Per year)	\$0
Copies:	
1-5 copies	\$0
6 or more copies (per copy)	\$0.25 / page
Gov't Code § 81008 (Political Reform Act) statements/reports (Per copy)	\$0.10 / page
Video Tapes, Flash Drive, CD/DVD Production	Cost + \$52.49 1st Hour (Minimum) + \$26.24 / hour
Simple film permit	\$50.00
Major film permit	\$250.00
Entertainment Permit Application Fee	\$40
Single Event Permit	\$40
Minor Entertainment Permit	\$169
Regular Entertainment Permit	\$632
Pet Shops and Kennel License Fee (Municipal Code § 5.20.020) set only by ordinance	\$23
Returned Check Fee	\$40
Business License Overpayment Refund Fee (resolution 3532, ord 871)	0 (Set to -0- by Council in 2011)
Business License Late Payment Penalty Admin. Fee	\$35 + 10% each month late
Business License Application Fee (Reso. 3532)	\$40
Business License - Disability Access and Education Fee (State)	\$4
Temporary, Publicly Attended Activities, Application Fee (Municipal Code § 9.36.040)	\$34
Public Art (Total Building Valuation \$250,000 or more) (Municipal Code Chapter 2.58)	2% of TBV or 1% in lieu to City
Notice of Intent to Circulate Initiative Petition (Elections Code § 9103(b))	\$200
Bandstand Rental Fee	\$226 / 4 hrs or \$677 all day / deposit \$1,500
Notary Service Fees (State Code)	
Acknowledgment or proof of a deed, or other instrument, to include the seal and writing of the certificate	\$15 / signature
Administering an oath or affirmation to one person and executing the jurat, including the seal	\$15 / signature
Credit Card Transaction Fee	3%
Electric Vehicle Charging Fee	\$0.50 / hour
Cannabis Annual License Fee	\$2,594
Retail Cannabis Application Fee	\$1,691

Description	2021/22 Amended Fee Schedule
POLICE DEPARTMENT FEES	
<u>Special Event Permit</u>	\$62
Amplified Sound Permit (Municipal Code 9.12.040)	\$30
DUI Cost Recovery Fee (Res. 3533)	Not to exceed \$12,000
Copies of reports: Crime Reports, Special Reports, etc. (Regardless of number of pages)	\$0.25 / page
Copies of: Citations, Code sections, Ordinances, etc.	\$0.25 / page
Bicycle Licenses (New)	\$0
Bicycle Licenses (Renewal)	\$0
Citation Sign-Offs	\$0
Photographs	\$19 + administration fees
VIN verifications	\$16
Video Tapes, Flash Drive, CD/DVD Production	Cost + \$52.49 1st Hour (Minimum) + \$26.24 / hour
Local Fire Arm dealers (set by state)	
New application	set by state
Renewal	set by state
Second Dealers License (set by state)	
Application	set by state
Renewal	set by state
Taxi Fee per application	set by state
Tobacco retail license	\$265
Civil Subpoena (per case) (set by state)	set by state
Parking Permits (separate action by the Council)	
Neighborhoods per year (Resolution No. 3733)	\$25
Village Preferential Permit (Resolution No. 3733)	\$50 per year
Village Employer/Employee Permit (Resolution No. 3733)	\$50 per year
Morning Village Parking Permit (Resolution No. 3715)	\$50 per year
Concealed Weapon Permits (set by state)	
<i>Application</i>	
Standard	set by state
Judicial	set by state
Employment	set by state
<i>Renewal</i>	
Standard	set by state
Judicial	set by state
Employment	set by state
Firearm Surrender Fees (set by state law)	
1-5 guns	set by state
6+ guns	set by state
Vehicle Storage per day	\$27
Administrative fee to release Impounded / Stored Vehicle	\$133
Surf School Permit Fee	\$545
<u>Animal Services Fees</u>	
See Exhibit B "Animal Services Fees"	

Description	2021/22 Amended Fee Schedule
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PUBLIC WORKS DEPARTMENT FEES

Encroachment Permits	
Non-Construction Items (includes materials storage within right-of-way road and sidewalk closures)	\$69
Village Sidewalk Encroachment Permit	\$40
Construction Items	
Level A	\$208
Level B	\$462
Level C	\$921
Level D	\$1,498
Level E	\$2,076
Residential Blue Curb Application Fee	\$218
Residential Blue Curb Annual Fee	\$55
Blanket Permits (repair and maintenance of existing facilities)	\$2,305
Private Improvement Permits/Encroachment Agreement	
Applications for Minor Permits	\$230
Applications for Major Permits	\$577
New Memorial Bench	\$1,044
Replacement Memorial Bench	\$509
Memorial Plaque	\$783
Replacement Plaque	\$254
Memorial Plaque (tree)	\$500 + Cost of Tree
Memorial Picnic Table	\$1,671
Seasonal Boat Storage Permits	
Seasonal Permit	\$400 per month
Short Term Permit	\$15 per day
Stormwater Development Review Fee	
Stormwater Plan Review Fee	\$114
Large Project Plan Review Deposit	
Tier 2	\$3,460
Tier 3 & 4	\$4,613
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3796 adopted 11/12/09)	5% of Permit Fee
Final Map	Cost; \$3,000 min. deposit

Description	2021/22 Amended Fee Schedule
PLANNING FEES	
Administration/Documents	
Continuance Request - Applicant (2+)	\$170
Staff Billing Rate	Cost
Appeals - by Applicant	Cost
Appeals - by City Officials	\$0
Appeals - by Other	\$545
Coastal Development Permit Appeal	\$0
Appeals - Building/Zoning Code Violations	\$545
Records Search/Research/Special Report	Cost
Administrative Permits	
Tree Removal - Staff-Review	\$138
Tree Removal - 3 or more trees on a property	\$296
Tree Installation Deposit (Refundable)	\$500 deposit
Tree replacement in-lieu fee (if available)	\$600 per tree
Tree removal w/ PC approval	\$1,000 deposit
Commercial Sidewalk/Parking Lot Sale Permit	\$82
Tenant Use Permit (MCUP)--Staff approval	\$83
Transient Rental Occupancy Use Permit	\$577
Home Occupation Use Permit	\$173
Fence Permit- Staff approval	\$46
Fence Permit- PC approval	\$865
Sidewalk vendor permit	\$127
Sidewalk vendor annual refuse fee	\$509
Temporary Sidewalk Dining	\$83
Temporary Use Administrative Permit	\$83
Sign Permits	
Temporary Signs and Banner Permits	\$41
Sign permit - Staff Review	\$139
Sign permit - PC Review	\$577
Master Sign Program	Cost; \$3,000 min deposit
Village Sidewalk Sign Permit	\$71
Design Permits	
Residential-Single Family/Minor Design Permit - Staff Review	\$843
Residential-Single Family - PC Review	\$2,884
Residential Multi-Family - PC Review	\$4,035
Commercial - PC Review	\$4,000 deposit
Secondary Dwelling Unit- Staff Review	\$577
Secondary Dwelling Unit- PC Review	\$1,731
Residential Multi-Family/Minor Design Permit - Staff Review	\$2,000 deposit
Commercial Minor Design Permit	\$2,000 deposit
Historic In-Kind Replacement Design Permit	\$500 deposit
Use Permits	
Master Conditional Use Permit	Cost; \$3,500 min. deposit
Conditional Use Permit/Minor Use Permit - Staff Review	\$1,701
Conditional Use Permit - PC approval	Cost; \$3,000 min. deposit
Temporary Use Permit	\$86
Subdivisions	
Certificate of Compliance & Lot Merger	\$577
Boundary Line Adjustment	\$921
Tentative Parcel Map	Cost; \$2,000 min. deposit
Tentative Map	Cost; \$5,000 min. deposit
Revised Map	\$2,000 deposit
Time Extension	\$2,000 deposit
Subdivision Modification	\$2,000 deposit
Plan Amendments	
General Plan Amendment	Cost; \$5,000 min. deposit
Local Coastal Plan Amendment	Cost; \$5,000 min. deposit
Rezone	Cost; \$5,000 min. deposit

Description	2021/22 Amended Fee Schedule
Planned Development Rezone	Cost; \$3,500 min. deposit
Other Discretionary Permits	
Variance	\$1,731
PC review of minor modifications	\$1,556
Coastal Development Permit	\$865
Coastal Permit Exclusion	\$97
Mobile home Park Change of Use or Closure	\$5,000 deposit
Development Agreement	\$10,000 min. deposit
Developer agreement annual review	\$2,500 deposit
Specific Plan	Cost; \$5,000 min. deposit
Permit Time Extension -Staff Review	\$577
Permit Time Extension - PC Review	\$1,731
Permit Amendment (any permit)	50% of original cost
Annexation	Costs+ overhead / \$3,000 min. deposit
Minor Modification	\$1,731
Environmental Review	
Negative Declaration (and Mitigated ND)	Cost; \$2,000 min deposit
EIR Processing	Cost; + 21% of consultant; \$10,000 min deposit
Mitigation/Condition Monitoring Program	Cost + 21%
NEPA Compliance	Cost + 21%
Other Permits/Fees	
Conceptual Review Fee- PC	\$1,731
Conceptual Review Fee- PC and CC	\$2,595
Technical Study Preparation and Review	Cost + 21%
NOTE: Third party review costs to be required as necessary	Cost + 21%
Code Compliance	Double Application Fees
Code Compliance confiscated property recovery fee	\$273
Research Fee - 1/2 hour minimum charge	Cost
Pre-Application Review	\$242
Building Plan Check & Final Inspection	20% of Building Permit Fee
Major Development Project Fee	Cost; \$5,000 min. deposit
Historical significance determination	\$4,250 deposit
Inclusionary Housing	
Inclusionary Housing - Unit Sale	\$577
Inclusionary Housing - Unit Refinance	\$231
Single Family Residence	\$2.50 per square foot
Other Fees and Assessments	
General Plan Maintenance Fee	Total Building Valuation X 0.5%
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Green Building Educational Resource Fund Fee (Municipal Code 17.10.080)	Fee equals .0025 times the overall building permit valuation of the project.
Affordable Housing In-Lieu Fees	
For Sale Housing Developments of two to six units (Municipal Code Chapter 18.02/Reso. 3473) :	
All Units	\$10 per sq. ft.
For Sale Housing Developments of Seven or more units	
#Units	#Units Built
7	1
8-13	1
14	2
15-20	2
21	3
22-27	3
28	4
Rental Multi-Family	\$6 per sq. ft.

Description	2021/22 Amended Fee Schedule
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NOTES:

1. All Fees are non-refundable.
2. Deposit accounts are billed on a time and material basis. Additional deposits may be necessary depending on the complexity of the project. Any unused monies in a deposit account will be refunded following case closure.
3. The Community Development Director may reduce the total fee/deposit requirements for applications which are unlikely to require the full deposit amounts established herein.
4. Applications which include a fee and a deposit payment will be processed with a single deposit account.
5. Outside agency fees, including but not limited to County recordation fees, State Fish and Wildlife fees, etc. are charged at cost.
6. The Community Development Director may establish a reasonable fee or deposit amount for permit types required by the Capitola Municipal Code or State law which are not included in the fee schedule.
7. Flat fee applications are entitled up to two public hearings. Additional public hearings shall be charged to the applicant at cost
8. The Community Development Director may designate a project as a Major Development Project if it has a valuation of \$2M+ or is considered technically complex or especially controversial.

Description	2021/22 Amended Fee Schedule
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BUILDING FEES

The cost of a “combination building permit” shall be 1.5 times the amounts shown in Table 1-A. A “combination building permit” is defined as a permit for a scope of construction work regulated by two or more of the model codes. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
The cost of a “building permit” shall be the amounts shown in Table 1-A. A “building permit” is defined as a permit for a scope of construction work regulated solely by a single model code. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
TABLE 1-A	
Total Valuation	FEES
\$1.00 to \$500.00	\$27.11
\$501.00 to \$2,000.00	\$27.11 for the first \$500.00 plus \$3.52 for each additional \$100.00 or fraction thereof.
\$2,001.00 to \$25,000.00	\$79.91 for the first \$2,000.00 plus \$16.14 for each additional \$1000.00 or fraction thereof.
\$25,001.00 to \$50,000.00	\$451.13 for the first \$25,000.00 plus \$11.65 for each additional \$1,000.00 or fraction thereof.
\$50,001.00 to \$100,000.00	\$742.38 for the first \$50,000.00 plus \$8.08 for each additional \$1,000.00 or fraction thereof.
\$100,001.00 to \$500,000.00	\$1,146.38 for the first \$100,000.00 plus \$6.47 for each additional \$1,000.00 or fraction thereof.
\$500,001.00 to \$1,000,000.00	\$3,734.38 for the first \$500,000.00 plus \$5.47 for each additional \$1,000.00 or fraction thereof.
\$1,000,001.00 and up	\$6,469.38 for the first \$1,000,000.00 plus \$2.96 for each additional \$1,000.00 or fraction thereof.
Building Plan Check Fee	65% of Building Permit Fee
Reinspection Fee	\$127
Resubmitted Plan Check Fee	106.77 / hr.
Building Permit Extension Fee	\$179
Building Permit Reinstatement Fee	50% of the original, singular building permit fee or combo building permit fee, whichever is applicable to the permit being reinstated
Stop Work Order Fee	2x the singular building permit fee

Description	2021/22 Amended Fee Schedule
Greywater System Permit	\$0
Electric Vehicle Charging Permits (<i>* Note: These fees were added to the fee schedule for FY2011-12, but will be waived per the Green Energy Incentive Program</i>)	
a. Level I (120 volts)	\$0
b. Level II (208-240 volts)	\$0
c. Level III (480 volts)	\$0
Solar P.V. System	\$0
Solar P.V. System (Commercial Sale/Distribution)	\$0
Solar Hot Water Heater	\$0
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Temporary Trailer/Mobile Home Occupancy Permit	\$55
Structural Review of Engineered Plans	cost + 21%
Outside Consultant Plan Review	cost + 21%
<u>Grading Plan Review Fees</u>	
50 cubic yard or less	\$ -
51 to 100 cubic yard	\$ 27.11
101 to 1,000 cubic yards	\$ 42.67
1,001 to 10,000 cubic yards	\$ 55.37
10,001 to 100,000 cubic yards	\$55.38 for first 10,000 plus \$28.27 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$309.79 for first 100,000 plus \$15.28 for each additional 10,000 cubic yards
200,001 cubic yards or more	\$447.29 for first 200,000 plus \$8.37 for each additional 10,000 cubic yards
<u>Grading Permit Fees</u>	
50 cubic yard or less	\$ 27.11
51 to 100 cubic yard	\$ 42.67
101 to 1,000 cubic yards	\$42.67 for first 100 plus \$20.19 for each additional 100 cubic yards
1,001 to 10,000 cubic yards	\$224.38 for first 1,000 plus \$16.72 for each additional 1,000 cubic yards
10,001 to 100,000 cubic yards	\$374.86 for first 10,000 plus \$76.13 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$1,060.03 for first 100,000 plus \$42.10 for each additional 10,000 cubic yards

Description	2021/22 Amended Fee Schedule
PARKS AND RECREATION FEES	
All fees are evaluated annually to determine if they are competitive with other recreation programs in Santa Cruz County	
Classes	
Negotiated Instructor Activity Fee (Instructor receives 65% of this fee, Department retains 35%)	
Registration Fee - Resident (Capitola Residents Only)-Department retains this fee	\$18
Online Registration fee - Department retains this fee	5.5% of Activity Fee
Non-Resident (Anyone residing outside of the City) in addition to Residential Registration Fee- Department retains this fee	\$15
Senior Discount	10%
Negotiated Instructor of Private Tennis Lessons Activity Fee (Instructor receives 75% of this fee, Department retains 25%)	
Sports	
League Fees	Costs + 30% admin fee
League fees will change depending upon number and type of leagues offered, number of games per league, number of officials, amount of equipment needed, field/site prep and maintenance, and whether or not playoffs & awards are offered. Fees are calculated based on direct costs + 30% admin fee.	
After School - Fees include \$30 non-refundable registration fee	
Resident/non resident	\$5.00 / \$5.67 per hour
* Hourly rate used only to calculate monthly fee amount	
* Scholarships may be available	
Late Pick-Up Fee	\$1 per minute
Junior Guards - Fees include \$30 non-refundable registration fee	
Resident/non resident	\$278 / \$347
U-19 resident/non resident	\$193
Late Pick-Up Fee	\$1 per minute
Regionals	\$95
* Scholarships may be available	
Camp Capitola - Fees include \$30 non-refundable registration fee	
All day 2 week session, resident/non resident	\$308 / \$386
1/2 day 2-week session, resident/non resident	\$156 / \$194
All day 1 week session, resident/non resident	\$156 / \$194
All day 1 week teen session, resident/non resident	\$278 / \$347
Junior Leader program	\$67
Late Pick-Up Fee	\$1 per minute
Extended Care - daily add on, resident/non resident	\$11
AM Extended Care - per 2 week session resident/non resident	\$53
PM Extended Care - per 2 week session resident/non resident	\$53
Transportation fee to Jr. Guards per session	\$58
* Scholarships may be available	
Family Camp	
3 night family camp Adult (13+) / Child (3-12)	\$328.83 / \$224.31 per night
Facility Rentals	
Field and Courts hourly rental; non profit youth groups/other non profit & Cap residents/all others	\$14 / \$26 / \$35
Jade Street Community Center	
Rooms A&B hourly rent	\$45
Room C hourly rent	\$61
Patio hourly rent	\$9
Kitchen hourly rent	\$22
Entire Center hourly rent	\$159
Non profit discount of Jade Street Facility rents	25%
Community Center Deposit	
1 to 50 people	\$102
51 to 150 people	\$254
151 to 250 people	\$509

Description	2021/22 Amended Fee Schedule
Lost key fee	\$25
Event vendor fee	\$102 per event
Field Prep and/or additional staffing required to prepare for or supervise the Sports rentals only	\$13 / hr
Notes: Residents include Soquel Union Elementary School District	
Costs mean staff costs adjusted for benefits, department overhead, and City overhead as calculated by the City Manager. Costs can also mean direct cost of a consultant. When consultant costs are included <u>21%</u> of such costs will be charged to cover staff time for contract management. <i>Staff costs do not accrue during an appeal unless appeal is made by applicant.</i>	
Deposits are stated as minimums. Actual deposits depend on the evaluation by staff of an individual project or application. The City Manager may lower minimum deposits if the application or project justifies a lower deposit. When an application involves multiple minimum fees the highest minimum fee applies.	

Description	2021/22 Amended Fee Schedule
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HISTORICAL MUSEUM FEES

Description	Cost
Research Fee - 1/2 hour minimum charge	
Print of an electronically available Photograph in Collection	\$7
Digital Copies of Collection Items	\$20
Scan High Resolution Tiff File of any collection item for a customer	\$24

Proposed 2021-22

License Fees – Dogs

Altered - one year	\$29	
Unaltered - one year	\$100 with Unaltered Animal Certificate	
Late Penalty	\$15	
Senior Citizen (65+) - Altered dog	\$29	
Senior Citizen (65+) - Unaltered dog	\$100	
Potentially Dangerous/Vicious dog	\$200	
Late Penalty for dog licenses for dogs designated Potentially Dangerous, Vicious, Habitual or Public Nuisance.	\$100	
Unaltered Animal Certificate (one-time fee)	\$350	
Exemption from Unaltered Animal Certificate	\$15	plus license fee
Administrative fee for mailed licenses	\$1	
Replacement License Tag Fee	\$5	
Failure to License Penalty (per dog, if impounded)	\$30	

License Fees – Cats

Unaltered Animal Certificate	\$350
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Quarantine Fees

Home Quarantine (Field Check)	\$75
Shelter Quarantine	\$50 plus board fees

Service Fees

Microchip/walk-in service	\$15
Microchip for impounded dogs and cats	\$25
Dog/Cat trap rental	N/C
Dog Humane Trap Deposit	\$255
Cat Humane Trap Deposit	\$70
Trap Processing Fee	\$10
Pick-Up Animal in a Trap	\$75
Pick-Up of Owned Animal	\$75
Pick-up and Disposal of Deceased Animal on Private Property	\$85
Use of Livestock Trailer	\$100/\$150 (1st /2nd time)

Medical Fees

Medical groom	\$25 - \$100
Medical nail trim	\$15
Medication dispensed	\$20
Vet procedure	\$25 - \$100
Rabies	\$14
FVRCP	\$20
DA2PP	\$20
Medical bath	\$20
Wound prep	\$35
Kitten Package	\$400
Puppy Package	\$400
Dental	\$200 - \$800

Owner Surrender of Animal Residing in Santa Cruz County

Owner Surrender of Dog	\$0
Owner Surrender of Cat	\$0
Owner Surrender of Rabbit	\$0
Owner Surrender of Exotic (snake, lizard, bird, turtle)	\$0
small rodents	\$0
Large livestock	\$0
small livestock	\$0
Large Exotic	\$0

Owner Surrender of Animal Residing Outside of Santa Cruz County

Proposed 2021-22

Owner Surrender of Dog	\$50
Owner Surrender of Cat	\$35
Owner Surrender of Rabbit	\$25
Owner Surrender of Exotic	\$55
(snake, lizard, bird, turtle)	\$15 - \$35
small rodents	\$10 - \$25
Large livestock	\$100
small livestock	\$75
Large Exotic	\$55

Protective Custody Fee

Owner Arrest	\$75 /hour min.(2 hours after hrs)
Confiscate/Humane	\$75 /hour min.(2 hours after hrs)
Emergency Hospital	\$25

Owner Requested Euthanasia \$75 Plus Disposal

Disposal of Owned Dead Animals \$50

Refund Processing Fee \$25

Animal Control Officer Services \$75/hour (2 hr minimum after hours)

Field Return of Owned Animal \$75

Spay/Neuter Fees for Impounded Animals

Cats \$50

Dogs \$195

Planned Pethood Spay/Neuter Fees

Dog	\$190
Cat	\$25
Rabbit	\$75
Pit Bulls & Chihuahuas	\$50
Animals over 100 lbs., in heat, pregnant or cryptorchid add	\$35
Animals determined obese by veterinarian add	\$50

*Animals over 100 lbs., in heat, pregnant or cryptorchid – add \$25. Animals determined obese by veterinarian add \$50. Animals over 7 years of age are required to receive a blood panel for an additional \$55. Late drop-off fee (more than 20 minutes) is \$20. Reschedule fee for missed appointments is \$25.

Fees for Additional Required Services

Microchip	\$15
License	\$29
Rabies	\$14
Late drop-off fee	\$20
Late pick-up fee	\$40/night
Blood panel for dogs over 7 yrs of age and cats over 10 yrs of age	\$75

Planned Pethood Spay/Neuter Fees for Limited Income*

Dog	\$50
Cat	\$10
Rabbit	\$50

*Limited income eligibility determined through proof of receipt of government assistance

OR through a year-to-date pay stub or W2 tax form that proves the following:

1 person household--maximum of \$35,350 annual income

2 person household--maximum of \$40,350 annual income

3 person household--maximum of \$45,400 annual income

4 person household--maximum of \$50,400 annual income

ONE STOP Fees with Purchase of License

Rabies	\$10
Microchip	\$15

Proposed 2021-22

Nuisance Abatement Appeals Fee (County)	\$75
Non-sufficient Funds Check Fee	\$40
Puppy Training Deposits	\$100 - \$200
Training Room Rental Fees	\$22

FINES FOR VIOLATIONS OF ANIMAL ORDINANCE – ADMINISTRATIVE CITATION PROGRAM

***Failure to license**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

****Failure to microchip**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

*****Failure to provide rabies vaccination**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

Failure to display license (each dog) \$50

******Failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate**

First offense	\$250
Second offense	\$500
Third offense	\$750

Dog running at large, first offense	\$100
Dog running at large, second offense	\$200
Dog running at large, third offense	\$250

Dog off leash, first offense	\$50
Dog off leash, second offense	\$150
Dog off leash, third offense	\$250

Safety of animal in parked vehicle \$250

Failure of owner to pick up after dog or cat defecating \$100

Habitual noisy animals (6.12.090) \$100

Permitting livestock to trespass, per offense \$200

All first offense recommended penalties not subject to cure will be reduced by 50% if they are paid in full by 5:00 p.m. of the first business day following issuance.

*Citations for failure to license will be dismissed if cured within 7 calendar days, including day of issuance

**Citations for failure to microchip will be dismissed if cured within 7 calendar days, including day of issuance.

***Citations for failure to provide rabies vaccination will be dismissed if cured within 7 days, including day of issuance.

****Citations for failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate, will be dismissed if ASA receives evidence that animal was spayed or neutered within 30 calendar days, including day of issuance.

Description	2021-22 Fee Schedule	2021-22 Amended Fee Schedule
MISCELLANEOUS FEES		
Administrative Decision Appeal Fee	\$536	\$536
Bingo Permit	\$64	\$64
Capitola Municipal Code	\$677	\$677
Capitola Municipal Code Supplement Service (Per year)	\$204	\$204
Capitola Municipal Code copies 1 – 5 copies	\$0.15 / page	\$0.15 / page
6 or more copies (Per copy) Gov't Code § 81008 (Political Reform Act) statements/reports (Per copy)	\$0.10 / page	\$0.10 / page
Video Tapes, Flash Drive, CD/DVD Production	Cost + \$51.60 1st Hour (Minimum) + \$25.80 / hour	Cost + \$51.60 1st Hour (Minimum) + \$25.80 / hour
Simple film permit	City Manager discretion not to exceed \$3,000	\$50
Major film permit	City Manager discretion not to exceed \$3,000	\$250
Entertainment Permit Application Fee	\$39	\$39
Single Event Permit	\$39	\$39
Minor Entertainment Permit	\$166	\$166
Regular Entertainment Permit	\$621	\$621
Pet Shops and Kennel License Fee (Municipal Code § 5.20.020) set only by ordinance	\$24	\$24
Returned Check Fee	\$39	\$39
Business License Overpayment Refund Fee (resolution 3532, ord 871)	0 (Set to -0- by Council in 2011)	0 (Set to -0- by Council in 2011)
Business License Late Payment Penalty Admin. Fee	\$35 + 10% each month late	\$35 + 10% each month late
Business License Application Fee (Reso. 3532)	\$39	\$39
Business License - Disability Access and Education Fee (State)	\$4	\$4
Temporary, Publicly Attended Activities, Application Fee (Municipal Code § 9.36.040)	\$34	\$34
Public Art (Total Building Valuation \$250,000 or more) (Municipal Code Chapter 2.58)	2% of TBV or 1% in lieu to City	2% of TBV or 1% in lieu to City
Notice of Intent to Circulate Initiative Petition (Elections Code § 9103(b))	\$200	\$200
Bandstand Rental Fee	\$231 / 4 hrs or \$692 all day / deposit \$1,500	\$231 / 4 hrs or \$692 all day / deposit \$1,500
Notary Service Fees (State Code)	\$0	\$0
Acknowledgment or proof of a deed, or other instrument, to include the seal and writing of the certificate	\$15 / signature	\$15 / signature
Administering an oath or affirmation to one person and executing the jurat, including the seal	\$15 / signature	\$15 / signature
Credit Card Transaction Fee	3%	\$0
Electric Vehicle Charging Fee	\$0.50 / hour	\$0.50 / hour
Retail Cannabis Application Fee	\$1,662	\$1,662
Retail Cannabis License Fee	\$2,550	\$2,550

Description	2021-22 Fee Schedule
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2021-22 Amended Fee Schedule

PUBLIC WORKS DEPARTMENT FEES

Encroachment Permits	
Non-Construction Items (includes materials storage within right-of-way road and sidewalk closures)	\$68
Village Sidewalk Encroachment Permit	\$39
Construction Items	
Level A	\$205
Level B	\$454
Level C	\$906
Level D	\$1,473
Level E	\$2,041
Residential Blue Curb Application Fee	\$214
Residential Blue Curb Annual Fee	\$54
Blanket Permits (repair and maintenance of existing facilities)	\$2,266
Private Improvement Permits/Encroachment Agreement	
Applications for Minor Permits	\$226
Applications for Major Permits	\$567
New Memorial Bench	\$1,026
Replacement Memorial Bench	\$500
Memorial Plaque (wharf)	\$770
Memorial Plaque (Grand Ave)	\$770
Replacement Plaque	\$250
Memorial Plaque (tree)	\$500 + Cost of Tree
Memorial Picnic Table	\$1,643
Seasonal Boat Storage Permits	
Seasonal Permit	\$400 per month
Short Term Permit	\$15 per day
Stormwater Development Review Fee	
Stormwater Plan Review Fee	\$112
Large Project Plan Review Deposit	
Tier 2	\$3,402
Tier 3 & 4	\$4,535
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3796 adopted 11/12/09)	5% of Permit Fee
Final Map	Cost; \$3,000 min. deposit

\$68
\$39
\$205
\$454
\$906
\$1,473
\$2,041
\$214
\$54
\$2,266
\$226
\$567
\$1,026
\$500
\$770
\$770
\$250
\$500 + Cost of Tree
\$1,643
\$400 per month
\$15 per day
\$112
\$3,402
\$4,535
Cost
5% of Permit Fee
Cost; \$3,000 min. deposit

Description	2021-22 Fee Schedule
PLANNING FEES	
Administration/Documents	
Continuance Request - Applicant (2+)	\$167
Staff Billing Rate	Cost
Appeals-by Applicant	Cost
Appeals- by City Officials	\$0
Appeals- by Other	\$536
Coastal Development Permit Appeal	\$0
Appeals -Building/Zoning Code Violations	\$536
Records Search/Research/Special Report	Cost
Administrative Permits	
Tree Removal 1- Staff -Review	\$136
Tree Removal -- 3 or more trees on a property	\$291
Tree Installation Deposit (Refundable)	\$500 Deposit
Commercial Sidewalk/Parking Lot Sale Permit	\$81
Tenant Use Permit (MCUP)-Staff approval	\$82
Transient Rental Occupancy Use Permit	\$567
Home Occupation Use Permit	\$170
Fence Permit- Staff approval	\$46
Fence Permit- PC approval	\$851
Temporary Sidewalk Dining	\$82
Temporary Use Administrative Permit	\$82
Sign Permits	
Temporary Signs and Banner Permits	\$41
Signs-permit - Staff Review	\$137
Signs- permit - PC Review	\$567
Master Sign Program	Cost; \$3,000 min deposit
Village Sidewalk Sign Permit	\$70
Design Permits	
Residential-Single Family/Minor Design Permit - Staff Review	\$829
Residential-Single Family - PC Review	\$2,836
Residential Multi-Family - PC Review	\$3,967
Commercial - PC Review	\$4,000 Deposit
Secondary Dwelling Unit- Staff Review	\$567
Secondary Dwelling Unit- PC Review	\$1,701
Residential Multi-Family/Minor Design Permit - Staff Review	\$2,000 deposit
Commercial Minor Design Permit	\$2,000 deposit
Use Permits	
Master Conditional Use Permit	Cost; \$3,500 min. deposit
Conditional Use Permit/Minor Use Permit - Staff Review	\$1,701
Conditional Use Permit - PC approval	Cost; \$3,000 min. deposit
Temporary Use Permit	\$86
Subdivisions	
Certificate of Compliance & Lot Merger	\$567
Boundary Line Adjustment	\$906
Tentative Parcel Map	Cost; \$2,000 min. deposit
Tentative Map	Cost; \$5,000 min. deposit
Revised Map	\$2,000 Deposit
Time Extension	\$2,000 Deposit
Subdivision Modification	\$2,000 Deposit
Plan Amendments	
General Plan Amendment	Cost; \$5,000 min. deposit
Local Coastal Plan Amendment	Cost; \$5,000 min. deposit
Rezone	Cost; \$5,000 min. deposit
Planned Development Rezone	Cost; \$3,500 min. deposit

2021-22 Amended Fee Schedule
\$167
Cost
Cost
\$0
\$536
\$0
\$536
Cost
\$136
\$291
\$500 Deposit
\$81
\$82
\$567
\$170
\$46
\$851
\$82
\$82
\$41
\$137
\$567
Cost; \$3,000 min deposit
\$70
\$829
\$2,836
\$3,967
\$4,000 Deposit
\$567
\$1,701
\$2,000 deposit
\$2,000 deposit
Cost; \$3,500 min. deposit
\$1,701
Cost; \$3,000 min. deposit
\$86
\$567
\$906
Cost; \$2,000 min. deposit
Cost; \$5,000 min. deposit
\$2,000 Deposit
\$2,000 Deposit
\$2,000 Deposit
Cost; \$5,000 min. deposit
Cost; \$5,000 min. deposit
Cost; \$5,000 min. deposit
Cost; \$3,500 min. deposit

Description	2021-22 Fee Schedule
Other Discretionary Permits	
Variance	\$1,701
Coastal Development Permit	\$851
Coastal Permit Exclusion	\$96
Mobile home Park Change of Use or Closure	\$5,000 Deposit
Development Agreement	Cost; \$5,000 min. deposit
Specific Plan	Cost; \$5,000 min. deposit
Permit Time Extension -Staff Review	\$567
Permit Time Extension - PC Review	\$1,701
Permit Amendment (any permit)	50% of original cost
Annexation	Costs+ overhead / \$3,000 min. deposit
Minor Modification	\$1,701
Environmental Review	
Negative Declaration (and Mitigated ND)	Cost; \$2,000 min deposit
EIR Processing	Cost; + 17% of consultant; \$10,000 min deposit
Mitigation/Condition Monitoring Program	Cost + 21%
NEPA Compliance	Cost + 21%
Other Permits/Fees	
Conceptual Review Fee- PC	\$1,701
Conceptual Review Fee- PC and CC	\$2,551
Technical Study Preparation and Review	Cost + 21%
NOTE: Third party review costs to be required as necessary	Cost + 21%
Code Compliance	Double Application Fees
Code Compliance confiscated property recovery fee	\$268
Research Fee - 1/2 hour minimum charge	Cost
Pre-Application Review	\$238
Building Plan Check & Final Inspection	20% of Building Permit Fee
Major Development Project Fee	Cost; \$5,000 min. deposit
Inclusionary Housing	
Inclusionary Housing - Unit Sale	\$567
Inclusionary Housing - Unit Refinance	\$227
Single Family Residence	\$2.50 per square foot
Other Fees and Assessments	
General Plan Maintenance Fee	Total Building Valuation X 0.5%
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Green Building Educational Resource Fund Fee (Municipal Code 17.10.080)	Fee equals .0025 times the overall building permit valuation of the project.
Affordable Housing In-Lieu Fees	
For Sale Housing Developments of two to six units (Municipal Code Chapter 18.02/Reso. 3473) :	
All Units	\$10 per sq. ft.
For Sale Housing Developments of Seven or more units	
#Units	#Units Built
7	1
8-13	1
14	2
15-20	2
21	3
22-27	3
28	4
Rental Multi-Family	\$6 per sq. ft.

2021-22 Amended Fee Schedule	
\$1,701	
\$851	
\$96	
\$5,000 Deposit	
Cost; \$5,000 min. deposit	
Cost; \$5,000 min. deposit	
\$567	
\$1,701	
50% of original cost	
Costs+ overhead / \$3,000 min. deposit	
\$1,701	
Environmental Review	
Cost; \$2,000 min deposit	
Cost; + 17% of consultant; \$10,000 min deposit	
Cost + 21%	
Cost + 21%	
Other Permits/Fees	
\$1,701	
\$2,551	
Cost + 21%	
Cost + 21%	
Double Application Fees	
\$268	
Cost	
\$238	
20% of Building Permit Fee	
Cost; \$5,000 min. deposit	
Inclusionary Housing	
\$567	
\$227	
\$2.50 per square foot	
Other Fees and Assessments	
Total Building Valuation X 0.5%	
5% of Permit Fee	
Fee equals .0025 times the overall building permit valuation of the project.	
Affordable Housing In-Lieu Fees	
For Sale Housing Developments of two to six units (Municipal Code Chapter 18.02/Reso. 3473) :	
All Units	
\$10 per sq. ft.	
For Sale Housing Developments of Seven or more units	
#Units	#Units Built
7	1
8-13	1
14	2
15-20	2
21	3
22-27	3
28	4
\$6 per sq. ft.	

- NOTES:
- All Fees are non-refundable.
 - Deposit accounts are billed on a time and material basis. Additional deposits may be necessary depending on the complexity of the project. Any unused monies in a deposit account will be refunded following case closure.
 - The Community Development Director may reduce the total fee/deposit requirements for applications which are unlikely to require the full deposit amounts established herein.
 - Applications which include a fee and a deposit payment will be processed with a single deposit account.
 - Outside agency fees, including but not limited to County recordation fees, State Fish and Wildlife fees, etc. are charged at cost.
 - The Community Development Director may establish a reasonable fee or deposit amount for permit types required by the Capitola Municipal Code or State law which are not included in the fee schedule.
 - Flat fee applications are entitled up to two public hearings. Additional public hearings shall be charged to the applicant at cost
 - The Community Development Director may designate a project as a Major Development Project if it has a valuation of \$2M+ or is considered technically

Description	2021-22 Fee Schedule
BUILDING FEES	
The cost of a "combination building permit" shall be 1.5 times the amounts shown in Table 1-A. A "combination building permit" is defined as a permit for a scope of construction work regulated by two or more of the model codes. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
The cost of a "building permit" shall be the amounts shown in Table 1-A. A "building permit" is defined as a permit for a scope of construction work regulated solely by a single model code. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
TABLE 1-A	
Total Valuation	FEES
\$1.00 to \$500.00	\$26.65
\$501.00 to \$2,000.00	\$26.65 for the first \$500.00 plus \$3.46 for each additional \$100.00 or fraction thereof.
\$2,001.00 to \$25,000.00	\$78.55 for the first \$2,000.00 plus \$15.87 for each additional \$1000.00 or fraction thereof.
\$25,001.00 to \$50,000.00	\$443.56 for the first \$25,000.00 plus \$11.45 for each additional \$1,000.00 or fraction thereof.
\$50,001.00 to \$100,000.00	\$729.81 for the first \$50,000.00 plus \$7.94 for each additional \$1,000.00 or fraction thereof.
\$100,001.00 to \$500,000.00	\$1,126.81 for the first \$100,000.00 plus \$6.36 for each additional \$1,000.00 or fraction thereof.
\$500,001.00 to \$1,000,000.00	\$3,670.81 for the first \$500,000.00 plus \$5.38 for each additional \$1,000.00 or fraction thereof.
\$1,000,001.00 and up	\$6,360.81 for the first \$1,000,000.00 plus \$2.94 for each additional \$1,000.00 or fraction thereof.
Building Plan Check Fee	65% of Building Permit Fee
Reinspection Fee	\$125
Resubmitted Plan Check Fee	\$106.77
Building Permit Extension Fee	\$176
Building Permit Reinstatement Fee	50% of the original, singular building permit fee or combo building permit fee, whichever is applicable to the permit being reinstated
Stop Work Order Fee	2x the singular building permit fee

2021-22 Amended Fee Schedule
FEES
26.65
\$26.65 for the first \$500.00 plus \$3.46 for each additional \$100.00 or fraction thereof.
\$78.55 for the first \$2,000.00 plus \$15.87 for each additional \$1000.00 or fraction thereof.
\$443.56 for the first \$25,000.00 plus \$11.45 for each additional \$1,000.00 or fraction thereof.
\$729.81 for the first \$50,000.00 plus \$7.94 for each additional \$1,000.00 or fraction thereof.
\$1,126.81 for the first \$100,000.00 plus \$6.36 for each additional \$1,000.00 or fraction thereof.
\$3,670.81 for the first \$500,000.00 plus \$5.38 for each additional \$1,000.00 or fraction thereof.
\$6,360.81 for the first \$1,000,000.00 plus \$2.94 for each additional \$1,000.00 or fraction thereof.
65% of Building Permit Fee
125
106.77
176
50% of the original, singular building permit fee or combo building permit fee, whichever is applicable to the permit being reinstated
2x the singular building permit fee

Description	2021-22 Fee Schedule
Greywater System Permit	\$0
Electric Vehicle Charging Permits (* Note: These fees were added to the fee schedule for FY2011-12, but will be waived per the Green Energy Incentive Program)	
a. Level I (120 volts)	\$0
b. Level II (208-240 volts)	\$0
c. Level III (480 volts)	\$0
Solar P.V. System	\$0
Solar P.V. System (Commercial Sale/Distribution)	Cost
Solar Hot Water Heater	\$0
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Temporary Trailer/Mobile Home Occupancy Permit	\$54
Structural Review of Engineered Plans	cost + 21%
Outside Consultant Plan Review	cost + 21%
Grading Plan Review Fees	
50 cubic yard or less	\$ -
51 to 100 cubic yard	\$ 26.65
101 to 1,000 cubic yards	\$ 41.95
1,001 to 10,000 cubic yards	\$ 54.43
10,001 to 100,000 cubic yards	\$54.44 for first 10,000 plus \$27.79 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$304.51 for first 100,000 plus \$15.02 for each additional 10,000 cubic yards
200,001 cubic yards or more	\$439.68 for first 200,000 plus \$8.23 for each additional 10,000 cubic yards
Grading Permit Fees	
50 cubic yard or less	\$ 26.65
51 to 100 cubic yard	\$ 41.95
101 to 1,000 cubic yards	\$41.95 for first 100 plus \$19.85 for each additional 100 cubic yards
1,001 to 10,000 cubic yards	\$220.60 for first 1,000 plus \$16.44 for each additional 1,000 cubic yards
10,001 to 100,000 cubic yards	\$368.56 for first 10,000 plus \$74.84 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$1,042.12 for first 100,000 plus \$41.39 for each additional 10,000 cubic yards

2021-22 Amended Fee Schedule
0
0
0
0
0
0
0
0
0
0
5% of Permit Fee
53.59692
cost + 21%
cost + 21%
0
\$ 26.65
\$ 41.95
\$ 54.43
\$54.44 for first 10,000 plus \$27.79 for each additional 10,000 cubic yards
\$304.51 for first 100,000 plus \$15.02 for each additional 10,000 cubic yards
\$439.68 for first 200,000 plus \$8.23 for each additional 10,000 cubic yards
\$ 26.65
\$ 41.95
\$41.95 for first 100 plus \$19.85 for each additional 100 cubic yards
\$220.60 for first 1,000 plus \$16.44 for each additional 1,000 cubic yards
\$368.56 for first 10,000 plus \$74.84 for each additional 10,000 cubic yards
\$1,042.12 for first 100,000 plus \$41.39 for each additional 10,000 cubic yards

Description	2021-22 Fee Schedule
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2021-22 Amended Fee Schedule

HISTORICAL MUSEUM FEES

Description	Cost
Research Fee - 1/2 hour minimum charge	
Print of an electronically available Photograph in Collection	\$7
Digital Copies of Collection Items	\$20
Scan High Resolution Tiff File of any collection item for a customer	\$24

Description	Cost
	\$7
	\$20
	\$24

Capitola City Council

Agenda Report

Meeting: January 13, 2022

From: City Manager Department

Subject: Appoint Representative to the Housing for Health Partnership Policy Board



Recommended Action: Appoint the City Manager to a two-year term on the Continuum of Care (CoC) Board, known as the Housing for Health Partnership Policy Board, as nominated by the Mayor.

Background: In 1995, the Federal Department of Housing and Urban Development (HUD) developed the concept of a Continuum of Care (CoC) through its annual homelessness assistance grants. At that time, the CoC was envisioned as a local network of relevant organizations and stakeholders that plan and coordinate funding for services and housing to assist individuals and families at-risk of or currently experiencing homelessness. HUD guidelines call for CoC representation from: nonprofit homelessness assistance providers, victim services providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social services providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations serving veterans, and homeless or formerly homeless individuals. Our local CoC region includes all jurisdictions in the County of Santa Cruz.

The Federal Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) codified the role of a local CoC to coordinate efforts to prevent and end homelessness. Since the passage of the HEARTH Act, an increasing number of federal, state, and local programs, and funding resources, require involvement and collaboration with the local CoC.

HUD regulations establish responsibilities for a CoC that include: regular meeting and appointment schedules, a governance charter, monitoring and evaluating programs funded with CoC resources, establishment of a coordinated system for people experiencing homelessness, and the development of standards for program-types supported with CoC resources. A CoC Board must follow HUD guidelines including Federal conflict of interest regulations. More details about CoC responsibilities can be found in Attachment 1 – Establishing and Operating a Continuum of Care.

According to HUD, the CoC Board composition must: include at least one homeless or formerly homeless individual; and represent the relevant organizations and projects serving homeless subpopulations, such as persons with substance use disorders; persons with HIV/AIDS; veterans; the chronically homeless; families with children; unaccompanied youth, the seriously mentally ill; and victims of domestic violence, dating violence, sexual assault, and stalking.

Previously our County CoC was known as the Homeless Action Partnership (HAP). On June 10, 2021, the City of Capitola adopted the *Housing for a Healthy Santa Cruz Strategic Framework*, which specifically called for County staff to “design, launch, and operate a new regional coalition, anchored by a leadership and accountability structure.” County staff from the Housing for Health Division worked with the current HAP Board and Executive Committee to develop a new governance charter and CoC coalition structure consistent with the Framework.

On June 18, 2021, the HAP Board adopted a new governance charter that outlined a process for establishing a new CoC entity in 2022. The new governance charter is included as Attachment 2. The new CoC entity will be known as the Santa Cruz County Housing for Health Partnership and will be overseen by its Policy Board. Meetings will be open to the public with agendas and meeting minutes published on an accessible website.

The governance charter calls for the Policy Board to include nine jurisdictional, three operational, and three partner system representatives. Policy Board representatives will attend a minimum of six meetings per year and agree to serve for two-year terms. The jurisdictional representatives include appointments by city councils and the County Board of Supervisors. The cities of Watsonville and Santa Cruz have two appointments each. Capitola and Scotts Valley will share a seat and alternate appointing a representative to the Board for two-year terms. Capitola will be appointing one individual for the initial board.

Discussion: In support of the approved Housing for a Healthy Santa Cruz Strategic Framework, the current CoC Homeless Action Partnership (HAP) adopted a new governance charter intended to increase the effectiveness and impact of the CoC in preventing and ending homelessness in Santa Cruz County. The Capitola City Council plays an important role in appointing one representative to the new Santa Cruz Housing for Health Partnership Policy Board.

Rates of homelessness in the United States vary throughout the United States and California. Research has established strong correlations between rates of homelessness in each community and the housing affordability gap between household incomes and housing costs. However, the housing affordability gap alone does not fully explain different regional rates of homelessness. A variety of other factors contribute to homelessness including the ability of local health, housing, human service, and criminal justice systems to work collaboratively with the community on shared goals and initiatives focused on prevention and re-housing efforts. Nominees to the CoC Board should possess a commitment to the goal of ending homelessness; a passion for working in innovative, dynamic, and collaborative efforts; and a desire to bring personal and professional resources and influence networks into alignment with shared strategic plans and goals.

Consistent with the process used in other jurisdictions, the Mayor should propose a nomination to the new Policy Board. Capitola's City Manager has significant experience working on regional homeless issues as a long-serving member of the HAP Executive Committee. With that experience, and the technical nature of the work, Mayor Storey nominates Jamie Goldstein to represent the City of Capitola on the new Policy Committee.

Fiscal Impact: Appointment of a representative to the Santa Cruz Housing for Health Policy Board will have no direct financial impact on the City, other than the commitment of staff time to serve on the Board.

Attachments:

1. Establishing and Operating a Continuum of Care
2. Housing for Health Partnership Governance Charter

Report Prepared and Approved By: Chloe Woodmansee, City Clerk

2012

Establishing and Operating a Continuum of Care



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1. THE CONTINUUM OF CARE (CoC) PROGRAM

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act. Among other changes, the HEARTH Act consolidated the three separate McKinney-Vento homeless assistance programs (Supportive Housing Program, Shelter Plus Care program, and Section 8 Moderate Rehabilitation SRO program) into a single grant program known as the Continuum of Care (CoC) Program.

HUD published the [Continuum of Care Program interim rule](#) in the *Federal Register* on July 31, 2012. The rule was posted on HUD's website and now governs the CoC Program.

The CoC Program is designed to assist individuals (including unaccompanied youth) and families experiencing homelessness and to provide the services needed to help such individuals move into transitional and permanent housing, with the goal of long-term stability. More broadly, the program is designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

Each year, HUD awards CoC Program funding competitively to nonprofit organizations, States, units of local governments, and/or instrumentalities of State or local government collectively known as **recipients**. In turn, recipients may contract or subgrant with other organizations or government entities, known as **subrecipients**, to carry out the grant's day-to-day program operations.

1.1 Overview of CoC Program User Guide Series

A series of user guides is being developed to help CoCs, recipients, and subrecipients administer CoC Program funds (see box on next page). Recipients and subrecipients are the primary audience for the user guide series. All user guides will be accessible on the [Homelessness Resource Exchange](#) when they are available.

This user guide provides an overview of how to establish and operate a CoC, focusing on CoC governance and responsibilities.

Overview of Forthcoming CoC User Guide Series

Establishing and Operating a CoC: This user guide outlines how to create an effective and representative Continuum of Care in order to fulfill the roles and responsibilities set out in the CoC Program interim rule.

Introduction to Unified Funding Agencies (UFA): This user guide discusses the process for becoming a UFA and the roles and responsibilities that accompany it.

Determining and Documenting Homeless and At Risk Status, Income, and Disability: This user guide discusses the criteria used to define homelessness and at risk of homelessness, including income, disability, and associated recordkeeping requirements.

CoC Program Components and Eligible Costs: This user guide reviews the five CoC program components and the costs that recipients and subrecipients may incur in administering and operating CoC projects.

CoC Program Funding for Homeless Management Information System (HMIS): This user guide reviews the role of the HMIS within the CoC and the differences between eligible HMIS costs incurred by recipients as part of a project and eligible costs incurred by the HMIS lead in establishing, operating, and overseeing the use of the CoC's HMIS.

CoC Program's High-Performing Community: This user guide discusses how CoCs may become a high-performing community (HPC) and provide homelessness prevention assistance. It also outlines the populations that may be served, the specific activities that may be funded, and the additional requirements associated with administering the activities.

Project Administration and General Program Requirements: This user guide describes project administrative costs and general program requirements applicable to the CoC Program—regardless of which components are carried out—such as match, calculating rents and occupancy charges, timeliness standards, and terminations.

Grant Administration: This user guide reviews the standards for administering a CoC grant, including recordkeeping requirements and how to make project changes.

1.2 Citations within the Guides

Throughout this guide, you will see references to specific provisions of the McKinney-Vento Homeless Assistance Act as well as references to the Code of Federal Regulations (CFR). You may locate the relevant areas in the Act by visiting www.hudhre.info/documents/HomelessAssistanceActAmendedbyHEARTH.pdf.

To locate particular regulations, visit <http://www.ecfr.gov> and select Title 24 for the HUD regulations. You may then select the particular part by number that you want to read.

2. ESTABLISHING A CONTINUUM OF CARE

At its simplest, a Continuum of Care is established by representatives of relevant organizations within a geographic area to carry out the responsibilities set forth in the CoC Program interim rule.

HUD developed the concept of the CoC in 1995 through its annual competition for homelessness assistance grants. The CoC was envisioned as a local network that plans and coordinates funding for services and housing to assist homeless individuals and families. The HEARTH Act amendments to the McKinney-Vento Homeless Assistance Act codified in law the role and functions of the CoC; thus each community **must** establish a CoC in compliance with the new CoC Program interim rule. In some communities, very little will have to change to be in compliance with the requirements of the interim rule, but the rule gives CoCs more ability to formalize and change to better achieve the goals of the CoC Program. In other communities, more structure and formalization will need to be implemented to be in compliance with the program requirements.

Examples of CoC Representatives

- Nonprofit homelessness assistance providers
- Victim services providers
- Faith-based organizations
- Governments
- Businesses
- Advocates
- Public housing agencies
- School districts
- Social services providers
- Mental health agencies
- Hospitals
- Universities
- Affordable housing developers
- Law enforcement
- Organizations serving veterans
- Homeless or formerly homeless individuals

When establishing a CoC, communities must bear in mind that CoCs are designed to:

- Promote a community-wide commitment to the goal of ending homelessness
- Provide funding for efforts for rapidly re-housing homeless individuals and families
- Promote access to and effective use of mainstream programs
- Optimize self-sufficiency among individuals and families experiencing homelessness

The composition of each CoC is expected to be tailored to its unique community circumstances, to the extent possible involving all of the players required to further local efforts to end homelessness. The purpose of requiring stakeholder representation from a wide range of organizations within the CoC's geographic area is to ensure that all community stakeholders participate in developing and implementing a range of housing and services.

2.1 Community-wide Commitment

A CoC is expected to address homelessness through a coordinated community-based process of identifying needs and building a system of housing and services that addresses those needs. While the CoC's function is not new one, the CoC Program interim rule designates the CoC as the community planning body that addresses the needs of persons who are homeless or experiencing a housing crisis. Accordingly, the CoC must move beyond the evaluation and prioritization of specific projects to a system-wide evaluation of the community's response to homelessness.

2.2 Geographic Representation.

A CoC must determine the geographic area (one or more metropolitan cities, urban counties, and other counties) that it will cover with its housing and service plan for homeless persons and persons experiencing a housing crisis. The CoC membership should comprise representatives of relevant organizations within the given geographic area. The text box above lists examples of membership representatives.

A list of existing CoCs, the geographic areas encompassed by each, and the funding amounts that they may apply for is available on the [Homelessness Resources Exchange](#).

3. CoC RESPONSIBILITIES

The CoC Program interim rule formalizes the composition and responsibilities of the CoC and establishes minimum requirements for its operation and management. Formalizing the responsibilities of the CoC accomplishes several goals. First, it provides the framework for a comprehensive, well-coordinated, and clear planning process. Second, it allows CoCs to measure their effectiveness in reducing homelessness at both a system and project level rather than just at the level of individual projects funded by the CoC, and change strategies if they are not effective. Finally, it strengthens coordination between CoC-funded activities and other HUD-funded activities directed at ending homelessness, such as activities funded through the Emergency Solutions Grant (ESG) program.

3.1 Operating the CoC

The CoC Program interim rule establishes seven responsibilities that must be carried out by the CoC. Many CoCs already fulfill these responsibilities since previous CoC Homeless Assistance Grants competitions included them as scoring criteria. In addition, CoCs may choose to adopt other responsibilities to more effectively operate the CoC. The CoC is responsible for carrying out all activities specific in the interim rule, but may choose to assign the responsibilities to the CoC board, another organization, or another CoC work group. All responsibilities must be thoroughly documented in the CoC's governance charter. These responsibilities include the following:

1. **Regular meetings.** Hold meetings of the full membership, with published agendas, at least semiannually. CoCs may conduct membership meetings more often for purposes of activity planning, ongoing communication, staff training, etc.
2. **Invitation for new members.** Issue a public invitation for new members from within the CoC's geographic area at least annually.
3. **Board selection.** Adopt and follow a written process to select a CoC board to act on behalf of the CoC. The CoC must review, update, and approve the selection process at least once every five years. The CoC board must meet all requirements as specified in 24 CFR part 578.5(b) and as discussed in more detail in Section 4.1 of this user guide. Many of the operating responsibilities of the CoC may appropriately be assigned to the board.
4. **Additional committees.** Appoint additional committees, subcommittees, or work groups as needed.
5. **Governance charter.** In consultation with the collaborative applicant and the Homeless Management Information System (HMIS) lead, develop, follow, and update annually (1) a governance charter that includes all procedures and policies needed to comply with 24 CFR part 578.5(b) and with HMIS requirements as prescribed by HUD and (2) a code of conduct and recusal process for the board, its chair(s), and any person acting on behalf of the board.

6. **Monitoring.** Monitor recipient and subrecipient performance, evaluate outcomes, and take action against poor performers.
7. **Evaluation.** Establish performance targets appropriate for population and program type in consultation with recipients and subrecipients, then monitor recipient and subrecipient performance, evaluate outcomes, and take actions against poor performers.
8. **Centralized or Coordinated Assessment.** Establish and operate a coordinated assessment system, in consultation with the recipients of Emergency Solutions Grants program funds.
9. **Written Standards.** Establish and consistently follow written standards for providing CoC assistance, in consultation with the recipients of Emergency Solutions Grants program funds.

Governance Charter

The governance charter should detail the functions of the CoC board, the CoC's committee structure and roles, staff roles, and the process for amending the charter. Some CoCs may already have bylaws in place that are similar to a governance charter.

Coordinated Assessment

In consultation with recipients of ESG funds within the CoC's geographic area, the CoC must establish and operate, or designate, a centralized or coordinated assessment system that provides an initial, comprehensive assessment of the housing and services needs of individuals and families within the CoC's area. Further, the CoC must develop a policy that guides consistent operation of the centralized or coordinated assessment system, with respect to how the system will triage and address the particular safety needs of individuals and families who are experiencing homelessness. In addition, the policy must state how the system will address the needs of individuals and families that are fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking.

Some communities created coordinated assessment systems as part of the implementation of the Homeless Prevention and Rapid Re-Housing Program (HPRP), while other communities' systems pre-date HPRP. Whether a community is creating a new system or relying on an existing system, the coordinated assessment system must demonstrate compliance with the following minimum requirements:

- Cover the geographic area served by the CoC
- Be easily accessed by individuals and families seeking housing or services
- Be well advertised
- Include a comprehensive and standardized assessment tool

Written Standards

The CoC must establish and consistently follow written standards for providing assistance. The coordinated assessment system must incorporate these standards when evaluating and referring potential program participants. At a minimum, the written standards must include the following:

- Policies and procedures for evaluating individuals' and families' eligibility for assistance under the CoC Program

- Policies and procedures for determining and prioritizing which eligible individuals and families will receive transitional housing assistance
- Policies and procedures for determining and prioritizing which eligible individuals and families will receive rapid re-housing assistance
- Standards for determining what percentage or amount of rent each program participant must pay while receiving rapid re-housing assistance
- Policies and procedures for determining and prioritizing which eligible individuals and families will receive permanent supportive housing assistance
- If the CoC has been designated a High Performing Community (HPC), policies that address standards for high-performing communities, as described in the Emergency Solutions Grants program rule at 24 CFR part 576.400(e)(vi) through(e)(ix)

3.2 CoC Planning

The CoC is responsible for coordinating and implementing a housing and service system to meet the needs of the homeless population and subpopulations within its geographic area. Many of the planning activities set forth in the CoC program have been part of the CoC Homeless Assistance Grants competition application for many years as scoring criteria; therefore, many CoCs already have completed a plan to guide their activities. The CoC Program interim rule formalizes these planning responsibilities and specifies new responsibilities related to coordination with ESG recipient(s). CoC planning activities must adhere to the requirements established in the [CoC Program interim rule](#), in addition to the requirements and directions of HUD's Notices of Funding Availability (NOFAs).

The CoC's responsibilities related to planning are described below.

System Coordination

The CoC is responsible for coordinating and implementing a comprehensive system to address the needs of the homeless population and subpopulations and persons experiencing a housing crisis within its geographic area. While each community may develop its own approach to address identified needs, each community's system should at a minimum encompass the following:

- Outreach, engagement, and assessment
- Shelter, housing, and supportive services
- Homelessness prevention strategies

Given that funding under the CoC program is not sufficient to support a comprehensive system for addressing homelessness, additional funding from dedicated homeless programs, including ESG, and mainstream resources is needed to carry out a CoC's homelessness activities. Coordination of these funding streams and related services leads to a stronger community response to homelessness. The next page includes a discussion of the requirements for CoC coordination with ESG and mainstream resources.

Point-in-Time Count

At least biennially, or as required by NOFA, a CoC must plan for and conduct a point-in-time count of homeless persons within its geographic area. The count must:

- Identify the number of homeless persons who are living in a place not designed for or ordinarily used as regular sleeping accommodations for humans (unsheltered homeless persons)
- Identify the number of homeless persons living in emergency shelters and transitional housing projects (sheltered homeless persons)
- Identify other requirements established by HUD by Notice, including the annual FY CoC Program NOFA

Annual Gaps Analysis

A CoC must conduct an annual gaps analysis of the homeless needs and services available within its geographic area, which includes a housing inventory.

Consolidated Plan Information

A CoC must provide the information required to complete the Consolidated Plan(s) for its geographic area.

ESG Consultation

A CoC must consult with State and local government ESG recipients within its geographic area with respect to the plan for allocating ESG funds and reporting on and evaluating the performance of ESG recipients and subrecipients.

3.3 Designating and Operating an HMIS

A Homeless Management Information System (HMIS) is an invaluable tool for communities and HUD to develop better information on the nature of homelessness, the number of people experiencing homelessness, the existing patterns in housing programs and services, and the effectiveness of programs and services in addressing homelessness. An HMIS must be used by the CoC and all recipients of CoC and ESG program funds to meet HUD's data collection, management, and reporting standards. Recipients and subrecipients are required to collect data on individual clients and the provision of housing and services to homeless individuals and families, and persons at risk of homelessness.

The CoC is accountable for the HMIS, even if another organization is designated to operate it. The CoC is responsible for the following HMIS functions:

- **HMIS.** Designating a single HMIS for its geographic area.
- **HMIS lead.** Designating a single eligible applicant to serve as the HMIS lead to manage the HMIS. Eligible applicants include nonprofits, State or local governments, or instrumentalities of State or local governments.
- **HMIS Compliance.** Ensuring that the HMIS is administered in compliance with requirements prescribed by HUD.
- **Privacy, security, and data quality.** Reviewing, revising, and approving an HMIS privacy plan, security plan, and data quality plan.
- **HMIS participation.** Ensuring the consistent participation of recipients and subrecipients in the HMIS.

For more information, see the user guide on [CoC Program Funding for HMIS](#).

3.4 Preparing the Application for CoC Program Funds

A major function of the CoC is to prepare and oversee the development and submission of an annual application for CoC program funds. The process must involve the steps described below.

Funding Priorities

A CoC must establish priorities for funding projects in its geographic area. The selection process must be transparent and inclusive and based on the standards indicated in 24 CFR part 578.19(b).

Collaborative Application Process

A CoC must design, operate, and follow a collaborative process for developing applications and approving the submission of applications in response to a NOFA published by HUD in concert with the funding priorities and plan adopted by the CoC. The CoC should also ensure that all project applications are submitted by eligible applicants.

HUD may only award CoC funds to nonprofit organizations, States, units of local governments, and/or instrumentalities of State or local government, collectively known as **recipients**. In turn, recipients may subgrant with other nonprofit organizations, States, units of local government, and/or instrumentalities of State or local government—known as **subrecipients**—to assist in the day-to-day operations of the CoC program. A recipient is an applicant that signs a grant agreement with HUD. Eligible applicants include public housing agencies, as such term is defined in 24 CFR 5.100, without limitation or exclusion.

The Collaborative Applicant

A CoC must designate an eligible applicant to serve as the collaborative applicant. If the CoC is an eligible applicant, it may designate itself to be the collaborative applicant. If the CoC chooses to apply for CoC planning funds, the collaborative applicant is also the only eligible applicable able to apply for these funds on behalf of the CoC.

The collaborative applicant is the entity that submits the annual CoC Consolidated Application for funding on behalf of the CoC. In CoCs where the CoC does not also designate the collaborative applicant to apply to be a Unified Funding Agency, as is discussed below, the annual CoC application may include requests for project funding from more than one eligible applicant. If more than one project is applying for funding, then the entity designated by the CoC as the collaborative applicant is charged with collecting and combining the application information from all applicants for all projects within the CoC's geographic area.

The CoC retains all of its responsibilities, even if it designates one or more eligible applicants other than itself to apply for funds on behalf of the Continuum. This includes approving the application for funds.

Unified Funding Agency

The CoC may designate the collaborative applicant to seek Unified Funding Agency (UFA) designation. A collaborative applicant may request UFA designation through the annual CoC Program Registration process. HUD will inform the collaborative applicant and the UFA if it meets the required criteria.

If approved by HUD, the UFA must carry out all of the responsibilities of the collaborative applicant as well as additional requirements that are set forth in the CoC Program interim rule. In order to be considered for UFA designation, collaborative applicants are required to:

- Represent a CoC that meets the requirements in 24 CFR part 578.7 of the CoC Program interim rule
- Have financial management systems that meet the standards in 24 CFR part 84.21 (for nonprofit organizations) and 24 CFR part 85.20 (for States)
- Demonstrate the ability to monitor subrecipients
- Demonstrate and/or address any additional criteria that HUD may require by NOFA

If, after reviewing information submitted by the collaborative applicant addressing the above requirements, HUD designates the collaborative applicant as a UFA, the collaborative applicant has the following additional responsibilities:

- Apply for funding for all projects within the geographic area and enter into a grant agreement with HUD for all of the projects.
- Enter into legally binding grant agreements with subrecipients, and receive and distribute funds to subrecipients for all projects within the geographic area
- Require subrecipients to establish fiscal control and accounting procedures necessary to assure proper disbursement of and accounting for federal funds in accordance with the requirements of 24 CFR parts 84 and 85 and corresponding OMB circulars
- Obtain approval of any proposed grant agreement amendments by the CoC before submitting a request for an amendment to HUD

The CoC retains all of its responsibilities, even if it designates a UFA other than itself to apply for funds on behalf of the Continuum. This includes approving the application for funds.

4. OVERVIEW OF CoC GOVERNANCE AND STRUCTURE

At the core of the CoC responsibilities described earlier is the mission of leading the community in finding solutions for preventing and ending homelessness. The CoC needs to create a structure to fulfill this and the other duties referenced in Section 3 of this user guide. While each community may bring different players to the table to participate in and lead the CoC, HUD expects participation of representatives from all relevant organizations (as discussed in Section 2 of this guide), requires each CoC to establish a board, and provides flexibility to CoCs to establish additional committees or workgroups to help carry out its planning and operations responsibilities. This section of the guide details the requirements for CoC governance and structure as described in 24 CFR part 578.5.

4.1 CoC Board Requirements

Given that a CoC consists of many community stakeholders, each CoC must establish a board that is selected in compliance with the process approved by the CoC. The process is established as a requirement at 24 CFR part 578.7(a)(3). The Board must comply with the conflict of interest requirements at 24 CFR part 578.95(b).

The CoC Program interim rule establishes two characteristics of board composition. According to the rule, the board must:

- (1) Include at least one homeless or formerly homeless individual
- (2) Represent the relevant organizations and projects serving homeless subpopulations, such as persons with substance use disorders; persons with HIV/AIDS; veterans; the chronically homeless; families with children; unaccompanied youth; the seriously mentally ill; and victims of domestic violence, dating violence, sexual assault, and stalking.

One board member may represent the interests of more than one homeless subpopulation, and the board must represent all subpopulations within the CoC to the extent that someone is available and willing to represent that subpopulation on the board.

In order for the CoC board to carry out activities, the CoC must assign responsibilities to the board, which may include some of the requirements discussed in Section 3 of this User Guide. All roles and responsibilities must be reflected in the governance charter, along with a code of conduct and recusal process for the board, its chair(s), and any person acting on the board's behalf. The governance charter must be reviewed and updated, annually.

The CoC must comply with the requirements related to establishing the board and its composition by August 30, 2014, two years from the effective date of the CoC Program interim rule. It is possible that, in some communities, a board already meets the requirements described above. In that case, the CoC needs to ensure that it has reviewed and approved the written process for selecting the board in the last five years and followed that process when selecting the current board.

4.2 CoC Subcommittees and Work Groups

The CoC may appoint additional committees, subcommittees, and work groups as needed to carry out its work. Each CoC is responsible for determining the most effective committee structure for its community. The following are examples of some areas that may fall under the purview of committees and work groups:

- Application Review
- Point-in-Time Count
- Centralized Intake
- HMIS
- Performance Measurement
- Discharge Planning

All committees, subcommittees, and work groups responsibilities' must be documented in the governance charter that is reviewed and approved annually by the CoC.

5. FUNDING FOR ELIGIBLE COC PLANNING COSTS

One of the major changes under the CoC Program interim rule is the availability of funding to support CoC planning costs. This section considers the amount of funding available and eligibility to apply for these funds.

5.1 Amount Available

Up to 3 percent of a CoC's Final Pro Rata Need amount, or a maximum amount established by NOFA, will be available for CoC planning activities. Each year HUD will announce the exact percentage and maximum amount available for planning activities.

5.2 Eligible Applicants for CoC Planning Funds

Only the designated collaborative applicant may apply for and receive CoC planning funds, which may be used to complete any of the activities described in Section 3 of this user guide and outlined at 24 CFR part 578.39.

**SANTA CRUZ COUNTY HOUSING FOR HEALTH PARTNERSHIP
GOVERNANCE CHARTER
Adopted June 18, 2021**

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ARTICLE 1: PURPOSE AND AUTHORITY

The Santa Cruz County Housing for Health Partnership (the Partnership) aligns and develops resources, stakeholders, and collective wisdom across the greater Santa Cruz community to promote public health and work toward preventing and ending homelessness within the county.

The Partnership serves as the community's designated Housing and Urban Development (HUD) Continuum of Care (CoC) governance entity in compliance with the requirements of federal regulations governing receipt of CoC funding, 24 Code of Federal Regulations (CFR) Part 578. This charter was developed in partnership with the Homeless Management Information System (HMIS) lead agency, the CoC collaborative applicant, and the HUD Coordinated Entry implementation lead. Elements of this charter that reflect federal requirements are identified with a blue parenthetical note ([CoC Requirement](#)).

ARTICLE 2: STRUCTURE

The Partnership consists of:

1. A **Policy Board** responsible for high level planning and decision-making. The Board sets overall policy direction and provides system oversight. The Board delegates implementation, operational, and planning responsibilities to specific Operational Committees and Working Groups. See Article 3.
2. **Operational Committees and Working Groups** providing recommendations, input and guidance on key operational issues, resource needs, and areas for policy change and improvement. Operational Committees have decision-making authority as delegated by the Board. Operational Committees have formally established memberships with participation expectations. **Working Groups** form as needed and evolve over time based on evolving community needs, priorities, and opportunities. Working Groups bring together particular individuals with roles and responsibilities relevant to a specific focus area. Working groups coordinate local efforts and provide input and advice to the Policy Board or Operational Committees. See Article 4.
3. The **General Membership** consisting of any individual in the community interested in joining the collective effort to prevent and end homelessness in the community. Membership expectations are set by the Policy Board. The Policy Board may request formal input or votes from the General Membership on specific topics. The General Membership nominates and selects three people to sit on the Policy Board. See Article 5.
4. **Staffing** for the Partnership is provided by the Santa Cruz County Human Services Department, Housing for Health Division (H4H). See Article 6.

ARTICLE 3: POLICY BOARD

1. Responsibilities of the Board

The Policy Board has the following responsibilities:

- a. Create and/or adopt guiding principles, system objectives, equity goals and community-level plans for addressing homelessness, starting with the *Housing for a Healthy Santa Cruz Strategic Framework* and including revisions and updates.
- b. Review and approve six-month work plans to implement the *Housing for a Healthy Santa Cruz Framework and subsequent revisions to the Framework*.
- c. Review and approve funding recommendations developed by Operational Committees or other entities.
- d. Approve applications for HUD Continuum of Care (CoC) and Emergency Solutions Grant (ESG) funding and any funds from the State of California or other sources that require CoC oversight, management, approval or coordination. (CoC Requirement).
 - i. Designate a Collaborative Applicant for CoC funding. The current Collaborative Applicant is H4H.(CoC Requirement).
 - ii. Designate a Committee composed of non-conflicted members to review, rate, and rank CoC applications and present a final Project Priority List to the Policy Board for approval (CoC Requirement).
- e. Review and approve operational standards, policies and high-level procedures for components of the housing crisis response system including, but not limited to, Coordinated Entry. (CoC Requirement).
 - i. Designate a Coordinated Entry Management Entity and an Evaluation Entity. (CoC Requirement).
- f. Conduct high level evaluation of the system and make high level recommendations for continuous improvement. (CoC Requirement).
 - i. Conduct high level tracking of progress towards goals and outcomes in *Housing for a Healthy Santa Cruz and subsequent Framework revisions* and related six-month work plans, as well as progress towards other emerging priorities and activities.
 - ii. Designate an entity to manage the HUD mandated Homeless Management Information System (HMIS) and provide oversight for HMIS. The current HMIS management entity is H4H (CoC Requirement).
 - iii. Approve the methodology and publication of the final results for the bi-annual Point in Time (PIT) Count. (CoC Requirement).
- g. Provide direction to staff related to high-level communications and reports to stakeholders on results of investments and operations of the system and progress on Framework goals.
- h. Review applications for membership to Operational Committees that have decision-making authority and make appointments to those Committees.

- i. Ensure appropriate consultation and coordination with CoC, HUD Emergency Solutions Grant (ESG), and other funding recipients when such efforts are required by HUD or other funding agencies.
- j. Provide guidance to staff on how to support local jurisdictions in their completion of HUD Consolidated Plans, Annual Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER).

2. Board Membership

The Policy Board consists of 15 community leaders and stakeholders who represent different entities and constituencies with significant experience and/or resources to address the issue of homelessness. Slots on the Board fall into 3 categories: jurisdictional representatives, Operational Committee or Working Group representatives, and partner system representatives. At least one member of the Board must have had lived experience of homelessness at some point in their lives. The Policy Board nominating entities will strive to ensure two or more Policy Board members will have lived experience.

Stakeholder Group or Entity	Number of Seats	Eligible Representatives
A. Jurisdictional Representatives	9	May be filled by elected officials, government staff, or other citizens.
City of Santa Cruz	2	
City of Watsonville	2	
City of Scotts Valley/City of Capitola (alternating appointments)	1	
County of Santa Cruz	4	
B. Operational Committee or Working Group Representatives	3	At least 1 must be a person with lived experience.
C. Partner System Representatives	3	May come from non-profit, for-profit, public agencies or philanthropic entities.
Health Sector	1	
Workforce/Business/Foundation Sector	1	
Education Sector	1	

The CoC regulations require that the CoC Board must “be representative of the relevant organizations and of projects serving homeless subpopulations; and include at least one homeless or formerly homeless individual.” Board members will complete a brief checklist noting which organizations and groups they represent. Members may represent more than one stakeholder group.

3. Appointments to the Board

HUD CoC regulations require that the process for appointing Board members will be reviewed, updated, and approved at least once every five years. Members will be appointed by an existing or to-be-created entity or body that represents that sector, as follows:

- a. Jurisdictional Representatives will be appointed by the jurisdiction’s respective elected body (City Council or County Board of Supervisors). Jurisdictional representatives may be elected officials, staff of the jurisdiction, or community representatives determined by the appointing body to represent

the interests and concerns of the jurisdiction. For members appointed by the County, no more than two may be elected officials. City jurisdictions may appointment up to two elected officials.

- b. Operational Committee or Working Group Representatives will be appointed by the General Membership and must include at least one person with lived experience of homelessness.
- c. Partner System Representatives will be appointed by entities representing the work of the designated sector and will be recruiting and recommended by H4H staff. The existing Policy Board will confirm sector representatives to be added to the Board. Criteria for selection of representatives will include:
 - i. Organization brings funding or other policy/systems change levers to the table
 - ii. Organization or individual within organization is motivated and committed to taking action to address homelessness
 - iii. Nominees represent the interests and concerns of the appointing organization and of the field of interest.

4. Board Terms

Board Members will serve two-year terms. Each appointing body may determine if they will impose term limits on their representatives. If a member leaves before their two-year term is completed, their appointing body will appoint a replacement to serve out the remainder of their term.

5. Board Member Responsibilities

Each member will sign a written set of commitments for serving as a Board member, including:

- a. A code of conduct ([CoC Requirement](#)), including agreement to abide by HUD (Title 24 Code of Federal Regulations {CFR} part 578.5) and Policy-Board adopted conflict of interest regulations and recusal processes for the Board, its chair(s), and any person acting on behalf of the Board.
- b. Standards for Board service including expectations for attendance, preparation, and other responsibilities.
- c. All regular Members of the Board shall attend all meetings. A pre-designated alternate may be established. Alternates shall receive and remain informed about all meeting materials but shall only attend when the primary member has an unavoidable reason for not attending.

Board members who fail to uphold their responsibilities may be removed by an action of the Board.

6. Officers

The Board will elect two co-chairs. Co-chairs may represent any of the three categories of representation but may not both be representatives from the same category type.

The co-chairs are responsible for working with staff to develop meeting agendas and to chair Board meetings. Staff will assist with meeting facilitation and the presentation of agenda items.

The co-chair terms will be two years. A co-chair may be appointed for a subsequent term at the discretion of the Board. The co-chair terms will be staggered so that they do not both change in the

same year. To provide for staggering, one of the first two co-chair terms under this Charter will be a special one-year term; thereafter, the term will revert to two years.

7. Meetings of the Board

a. Brown Act

The Policy Board is subject to the Brown Act and all meetings will be conducted in alignment with those requirements.

b. Frequency

The Board will meet at least every other month at a regularly scheduled time. Meetings may be held with more frequency in the first year of Board operations.

c. Decision-Making

Board decisions and actions are made through consensus. However, in cases where consensus cannot be reached, the decision will be subject to a simple majority vote.

d. Quorums

The Board must have a quorum to take any action, either by consensus or by vote. A quorum is defined as a majority of current members. When all 15 Board seats are filled, 8 members shall constitute a quorum.

e. Meeting Notification

A meeting notice and agenda shall be publicly posted at least 72 hours prior to each Board meeting.

f. Public Comment and Standing Agenda Items

Each Board meeting shall include opportunities for public comment, in accordance with the Brown Act. Operational Committee and Working Group reports shall be standing agenda items.

ARTICLE 4: OPERATIONAL COMMITTEES AND WORKING GROUPS

1. Authority

The Partnership Policy Board may create Operational Committees with decision-making authority as delegated by the Board or Working Groups advisory to the Policy Board and Operational Committees.

- a. **Decision-Making Operational Committees.** For Committees with decision-making authority, the Board shall appoint a Chair that is a member of the Policy Board. Seats on decision-making Committees must be filled by a process where members apply for Board approval and appointment. The Board will task decision-making Committees with a specific work plan detailing objectives, activities, and specific decisions to be made. Decision-making Committee members must sign the same Code of Conduct and responsibilities documents as Board Members. Committees make decisions following the same guidelines as the Policy Board and Committee meetings also follow Brown Act guidelines for public participation and comment opportunities.

- b. Working Groups. Working Groups are not required to have Board members as chairs and membership of these groups may be self-selecting or managed by H4H as staff.

Committees and Working Groups may be Standing (ongoing) or Ad Hoc (short term). This Charter describes an initial set of Standing Committees and Working Groups which may be modified by Board Action.

Any Committee may create working groups designated to work on specific tasks. Working groups do not require any approval by the Board.

All committee members may receive support and training to enable them to participate in the work of the Committee. Members who are not compensated through their employment may be compensated for their work by H4H through stipends, depending on the availability of funding.

2. System Operations, Data and Evaluation (Smart Path to Housing and Health) Committee

a. Responsibilities

The System Operations, Data and Evaluation Committee is a decision-making committee with authority delegated by the Board through an annual work plan. Given its expansive scope, this Committee may form work groups to carry out its work. At a minimum, this committee is required to consult with and include Emergency Solutions Grant (ESG) and Continuum of Care (CoC) grant recipients related to the responsibilities outlined below.

System Policies and Standards

- i. Develop operational standards, policies and high-level procedures for components of the system, including how people access and are prioritized for each component (CoC Requirement):
 - a. Coordinated Entry (Smart Path)
 - b. Housing Problem Solving and Prevention
 - c. Outreach
 - d. Temporary shelter and transitional housing
 - e. Rapid rehousing and other time-limited subsidy program models (standards to include policies for determining what percentage or amount of rent each program participant must pay)
 - f. Permanent supportive housing and other housing dedicated for people experiencing homelessness
 - g. Supportive services dedicated to people experiencing homelessness

Standards must include required system policies such as those required under the Violence Against Women Act (VAWA). (CoC Requirement)

- ii. Oversight and evaluation of the HUD mandated Coordinated Entry System (CES). (CoC Requirement)

- iii. Establish a mechanism for client and community feedback and complaints to be handled at the system level and used to make system level improvements, when appropriate.

Data and Performance Measurement

- i. Building from HUD's required System Performance measures, establish performance measures and targets for the system and its component parts, as listed above. Targets to be brought to Policy Board for approval.
- ii. Evaluate the housing crisis response system and develop continuous strategies for improvement; implement Results-Based Accountability (RBA) across the system.
- iii. Develop and manage systems for collecting and managing data needed to track performance and evaluate the system, including:
 - a. Review, revise, and approve a privacy plan, security plan, and data quality plan for the HMIS. (CoC Requirement)
 - b. Conduct the HUD required Point in Time Count (PIT), not less than every other year and with a goal of moving to annual. (CoC Requirement)
 - c. Conduct a regularly updated inventory of the system and map of the resources available to respond to homelessness, including maintaining and updating the HUD required Housing Inventory Count (HIC) (CoC Requirement)
 - d. Quantify system gaps and needs on a regular basis (CoC Requirement)
 - e. Produce regular reports to funders (including HUD), local leadership, community members and other stakeholders as needed to understand and assess the performance of the system. (CoC Requirement)
 - f. Coordinate with local jurisdictions to identify the information they need and facilitate needed data collection and sharing between organizations.
 - g. Maximize data transparency between County, cities, service providers and the general public.
 - h. Ensure compliance with HUD HMIS requirements.
 - i. Ensure consistent and active participation of agencies in HMIS including required and desired participating agencies.

b. Membership

The System Operations, Data and Evaluation Committee shall have 15 representatives. Membership must represent a cross-section of expertise in program types and subpopulations as well as geographical diversity. Membership must represent the relevant organizations and projects serving homeless populations, such as persons with substance use disorders, persons with HIV/AIDS, veterans, the chronically homeless, families with children, unaccompanied youth, the seriously mentally ill, and victims of domestic violence, dating violence, sexual assault and stalking. include representation in the areas identified below according to HUD guidelines.

System Operations, Data and Evaluation Committee members shall be appointed by the Policy Board and must include a chairperson who is a Board member and responsible for reporting to the Board on behalf of the Committee.

c. Meetings

The System Operations, Data and Evaluation Committee shall meet monthly.

3. Cross Jurisdictional Finance Working Group

a. Responsibilities

The Cross Jurisdictional Finance Working Group is an advisory group that holds responsibility for:

- i. Working toward aligning funding to support a Board-approved coordinated framework to address homelessness.
 - a. For funding sources for which the Partnership Board has approval authority (e.g., CoC funding, State HHAP funding), the Funding Work Group will assist the Board with creating local non-conflicted application review committees or panels as needed. ([CoC Requirement](#))
 - b. For funding sources for which the Partnership Board does not have approval authority, the Funding Committee will coordinate with, advise or provide guidance to share with the approving bodies for those sources, in alignment with the Partnership's overall strategy (e.g., coordinating with the County Health Services Agency on use of Health Care for the Homeless funding, or providing recommendations to the City of Santa Cruz on use of Community Development Block Grant {CDBG} funds for homeless services).
- ii. Coordinate and advocate with partner systems of care (e.g., behavioral health, workforce development, others) to reduce barriers and facilitate access and quality support for people experiencing and at-risk of homelessness, align strategies and resources, and share data and information.
- iii. Seek resources to support increased household incomes and employment among people at-risk of or currently experiencing homelessness.

b. Cross Jurisdictional Finance Working Group Membership

Membership in this Working Group will change over time to include key representatives from public funding agencies and private philanthropic entities. The Policy Board will provide guidance to Housing for Health staff on key parties to include in Working Group conversations. The Working Group should strive for inclusion of key city, county, and private sector funding representation on an ongoing basis with additional participants as appropriate for topics.

c. Meetings

The Funding Committee shall meet at least quarterly.

4. Lived Experience Working Group

a. Responsibilities

The Lived Experience Working Group provides recommendations and advice to the Policy Board and Operational Committees on system operations, data, evaluation, and any other topics relevant to improvement of the community's response to homelessness.

b. Membership

The Lived Experience Working Group will consist of a minimum of 8 members but no more than 13 who are either currently experiencing homelessness or who have experienced homelessness. H4H will staff this Group and identify members through outreach to the community.

c. Meetings

Meetings will be coordinated by H4H staff and will be held at accessible and equitable locations. Meeting frequency will be at the discretion of the Working Group but will occur at least six times per year.

5. Youth Advisory Working Group

a. Responsibilities

The Youth Working Group provides recommendations and advice to the Policy Board and Operational Committees on system operations, data, evaluation for all elements of the system that impact transition age youth, and in particular for those components funded by the HUD Youth Homelessness Demonstration Program (YHDP). ([CoC Requirement](#))

b. Membership

The Youth Advisory Board currently consists of 8 members with a plan to expand up to 13. The YAB is staffed by H4H and Encompass Community Services, who identify members through outreach to the community.

c. Meetings

Meetings are coordinated by H4H and Encompass Staff. Meeting frequency will be at the discretion of the Working Group but will occur at least six times per year.

6. Housing and Capital Working Group

a. Responsibilities

The Housing and Capital Working Group provides recommendations and advice to the Policy Board and Operational Committees on the development of housing and other capital infrastructure (e.g., emergency shelters) needed to meet the needs of people experiencing homelessness.

- i. Seek resources to expand affordable housing for extremely low-income households and advocate for the inclusion of people experiencing homelessness in new housing developments

- ii. Conduct legislative and policy advocacy to expand the supply of affordable housing
- iii. Manage a cross jurisdictional housing pipeline working group to plan for and track progress on the planning, siting, development, and service provision for housing designed or dedicated to serving people experiencing or previously homeless.
- iv. Advise on siting and development of shelters and other temporary programs
- v. Advise on tenant protection policies and practices
- vi. Advise on use of federal Housing Choice Vouchers and other Housing Authority programs to address needs of people experiencing homelessness
- vii. Advise on land use and other policies to increase the supply of affordable housing, including updating of Housing Elements

b. Membership

The Housing and Capital Working Group will initially include County staff from multiple departments and expand membership participation over time to work on specific project and areas of focus. The goal is to expand membership over time to enhance the scope and impact of this working group.

c. Meetings

This Working Group shall meet at least quarterly.

7. Ad Hoc Committees or Working Groups

The Board shall empanel Ad Hoc Committees or Working Groups as needed to address emerging or new issues. Ad Hoc Committees shall have decision-making authority and Working Groups will serve an advisory function.

ARTICLE 5: GENERAL MEMBERSHIP

The full membership of the Partnership is open to any interested individual who wishes to join with a personal commitment to contribute to the goal of preventing and ending homelessness within Santa Cruz County. Members join by submitting their name and contact information to the H4H staff and completing a membership participation agreement. The Partnership must issue a public invitation for new members at least once per year.

HUD regulations require that the CoC general membership is representative of a broad range of organizations, including: *“nonprofit homeless assistance providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, and organizations that serve veterans and homeless and formerly homeless individuals.”* Members will complete a brief questionnaire asking them to indicate which stakeholder groups they represent. A single member may represent multiple groups.

Members are encouraged to participate in committees, working groups, and to attend general membership meetings. Members who miss two general membership meetings may be removed from the membership.

Responsibilities of the General Membership include, but are not limited to:

- Identifying volunteers to support the annual Point in Time Count and other data gathering efforts
- Conducting an annual feedback survey on efforts of the Housing for Health Partnership
- Supporting community education and outreach efforts
- Voting or providing feedback on items as requested by the Policy Board

The full membership holds bi-annual meetings, with published agendas. ([CoC Requirement](#))

The full membership selects the three Operational Committee members to the seats on the Policy Board. Members submit applications to H4H which are then presented to the Membership at one of its bi-annual meetings. In the event there is more than 1 application for a given seat, the Membership shall conduct an election for the open seat.

ARTICLE 6: PARTNERSHIP STAFFING

The County of Santa Cruz Human Services Department (HSD) Housing for Health (H4H) Division will staff the Partnership. Staffing responsibilities include, but are not limited to:

- Implementation of the overall vision and direction set forth in the Strategic Framework, with oversight from the Policy Board, through:
 - Developing and presenting six-month work plans for approval by the Policy Board
 - Managing funding processes (developing recommendations, applying for funds, managing grants, issuing RFPs, managing contracts)
 - Setting performance measures and tracking progress
 - Gathering and analyzing data
 - Conducting ongoing housing crisis system and program evaluation and planning
 - Developing policies and standards for programs and components that are part of the response system
- Identifying and inviting participation from Partner System Representatives
- Staffing the meetings of the Policy Board, Operational Committees, and General Membership meetings, including developing agendas, drafting and presenting staff reports and other materials, taking and publishing meeting notes, and meeting logistics (scheduling, room reservations, meeting announcements, etc.)
- Providing training and technical assistance to any Operational Committee members who may need support to participate, including members of the Youth Advisory Board and Lived Experience Board.
- Providing compensation and other support to members per guidance from the Policy Board
- Coordinating and aligning the work of County and city staff working on homelessness
- Supporting training and capacity building throughout the system

- Maintaining an information clearinghouse on issues related to homelessness in Santa Cruz County.
- Reporting and communication with the public
- Responding to input and concerns from the public, including people with lived experience of homelessness

ARTICLE 7: CHARTER AMENDMENTS

On an annual basis, the Policy Board in conjunction with the HMIS lead, CoC collaborative applicant, and other stakeholders, shall review and update this Charter as needed. Amendment of the charter requires a majority vote if consensus cannot be reached.