

# City of Scotts Valley

## 2012 / 2013 Preliminary Budget

Donna Lind  
Mayor

Randy Johnson  
Vice Mayor

Stephany E. Aguilar  
Council Member



Dene Bustichi  
Council Member

Jim Reed  
Council Member

Stephen H. Ando  
City Manager

**CITY OF SCOTTS VALLEY**

**2012 / 2013**

**PRELIMINARY BUDGET**

<b>Donna Lind</b>	<b>Mayor</b>
<b>Randy Johnson</b>	<b>Vice Mayor</b>
<b>Stephany E. Aguilar</b>	<b>Council Member</b>
<b>Dene Bustichi</b>	<b>Council Member</b>
<b>Jim Reed</b>	<b>Council Member</b>
<b>Stephen H. Ando</b>	<b>City Manager / Acting Finance Director</b>
<b>Kirsten Powell</b>	<b>City Attorney</b>
<b>Tracy Ferrara</b>	<b>City Clerk</b>
<b>John Weiss</b>	<b>Chief of Police</b>
<b>Ken Anderson</b>	<b>Public Works Director / City Engineer</b>
<b>Corrie Kates</b>	<b>Community Development Dir / Deputy City Manager</b>

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2012 / 2013

## PRELIMINARY BUDGET

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# CITY OF SCOTTS VALLEY

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## OFFICE OF THE CITY MANAGER

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June 15, 2012

Honorable Mayor and City Council  
City of Scotts Valley  
One Civic Center Drive  
Scotts Valley, CA 96066

**SUBJECT: 2012-13 Fiscal Year Budget**

Honorable Mayor and City Council:

It is with pleasure that I submit to the City Council the budget for fiscal year 2012-2013. Below is a discussion of the larger funds that comprise the budget of the City of Scotts Valley.

Before the General Fund budget overview, a discussion of the impact of the elimination of redevelopment agencies on the General Fund is in order to better understand the changes from the 2011-12 budget.

As you know, redevelopment agencies were eliminated as of February 1, 2012. The agencies are winding down by paying off their enforceable obligations (bonds, loans, contracts, etc.). Property taxes that used to go to the former redevelopment agencies are now placed in a separate fund for each former redevelopment agency by the County. From this fund the County distributes funds to the successor agencies to make their enforceable obligation payments. Any remaining revenues would then be distributed to the taxing entities in proportion to their receipt of regular property taxes.

Per a review of the payments required and the projected revenues to be received for the Successor Agency of the Scotts Valley Redevelopment Agency, it is estimated that there will be no revenues to be distributed to taxing agencies for about six years. When the former Suburban parcel is sold, those proceeds will be distributed to the taxing agencies in proportion to their receipt of regular property taxes. It is unknown at this time when the property will be sold. Therefore, no additional property tax revenues have been budgeted for 2012-13.

There are some other revenues budgeted due to the elimination of redevelopment agencies. There is \$150,000 budgeted for repayment of the loan from the General Fund to the former Scotts Valley Redevelopment Agency. In addition, the Successor Agency is allowed \$250,000 for administrative costs of which \$190,000 is provided by City staff. This amount is budgeted as cost reimbursement in the General Fund. Both the loan repayment and cost reimbursement amounts will offset the additional costs being absorbed by the General Fund from the Redevelopment Agency. Those costs are discussed next.

Costs that were previously paid from redevelopment agency revenues are now being paid from the General Fund effective with the 2011-12 fiscal year. This primarily relates to staff costs. The City Manager was also the Executive Director of the former Redevelopment Agency. Planning and Public Works staff also performed work for the Redevelopment Agency with a portion of their costs allocated to the Agency. At the time of the adoption of the 2011-12 General Fund budget, the fate of the redevelopment agencies was unknown. Therefore, there will be large variances in some of the departments' salaries and benefits accounts.

**GENERAL FUND OVERVIEW**

On June 4, 2012, the court ordered the County of Santa Cruz to begin paying the additional property taxes owed to the City of Scotts Valley. Back taxes amount to approximately \$2,179,000. This amount will be paid in three annual payments beginning September 1, 2012. Ongoing additional property taxes in the future will be approximately \$215,000 annually. Therefore, an additional \$925,000 of property taxes is being budgeted in the General Fund for 2012-13.

Fiscal year 2012-13 is being budgeted with an approximately \$336,000 deficit as shown below.

Revenues	\$8,112,650	
Transfers In	<u>247,000</u>	\$8,359,650
Expenditures	8,638,327	
Transfers Out	<u>57,428</u>	<u>8,695,755</u>
Net Deficit		<u>(\$336,105)</u>

The fund balance, or reserve, of the General Fund is projected to be \$3,083,000 at June 30, 2012. With this fund balance and the additional property tax revenues, the City will be able to maintain its current service level for approximately five years. However, the General Fund reserve would be precariously low at the end of that time. The proposed new hotel on Scotts Valley Drive and other revenue generating projects as well as further cost saving measures will be needed in order to balance the budget.

The City General Fund budget incorporates all of the following:

- One day per month furlough (a day off with no pay) which saves just over \$100,000 per year.
- The City is still continuing its hiring freeze initiated about eight years ago.
- Revenues reflect the State taking property taxes from the City of approximately \$320,000 per year for the Educational Revenue Augmentation Fund (ERAF). To date, the City has lost \$6,816,000 to ERAF and SERAF shifts since 1992-93 fiscal year.
- Loss of approximately \$54,000 due to the State shifting Vehicle License Fee revenues for other purposes.

**GENERAL FUND REVENUE**

Below is a discussion of some of the larger revenue accounts and categories.

**Sales tax** is projected to increase 8% in 2011-12 from the previous fiscal year. A comparison of the latest four quarters to the same period a year ago shows that the largest dollar increase is coming from service stations which increased 25% over

the same period a year ago. This should be no surprise with the steady increase in the price of gasoline. The increase from service stations represented over half of the increase from all categories combined from the prior year. Sales tax is being budgeted in 2012-13 at \$1,850,000, the same as the 2011-12 projected amount.

**Transient occupancy tax (TOT)** has rebounded significantly in 2011-12. For the second and third quarters of the fiscal year, TOT has been 38% over the same quarters from the previous fiscal year. The first quarter was 22% over the previous year. Overall, TOT is projected to be 26% over the previous fiscal year. The budget for 2012-13 is being budgeted at \$720,000, the same as the 2011-12 projected amount.

**Vehicle license fee (VLF)** is projected to decrease in 2011-12 approximately \$63,000 from the previous fiscal year due to another shift of revenues by the State. SB 89 of 2011 eliminates, effective July 1, 2011, VLF revenue allocated by the State to cities. This came about as a way to help solve the State's ongoing budget problems. Rather than going to city general funds, this bill shifted VLF revenue to fund law enforcement grants that previously were paid by a temporary state tax and, prior to that, the State general fund. The League of California Cities has challenged this action in court as a Constitutional violation. However, until there is a change in the law, all cities should expect to receive only the VLF/property tax swap amount (in 2004 the State eliminated the VLF backfill amount and replaced the same amount with property taxes). Fiscal year 2012-13 is being budgeted at \$840,000, a decrease of \$55,000 from the 2011-12 budget amount.

**Utility users tax** and **business license tax** are both projected to decrease (\$18,800 and \$12,600, respectively) due, in part, with Seagate moving their headquarters and a majority of their employees out of the City. There have been some smaller increases from other business which have offset the Seagate loss. Fiscal year 2012-13 is being budgeted at \$610,000 for utility users tax (the same as 2011-12 projected amount) and \$275,000 for business license tax, an increase of \$5,000 over the 2011-12 projected amount to reflect new businesses moving to Scotts Valley and expansion of some existing businesses.

**Charges for services** is projected to increase in 2011-12 primarily due to building fees and rents. Building fees are increasing from residential projects on Bluebonnet, Scotts Valley Drive, and Green Hills Road. The main increases came from construction permits (\$70,797), encroachment permits (\$31,160) and subdivision fees (\$14,470). Rents are increasing \$14,816 primarily due to a renewal of a site rental agreement for cell phone service. The location is on the Public Works Corporation Yard site on Lundy Lane. The residential projects will continue into 2012-13. Therefore, 2012-13 is being budgeted for this category with only a small decrease of \$6,900 from the 2011-12 projected amount.

**Other Revenue** is projected to increase in 2011-12 primarily due to the revenues related to the elimination of redevelopment agencies as discussed earlier: General Fund Loan Repayment (\$150,000) and Cost Reimbursement (\$180,000). Fiscal year 2012-13 is being budgeted with a \$10,000 increase related to the cost recovery from the Successor Agency. Fiscal year 2011-12 was only a partial year; therefore 2012-13 is being budgeted at a higher amount.

## GENERAL FUND EXPENDITURES

The 2012-13 General Fund expenditures are being recommended with an increase of \$529,280 from the 2011-12 budget. As discussed earlier, this is primarily due to the shifting of salaries and benefits from the former Redevelopment Agency into the General Fund. The breakdown of that decrease by major category is shown below.

	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>	<u>Increase (Decrease)</u>
Salaries & Benefits	\$6,514,292	\$6,960,499	\$446,207
Services & Supplies	1,046,321	1,113,377	67,056
Fixed Assets	-	5,000	5,000
Other	<u>548,434</u>	<u>559,451</u>	<u>11,017</u>
Total	<u>\$8,109,047</u>	<u>\$8,638,327</u>	<u>\$529,280</u>

**Salaries & Benefits:** Due to the addition of salaries and benefits from the Redevelopment Agency, it is difficult to discuss line item comparisons between budget years. Instead, an analysis of the category in total is more appropriate.

In total, the category increased \$446,207. Of this, \$311,964 relates to salaries and benefits that would have been in the Redevelopment Agency budget had it not been eliminated by the State. In addition, as explained in the next paragraph, the Building Official position will need to go back to full-time for at least the 2012-13 fiscal year. Currently, the position is working less than half-time. This change to full-time is an increase in \$76,243 for fiscal year 2012-13. Subtracting these two increases from the overall increase leaves the City General Fund with an increase in salaries and benefits of only \$58,000 (less than one percent) for all of the on-going positions.

When construction activity fell dramatically the past two years, the City was able to handle Building Department duties with a part-time Building Official. With the start of the Town Center and Woodside projects and later the Bay Photo building addition project, the City will need a full-time Building Official. The current part-time Building Official will become full-time as long as construction activity warrants it. Lennar has indicated that it will proceed with the Polo Ranch project (40 homes) this summer which will also add to the Building Official's work load. In addition to inspections, the Building Official will continue to respond to code enforcement complaints.

There are two line items that do affect the overall total for salaries and benefits. First, workers' compensation decreased \$80,242. As discussed in prior budget discussions, the City is in an insurance pool for both workers' compensation and liability insurance. The workers' compensation insurance payment to the pool is based partly on a city's workers' compensation claims experience. Scotts Valley's experience has been very good, and, therefore, our premium was reduced.

Second, the federal government extended the decrease of the FICA (social security) tax rate by 2% through the end of calendar year 2012. It is unknown whether this lower rate will be extended again. For now, this decrease relates to half of the 2012-13 fiscal year. Therefore, the budget was prepared with a reduction of 1% (half of the 2% decrease) in FICA. This amounted to a reduction of FICA expense of approximately \$37,000.

**Services & Supplies:** Overall, this category is increasing \$67,056. The main changes are in the following accounts:

Contract Services	\$30,852
Elections	15,000
Insurance	12,614
Professional Services	11,000
Vehicle Maintenance	8,750
Equipment Maintenance	(10,850)
All Other Accounts	<u>(310)</u>
Total	<u>\$67,056</u>

The City contracted for IT services when its half-time Network Specialist retired. The cost for contracting out was estimated for 2011-12. For 2012-13, the actual cost of the contract is included. Once the improvements to make the City's computer network system more efficient and reliable, it is anticipated that this cost will go down. An additional \$9,270 is also being budgeted in 2012-13 for tourism promotion by the Conference and Visitors Council. This amount was previously paid from Redevelopment Agency funds but now must be paid by the General Fund. Transient occupancy tax is estimated to increase \$150,000 in 2011-12 from the previous fiscal year due, in part, to the efforts of the Conference and Visitors Council.

Elections are every other year; therefore, no amounts were budgeted for 2011-12.

Liability insurance is increasing for fiscal year 2012-13. Scotts Valley has been consistently low with its liability claims experience. However, other cities with higher claims experience in years past had large decreases in their experience. By comparison this caused Scotts Valley to have a higher proportion of all the claims in the insurance pool. This resulted in an increase to Scotts Valley's insurance allocation.

Professional services are increasing for outside plan checking services. With the increased volume of construction activity and limited staff resources, the City needs to use outside plan checking services.

Vehicle maintenance is increasing simply due to the increase in the cost of gasoline.

Equipment maintenance is decreasing in the Police Department budget. Based on a review of actual costs during the past few years, a reduction was needed to bring the budget more in line with historical actual costs.

The "other" category includes the City's debt payments and contributions to other organizations providing services to the City.

## WASTEWATER

A recap of the Wastewater Operations is shown below.

	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>	Increase <u>(Decrease)</u>
Revenues	<u>\$1,585,000</u>	<u>\$1,623,970</u>	<u>\$38,970</u>
Salaries/Benefits	891,224	867,051	(24,173)
Services/Supplies	639,840	674,040	34,200
Fixed Assets	27,600	27,100	(500)
Other	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Total Expenses	<u>1,778,664</u>	<u>1,788,191</u>	<u>9,527</u>
Net Deficit	<u>(\$193,664)</u>	<u>(\$164,221)</u>	<u>\$29,443</u>

The 2012-13 budgeted revenues are almost \$39,000 higher than the 2011-12 budgeted revenues. This is a combination of higher service fee revenues (\$95,000) and lower other revenues for sludge disposal (\$55,000). Pursuant to Proposition 218, the City conducted a process for a rate increase for wastewater service fees. A 5% rate increase for each of the next four years was approved. For sludge disposal the City receives funds through a County Service Area assessment district. Those funds have decreased over the past two years. Those funds were used to offset some of the sludge disposal costs of the Treatment Plant.

Residential wastewater service fees are fairly consistent from year-to-year because they are a flat rate. The commercial service fees are based on water usage. The monthly charge is set each year based on water usage in the month of February. Based on last February's water usage, the commercial billings on an annual basis would be \$311,000. The residential billings total \$1,217,000. Together, the total service fees for 2012-13 would be \$1,528,000 (before any rate increase) which is \$33,000 higher than the 2011-12 projected revenues. Adding the 5% increase for the rate increase brings the total budgeted service fees to \$1,605,000.

In total, expenditures are being budgeted next fiscal year with only a \$7,027 increase over the current fiscal year as follows:

	Increase <u>(Decrease)</u>
Salaries and Benefits	(\$24,173)
Services and Supplies	34,200
Fixed Assets	<u>(3,000)</u>
Total	<u>\$7,027</u>

The budget for salaries and benefits is decreasing primarily due to a decrease of \$19,555 in workers compensation costs. As discussed above, the City is in an insurance pool for both workers' compensation and liability insurance. The workers' compensation insurance payment to the pool is based partly on a city's workers' compensation claims experience. Scotts Valley's experience has been very good, and, therefore, our premium was reduced.

Services and supplies will be budgeted \$34,200 higher next year than the current year. This is made up of increases in special department expense (\$15,000), other contractual services (\$10,000), and equipment maintenance (\$5,000). Special department expense and other contractual services are increasing for the reasons stated above for the “2011-12 Projected” discussion. The equipment maintenance budget is being increased after a review of the prior years’ expenses. Increasing this budget will bring it more in line with actual expenses in years past.

**RECREATION**

A recap of the Recreation budget is presented below. It presents revenues in detail and expenditures in summary for the following: 2011-12 budget, 2011-12 projected amounts, and 2012-13 budget.

	<u>2011-12 Budget</u>	<u>2011-12 Projected</u>	<u>2012-13 Budget</u>
Revenue:			
School Age Rec	\$645,000	\$585,000	\$585,000
Sports	75,000	75,000	75,000
Aquatics	68,000	65,000	65,000
Classes	75,000	75,000	75,000
Facility Rental	40,000	40,000	40,000
Other Revenue	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total Revenue	<u>918,000</u>	<u>855,000</u>	<u>855,000</u>
Expenditures:			
Salaries/Benefits	751,608	740,608	653,188
Services/Supplies	<u>214,687</u>	<u>210,389</u>	<u>214,240</u>
Total Expenditures	<u>966,295</u>	<u>950,997</u>	<u>867,428</u>
Net Deficit	<u>(\$48,295)</u>	<u>(\$95,997)</u>	<u>(\$12,428)</u>

Last fiscal year saw changes in the Senior Center after the retirement of the Recreation Specialist there. To help eliminate the large financial deficit, the City reorganized some duties and hired a part-time employee for this position. For next year, there will be changes in the Recreation division. Our Recreation Division Manager will be retiring toward the end of this fiscal year. As you know, our Senior Recreation Specialist will be promoted to Recreation Division Manager. The Senior Recreation Specialist position will not be filled in order to help reduce the deficit in the Recreation budget. Council approved changes to the Recreation Division Manager’s job specification that will shift some of the duties to help with managing both job responsibilities.

For the 2012-13 budget, we are holding the revenues even with the 2011-12 projected amounts. For 2012-13 Council approved a 2.2% increase (7 cents per hour) in the full-time childcare fee and a 2.5% increase (10 cents per hour) in the part-time childcare fee. Despite these fee increases, to be conservative, staff is recommending revenues at the same level as the 2011-12 projected amounts.

Expenditures are being budgeted \$98,867 less than the 2011-12 budget. Almost all of this relates to salaries and benefits. As mentioned above, the Senior Recreation Specialist position will not be filled next fiscal year. In addition, 10% of the Administrative Secretary II position in Recreation will be allocated 5% to the Senior Center and 5% to the Community Center. This position manages the bookings for both of these locations; therefore, a portion of the cost of this position is allocated to those budgets. This amounts to approximately \$3,800 to both the Senior Center and Community Center. In total, the services and supplies budget is remaining fairly constant with a decrease of only \$447.

By not filling the Senior Recreation Specialist position and allocating some of the Administrative Secretary II costs, the Recreation Fund will shrink its deficit from a projected \$96,000 in 2011-12 to a budgeted \$12,428 in 2012-13.

### **CLOSING**

The budget document itself has been prepared with the help of the Finance Department. I want to thank Accountant II Laurie Grundy and the Finance staff for their hard work and dedication.

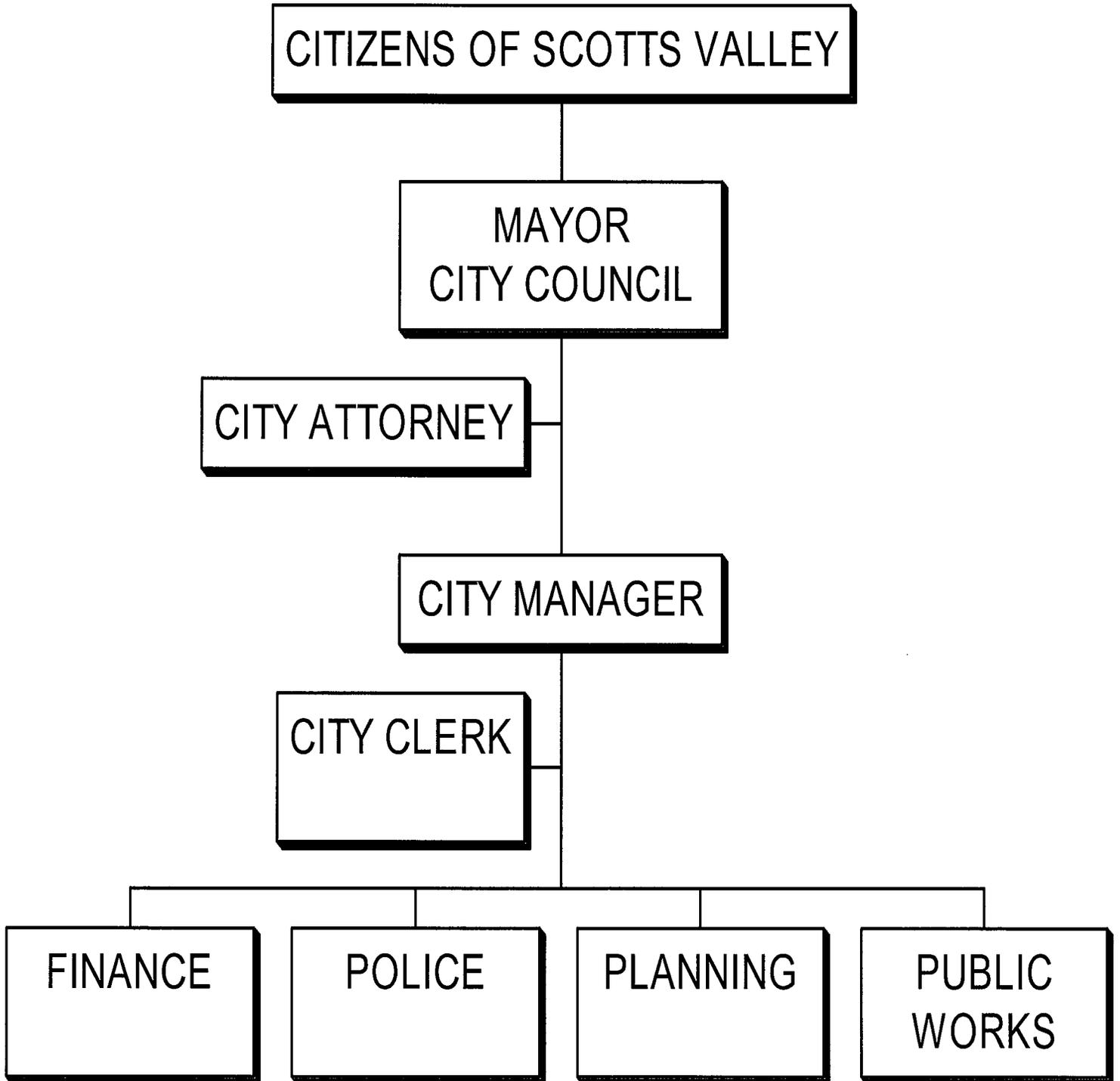
I would also like to close the budget message by indicating, as I have in the past, how proud I am to be associated with the City of Scotts Valley, its Council, its employees, and the community. The City continues to respond in an excellent fashion in a difficult environment where we are challenged by fiscal constraints.

Sincerely,

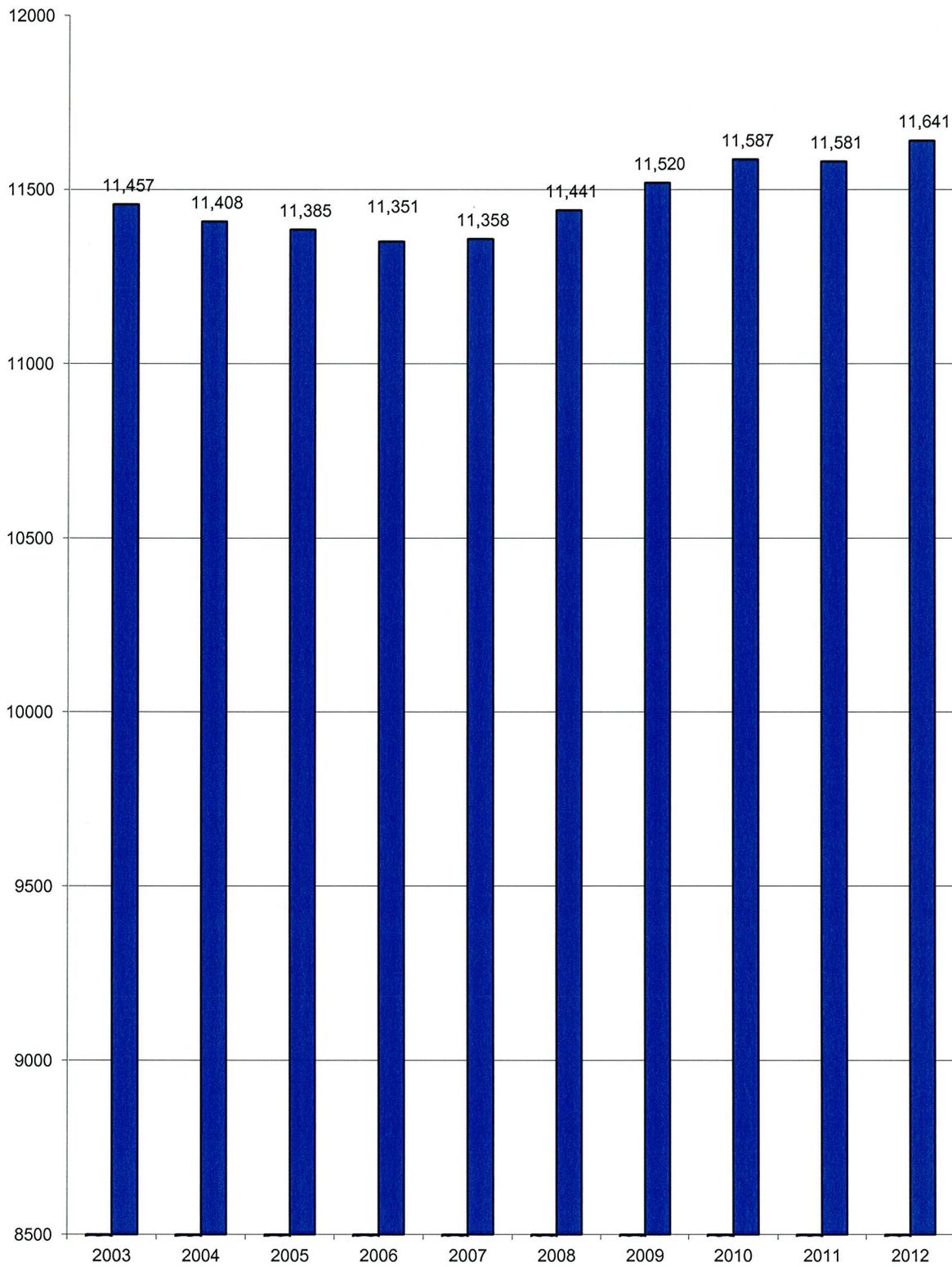


Stephen H. Ando  
City Manager

# CITY OF SCOTTS VALLEY ORGANIZATION CHART



# CITY OF SCOTTS VALLEY POPULATION



DATA SOURCE: CALIFORNIA DEPARTMENT OF FINANCE

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# FINANCIAL SUMMARIES

## **THIS SECTION INCLUDES:**

- *Fund Balance Summary*
- *Authorized Fund Transfers To Be Made*
- *General Fund Revenues (pie chart)*
- *General Fund Expenditures (pie chart)*
- *Consolidated Expenditures – All Funds*
- *General Fund Expenditures By Department*
- *General Fund Expenditures By Account*
- *Personnel Detail Summary By Department*

**CITY OF SCOTTS VALLEY  
FUND BALANCE SUMMARY - 2012 / 2013**

		7/1/2012	2012 / 2013	ESTIMATED	TOTAL
		AVAILABLE	ESTIMATED	TRANSFERS	FUNDS
<b>FUND</b>	<b>FUND TITLE</b>	<b>ASSETS</b>	<b>REVENUE</b>	<b>IN</b>	<b>AVAILABLE</b>
1	General	3,083,000	8,112,650	247,000	11,442,650
2	Recycling Operations	30,000	68,000		98,000
3	Gas Tax	644,000	316,583		960,583
4	Recreation Operations	0	855,000	12,428	867,428
5	SMIP Fees	2,710	10		2,720
6	General Capital	419,000	16,500		435,500
7	Drainage Construction	65,500	9,250		74,750
8	Traffic Impact Mitigation	1,264,400	217,500		1,481,900
9	Parks & Recreation Facilities	360,500	339,500		700,000
10	Wastewater Operations	600,000	1,623,970		2,223,970
11	Tertiary Treatment Plant	0	100,000	26,352	126,352
12	Wastewater Capital Reserve	2,427,600	322,000		2,749,600
14	Wastewater Equip Replacement Reserve	1,327,600	5,000		1,332,600
18	Senior Center Designated Donations	3,000	10		3,010
21	General Facility	63,400	24,200		87,600
27	Police Facility Building	71,200	57,300	267,000	395,500
28	Senior Center Operations	1,000	59,100		60,100
31	STP Exchange Projects	26,700	100		26,800
33	Tree Replacement Fund	51,700	1,050		52,750
35	Green Building Funding	44,900	12,400		57,300
45	1990 Refunding Dist Redemption	51,800	46,400		98,200
50	Pinewood Estates Maintenance Dist	15,700	6,060		21,760
53	Gateway So II/C Redemption	106,400	180,370		286,770
59	Victor Square Dist Redemption	54,000	52,870		106,870
60	Ridgecrest Subdivision Dist Redemption	23,200	22,060		45,260
64	Green Hills Estate District Redemption	4,700	3,060		7,760
66	COP Debt Service Reserve	1,441,000	5,000		1,446,000
67	Wastewater Expansion Redemption	156,400	166,460		322,860
75	Gateway So Supplemental Redemption	62,300	129,390		191,690
77	Skypark Maint Assessment District	0	41,750		41,750
78	Skypark Maint Assessment District Insurance	423,200	16,600		439,800
80	2002 Consolidated Refunding District Prepayment	4,150	0		4,150
82	2002 Consolidated Refunding District Reserve	395,200	1,500		396,700
86	Library	15,600	42,000		57,600
90	SV Drive A Redemption	268,500	304,400		572,900
91	SV Drive A Prepayment	2,600	0		2,600
92	SV Drive A Reserve	307,400	0		307,400

**CITY OF SCOTTS VALLEY  
FUND BALANCE SUMMARY - 2012 / 2013**

		2012 / 2013	ESTIMATED	6/30/2013	6/30/2013
		BUDGETED	TRANSFERS	RESTRICTED	FUND
<b>FUND</b>	<b>FUND TITLE</b>	<b>EXPENDITURES</b>	<b>OUT</b>	<b>RESERVE</b>	<b>BALANCE</b>
1	General	8,638,327	57,428		2,746,895
2	Recycling Operations	68,000			30,000
3	Gas Tax	75,000	200,000		685,583
4	Recreation Operations	867,428			0
5	SMIP Fees	0			2,720
6	General Capital	0			435,500
7	Drainage Construction	0			74,750
8	Traffic Impact Mitigation	0			1,481,900
9	Parks & Recreation Facilities	22,500			677,500
10	Wastewater Operations	1,788,191	26,352		409,427
11	Tertiary Treatment Plant	126,352			0
12	Wastewater Capital Reserve	10,500		2,739,100	
14	Wastewater Equip Replacement Reserve	370,000		962,600	
18	Senior Center Designated Donations	0			3,010
21	General Facility	0			87,600
27	Police Facility Building	267,745			127,755
28	Senior Center Operations	59,267			833
31	STP Exchange Projects	0			26,800
33	Tree Replacement Fund	10,000			42,750
35	Green Building Funding	0			57,300
45	1990 Refunding Dist Redemption	46,462		51,738	
50	Pinewood Estates Maintenance Dist	13,500		8,260	
53	Gateway So II/C Redemption	189,745		97,025	
59	Victor Square Dist Redemption	52,885		53,985	
60	Ridgecrest Subdivision Dist Redemption	22,121		23,139	
64	Green Hills Estate Dist Redemption	3,059		4,701	
66	COP Debt Service Reserve	0		1,446,000	
67	Wastewater Expansion Redemption	166,496		156,364	
75	Gateway So Supplemental Redemption	129,418		62,272	
77	Skypark Maint Assessment Dist	41,000		750	
78	Skypark Maint Assessment Dist Insurance	0		439,800	
80	2002 Consolidated Refunding District Prepayment	0		4,150	
82	2002 Consolidated Refunding District Reserve	0		396,700	
86	Library	0		57,600	
90	SV Drive A Redemption	304,255		268,645	
91	SV Drive A Prepayment	0		2,600	
92	SV Drive A Reserve	0		307,400	

**CITY OF SCOTTS VALLEY  
FUND BALANCE SUMMARY - 2012 / 2013**

<b>FUND</b>	<b>FUND TITLE</b>	<b>7/1/2012 AVAILABLE ASSETS</b>	<b>2012 / 2013 ESTIMATED REVENUE</b>	<b>ESTIMATED TRANSFERS IN</b>	<b>TOTAL FUNDS AVAILABLE</b>
94	SV Drive B Redemption	118,000	136,500		254,500
95	SV Drive B Prepayment	5,000	0		5,000
96	SV Drive B Reserve	132,800	0		132,800
112	Dental Insurance	5,000	85,000		90,000
123	Community Facility Center	11,600	50,600		62,200
150	General Capital Projects	258,000	18,850	45,000	321,850
151	Vehicle Replacement Fund	13,000	50		13,050
306	Supplemental Law Enforcement Services	417,400	100,700		518,100
315	Police Development Fees	163,800	630		164,430
316	Homeland Security Grant	0	15,158		15,158
317	EDG - Revolving Loan Fund	568,800	2,100		570,900
<b>TOTAL:</b>		<b>15,511,760</b>	<b>13,567,631</b>	<b>597,780</b>	<b>29,677,171</b>

**CITY OF SCOTTS VALLEY  
FUND BALANCE SUMMARY - 2012 / 2013**

		2012 / 2013	ESTIMATED	6/30/2013	6/30/2013
		BUDGETED	TRANSFERS	RESTRICTED	FUND
<b>FUND</b>	<b>FUND TITLE</b>	<b>EXPENDITURES</b>	<b>OUT</b>	<b>RESERVE</b>	<b>BALANCE</b>
94	SV Drive B Redemption	136,519		117,981	
95	SV Drive B Prepayment	0		5,000	
96	SV Drive B Reserve	0		132,800	
112	Dental Insurance	85,000			5,000
123	Community Facility Center	43,875			18,325
150	General Capital Projects	18,000	47,000		256,850
151	Vehicle Replacement Fund	0			13,050
306	Supplemental Law Enforcement Services	9,000	267,000		242,100
315	Police Development Fees	0			164,430
316	Homeland Security Grant	15,158			0
317	EDG - Revolving Loan Fund	0			570,900
<b>TOTAL:</b>		<b>13,579,803</b>	<b>597,780</b>	<b>7,338,610</b>	<b>8,160,978</b>

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**AUTHORIZED FUND TRANSFERS  
 TO BE MADE  
 BY RESOLUTION OF THE COUNCIL  
 DURING THE FISCAL YEAR 2012 / 2013**

To:	Recreation (4)	\$ 12,428
From:	General Fund (1)	12,428

General Fund subsidy to the Recreation Department.

To:	General Fund (1)	\$ 200,000
From:	Gas Tax (3)	200,000

To reimburse the General Fund for gas tax related expenditures.

To:	Tertiary Treatment Plant (11)	\$ 26,352
From:	Wastewater Operations (10)	26,352

To provide City's share of Tertiary Treatment Plant operation and maintenance costs.

To:	Police Facilities Building (27)	\$ 267,000
From:	Supplemental Law Enforcement Services (306)	267,000

To fund Records Management System project.

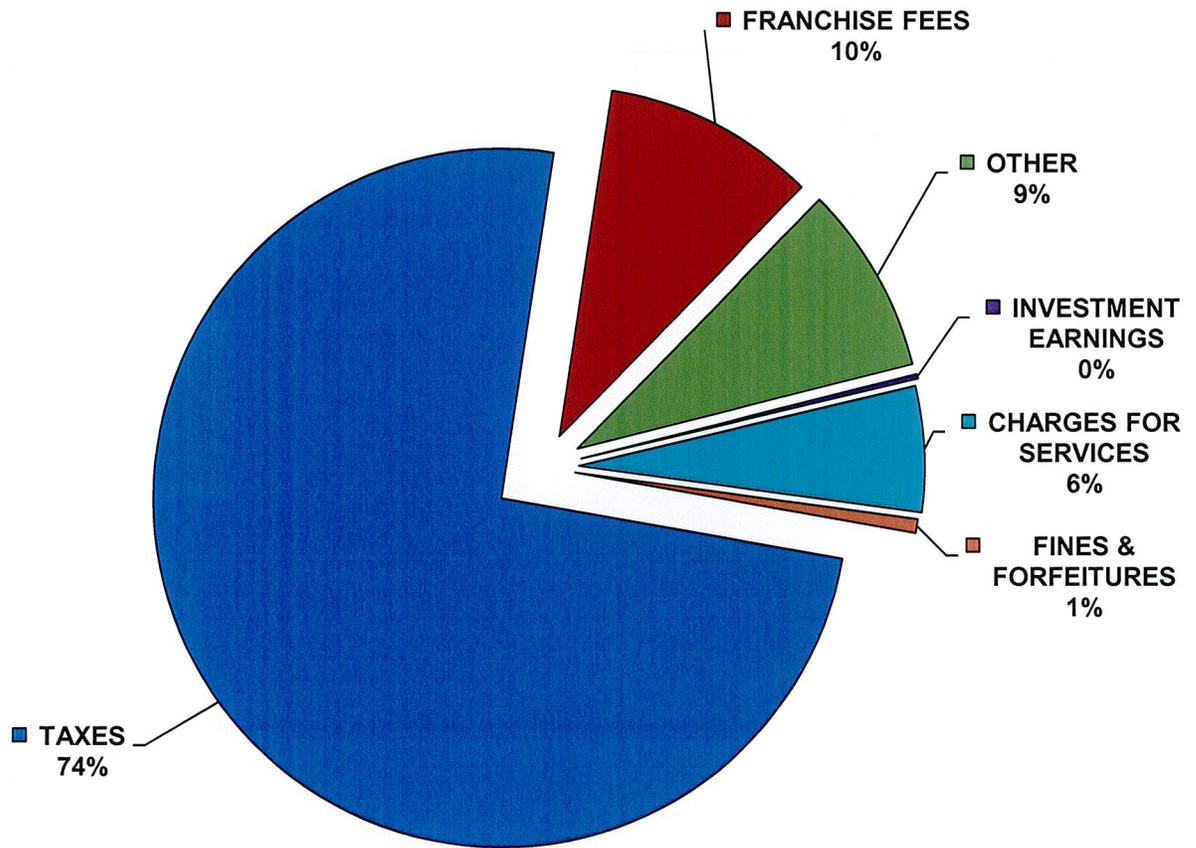
To:	General Fund (1)	\$ 47,000
From:	General Capital Projects (150)	47,000

To fund City staff time for General Plan update.

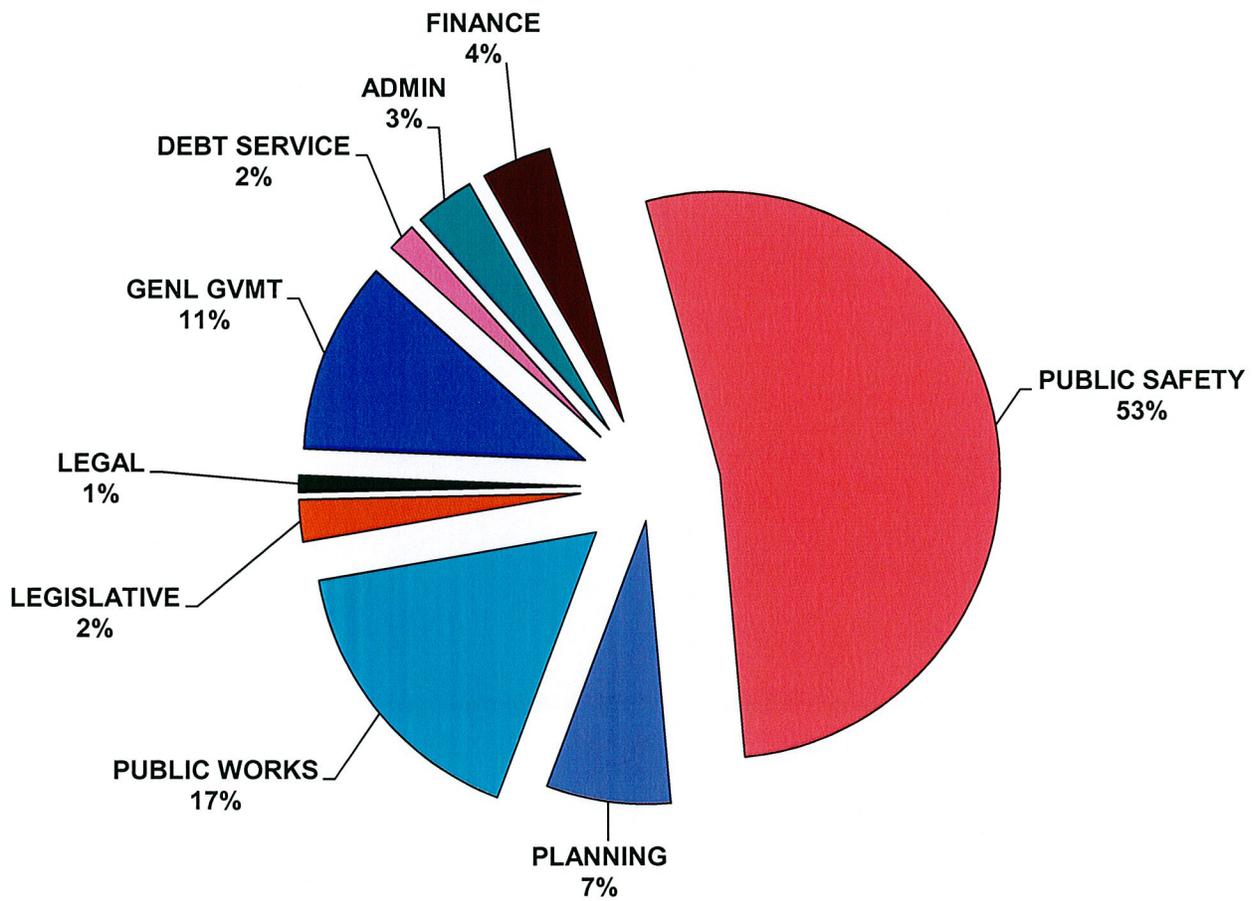
To:	General Capital Projects (150)	\$ 45,000
From:	General Fund (1)	45,000

To transfer General Plan Maintenance Fee revenues to General Capital Projects to fund the City's General Plan update.

# 2012 / 2013 GENERAL FUND REVENUES



# 2012 / 2013 GENERAL FUND EXPENDITURES



**CITY OF SCOTTS VALLEY  
2012 / 2013 CONSOLIDATED EXPENDITURES**

	<u>TOTAL</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES &amp; SUPPLIES</u>	<u>FIXED ASSETS</u>	<u>OTHER</u>
<b><u>GENERAL GOVERNMENT</u></b>					
41 LEGISLATIVE	203,348	174,348	29,000	0	0
42 LEGAL	82,800	0	82,800	0	0
43 GENERAL GOVERNMENT	1,090,323	436,208	190,299	0	463,816
44 ADMINISTRATION	293,531	291,231	2,300	0	0
45 FINANCE	343,226	320,401	22,825	0	0
61 PLANNING	488,866	475,531	13,335	0	0
62 BUILDING	119,407	106,307	13,100	0	0
<b>TOTAL</b>	<b>2,621,501</b>	<b>1,804,026</b>	<b>353,659</b>	<b>0</b>	<b>463,816</b>
<b><u>PUBLIC SAFETY</u></b>					
51 POLICE	4,428,048	4,112,082	283,889	5,000	27,077
52 ANIMAL CONTROL	107,029	0	107,029	0	0
53 EMERGENCY SERVICES	69,658	0	1,100	0	68,558
<b>TOTAL</b>	<b>4,604,735</b>	<b>4,112,082</b>	<b>392,018</b>	<b>5,000</b>	<b>95,635</b>
<b><u>PUBLIC WORKS</u></b>					
71 ENGINEERING	465,472	436,922	28,550	0	0
72 STREET MAINTENANCE	327,940	201,940	126,000	0	0
73 VEHICLE/EQMT MAINTENANCE	110,193	104,693	5,500	0	0
74 WASTEWATER OPERATIONS	1,788,191	867,051	674,040	27,100	220,000
75 PARK MAINTENANCE	316,533	174,883	141,650	0	0
76 BUILDING MAINTENANCE	191,953	125,953	66,000	0	0
77 RECREATION	867,428	653,188	214,240	0	0
<b>TOTAL</b>	<b>4,067,710</b>	<b>2,564,630</b>	<b>1,255,980</b>	<b>27,100</b>	<b>220,000</b>

**CITY OF SCOTTS VALLEY**  
**2012 / 2013 CONSOLIDATED EXPENDITURES**

	<u>TOTAL</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES &amp; SUPPLIES</u>	<u>FIXED ASSETS</u>	<u>OTHER</u>
<b><u>NON-DEPARTMENTAL</u></b>					
2 RECYCLING OPERATIONS	68,000	0	68,000	0	0
3 GAS TAX	75,000	0	0	75,000	0
9 PARKS AND RECREATION FACILITIES	22,500	0	0	22,500	0
11 TERTIARY TREATMENT PLANT	126,352	22,355	103,997	0	0
12 WASTEWATER CAPITAL RESERVE	10,500	0	0	10,500	0
14 WASTEWATER EQMT REPLACEMENT RESERVE	370,000	0	0	370,000	0
27 POLICE FACILITY	267,745	0	0	267,745	0
28 SENIOR CENTER OPERATIONS	59,267	33,314	22,653	3,300	0
33 TREE REPLACEMENT FUND	10,000	0	0	10,000	0
45 1990 REFUNDING DIST REDEMPTION	46,462	0	3,400	0	43,062
50 PINWOOD EST LNDSCP MAINT DIST	13,500	0	13,500	0	0
53 GATEWAY SOUTH IIC REDEMPTION	189,745	0	2,445	0	187,300
59 VICTOR SQUARE DIST REDEMPTION	52,885	0	1,050	0	51,835
60 RIDGECREST SUBDIVISION DIST REDEMPTION	22,121	0	1,100	0	21,021
64 GREEN HILLS ESTATES DIST REDEMPTION	3,059	0	1,000	0	2,059
67 WASTEWATER EXPANSION REDEMPTION	166,496	0	8,365	0	158,131
75 GATEWAY SOUTH SUPPLEMENTAL REDEMPTION	129,418	0	2,900	0	126,518
77 SKYPARK OPEN SPACE MAINT ASSESSMENT DIST	41,000	0	41,000	0	0
90 SV DRIVE A REDEMPTION	304,255	0	9,000	0	295,255
94 SV DRIVE B REDEMPTION	136,519	0	5,750	0	130,769
112 DENTAL INSURANCE	85,000	85,000	0	0	0
123 COMMUNITY FACILITIES CENTER	43,875	17,647	26,228	0	0
150 GENERAL CAPITAL PROJECTS	18,000	0	0	18,000	0
306 SUPPLEMENTAL LAW ENFORCEMENT SERVICES	9,000	0	0	9,000	0
316 HOMELAND SECURITY	15,158	0	0	15,158	0
<b>TOTAL</b>	<b>2,285,857</b>	<b>158,316</b>	<b>310,388</b>	<b>801,203</b>	<b>1,015,950</b>
<b>GRAND TOTAL</b>	<b>13,579,803</b>	<b>8,639,054</b>	<b>2,312,045</b>	<b>833,303</b>	<b>1,795,401</b>

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**GENERAL FUND EXPENDITURES BY DEPARTMENT**

The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments and not accounted for in other funds.

<b><u>DEPT</u></b>	<b><u>DEPARTMENT</u></b>	<b>2010 / 2011</b>	<b>2011 / 2012</b>	<b>2011 / 2012</b>	<b>2012 / 2013</b>	<b>2012 / 2013</b>
		<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>PROJECTED</u></b>	<b><u>DEPT</u></b>	<b><u>CITY</u></b>
					<b><u>REQUEST</u></b>	<b><u>MANAGER</u></b>
						<b><u>PROPOSED</u></b>
41	LEGISLATIVE / ELECTIONS	183,161	179,249	162,022	203,348	203,348
42	LEGAL	80,339	82,800	102,800	82,800	82,800
43	GENERAL GOVERNMENT	1,065,228	1,117,272	1,186,603	1,090,323	1,090,323
44	ADMINISTRATION	201,909	201,570	291,734	293,531	293,531
45	FINANCE	370,207	337,813	337,808	343,226	343,226
51	POLICE	4,035,835	4,348,404	4,263,988	4,428,048	4,428,048
52	ANIMAL CONTROL	98,580	100,862	100,862	107,029	107,029
53	EMERGENCY SERVICES	58,807	59,350	59,350	69,658	69,658
61	PLANNING	281,069	322,343	406,015	488,866	488,866
62	BUILDING	39,036	31,214	42,159	119,407	119,407
71	PUBLIC WORKS-ENGINEERING	406,507	399,131	463,947	465,472	465,472
72	PUBLIC WORKS-STREET MAINT	364,354	312,177	326,280	327,940	327,940
73	PUBLIC WORKS-VEHICLE/EQMT MAINT	108,522	109,050	109,500	110,193	110,193
75	PUBLIC WORKS-PARK MAINT	325,304	319,591	317,891	316,533	316,533
76	PUBLIC WORKS-BUILDING MAINT	214,949	188,221	149,634	191,953	191,953
	<b>TOTAL</b>	<b><u>7,833,807</u></b>	<b><u>8,109,047</u></b>	<b><u>8,320,593</u></b>	<b><u>8,638,327</u></b>	<b><u>8,638,327</u></b>

**CITY OF SCOTTS VALLEY  
GENERAL FUND EXPENDITURES BY ACCOUNT**

	2010 / 2011 <u>ACTUAL</u>	2011 / 2012 <u>BUDGET</u>	2011 / 2012 <u>PROJECTED</u>	2012 / 2013 <u>DEPT REQUEST</u>	2012 / 2013 <u>CITY MANAGER PROPOSED</u>	
<b>SALARIES &amp; BENEFITS:</b>						
101	REGULAR WAGES	3,363,544	3,505,591	3,558,568	3,822,965	3,822,965
107	TEMPORARY WAGES	20,586	41,778	39,378	12,144	12,144
109	OVERTIME WAGES	138,985	132,000	129,500	130,000	130,000
202	PARS	469	557	557	557	557
203	FICA	259,479	267,796	269,934	255,267	255,267
204	RETIREMENT	1,090,714	1,252,531	1,257,769	1,375,587	1,375,587
205	GROUP INSURANCE	1,003,505	1,019,826	1,064,365	1,150,008	1,150,008
206	WORKERS' COMPENSATION	206,720	284,213	292,773	203,971	203,971
207	UNEMPLOYMENT INSURANCE	44,220	10,000	10,000	10,000	10,000
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>6,128,222</b>	<b>6,514,292</b>	<b>6,622,844</b>	<b>6,960,499</b>	<b>6,960,499</b>
<b>SERVICES &amp; SUPPLIES:</b>						
208	UNIFORM EXPENSE	23,180	27,930	25,575	25,575	25,575
210	SUPPLEMENTAL SERVICES	110,423	116,500	136,500	116,500	116,500
301	OFFICE EXPENSE	30,829	36,075	33,925	32,725	32,725
302	SPECIAL DEPARTMENT EXPENSE	30,183	30,585	33,335	32,335	32,335
303	SMALL TOOLS & SUPPLIES	13,071	16,275	15,275	12,875	12,875
305	ADVERTISING	655	0	0	0	0
306	COMMUNICATIONS	48,440	54,020	53,020	53,020	53,020
308	RENTS & LEASES	7,108	6,794	7,294	7,294	7,294
310	RECRUITMENT	23,806	13,000	13,000	13,000	13,000
312	PROFESSIONAL/SPECIALIZED SVC	48,132	25,250	35,625	36,250	36,250
313	OTHER CONTRACTUAL SERVICES	165,614	212,162	271,512	243,014	243,014
314	INSURANCE & SURETY BONDS	45,711	39,865	45,450	52,479	52,479
315	MEMBERSHIPS & DUES	17,175	16,505	16,861	18,740	18,740
316	TRAVEL/CONFERENCES/MEETINGS	7,286	7,010	8,660	7,420	7,420
319	ELECTIONS	0	0	0	15,000	15,000
322	TRAINING & EDUCATION	42,689	44,400	43,900	45,300	45,300
327	POWER UTILITIES	167,581	86,000	91,000	91,000	91,000
328	WATER UTILITIES	45,374	39,500	39,500	39,500	39,500
349	MISCELLANEOUS	19,202	8,250	8,250	8,250	8,250
401	MAINT OF BLDGS/STRUCT/GRNDS	96,291	53,500	53,500	53,500	53,500
402	MAINT & OPERATION OF EQMT	83,064	95,200	94,850	84,350	84,350
403	MAINT & OPERATION OF VEHICLES	97,855	90,500	95,750	99,250	99,250
404	ROAD MAINTENANCE MATERIALS	10,624	27,000	26,000	26,000	26,000
	<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>1,134,293</b>	<b>1,046,321</b>	<b>1,148,782</b>	<b>1,113,377</b>	<b>1,113,377</b>

**CITY OF SCOTTS VALLEY  
GENERAL FUND EXPENDITURES BY ACCOUNT  
(CONCLUDED)**

	<u>2010 / 2011 ACTUAL</u>	<u>2011 / 2012 BUDGET</u>	<u>2011 / 2012 PROJECTED</u>	<u>2012 / 2013 DEPT REQUEST</u>	<u>2012 / 2013 CITY MANAGER PROPOSED</u>
<b>FIXED ASSETS:</b>					
910 OFFICE EQMT & FURNITURE	0	0	0	5,000	5,000
<b>TOTAL FIXED ASSETS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
<b>OTHER:</b>					
701 CONTRIBUTIONS	49,018	50,249	50,782	59,067	59,067
705 CONTRIBUTIONS/SOCIAL SERVICE	47,709	47,278	47,278	47,278	47,278
801 RETIREMENT OF PRINCIPAL	159,527	137,871	137,871	140,353	140,353
802 INTEREST EXPENSE	315,038	313,036	313,036	312,753	312,753
<b>TOTAL OTHER</b>	<u>571,292</u>	<u>548,434</u>	<u>548,967</u>	<u>559,451</u>	<u>559,451</u>
<b>GRAND TOTAL:</b>	<u>7,833,807</u>	<u>8,109,047</u>	<u>8,320,593</u>	<u>8,638,327</u>	<u>8,638,327</u>

**CITY OF SCOTTS VALLEY**

**2012 / 2013 PERSONNEL DETAIL SUMMARY**

DEPARTMENT	2008 / 09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	POSITIONS FROZEN
					CITY MANAGER PROPOSED	
LEGISLATIVE	10.50	10.50	10.50	10.50	<b>10.50</b>	
ADMINISTRATION	1.20	1.20	1.20	1.20	<b>1.60</b>	0.10
FINANCE	5.25	5.25	4.75	4.75	<b>4.75</b>	1.40
POLICE	30.50	30.50	30.00	30.00	<b>30.00</b>	2.00
PLANNING	4.30	4.30	3.40	3.40	<b>4.50</b>	1.00
BUILDING	2.41	2.41	1.41	1.41	<b>2.41</b>	1.41
ENGINEERING	3.50	3.50	3.00	3.00	<b>3.30</b>	
STREET MAINTENANCE	3.60	3.60	3.60	3.60	<b>3.60</b>	1.30
VEHICLE/EQUIPMENT MAINTENANCE	1.20	1.20	1.20	1.20	<b>1.20</b>	0.10
WASTEWATER OPERATIONS	7.35	7.35	7.35	7.35	<b>7.35</b>	
PARK MAINTENANCE	2.60	2.60	2.60	2.60	<b>2.60</b>	0.30
BUILDING MAINTENANCE	1.60	1.60	1.60	1.60	<b>1.60</b>	0.30
RECREATION	7.00	7.00	7.00	7.00	<b>7.00</b>	2.00
REDEVELOPMENT AGENCY	1.35	1.35	1.25	1.25	<b>0.00</b>	
AFFORDABLE HOUSING	0.55	0.55	0.55	0.55	<b>0.00</b>	
<b>TOTAL</b>	<b>82.91</b>	<b>82.91</b>	<b>79.41</b>	<b>79.41</b>	<b>80.41</b>	<b>9.91</b>

Note: The frozen positions are included in the "City Manager Proposed" number but no dollar amounts have been included in the budget for these positions. The positions are:

Deputy City Mgr/Admin Serv Dir	1.00
Police Officer	2.00
Principal Planner	1.00
Senior Building Inspector /	
Code Enforcement Officer	0.66
Secretary I	0.75
Network Systems Specialist	0.50
Senior Recreation Specialist	1.00
Senior Center Coordinator	1.00
Maintenance Division Manager	1.00
Maintenance Worker I	1.00
	<hr/>
Total Full-Time Equivalent Positions	<u>9.91</u>