

# City of Scotts Valley

## 2014 / 2015 Preliminary Budget

Jim Reed  
Mayor

Dene Bustichi  
Vice Mayor

Stephany E. Aguilar  
Council Member

Donna Lind  
Council Member



Randy Johnson  
Council Member

Stephen H. Ando  
City Manager

**CITY OF SCOTTS VALLEY**

**2014 / 2015**

**PRELIMINARY BUDGET**

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

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2014 / 2015

## PRELIMINARY BUDGET

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# CITY OF SCOTTS VALLEY

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## OFFICE OF THE CITY MANAGER

One Civic Center Drive • Scotts Valley • California • 95066  
Phone (831) 440-5600 • Facsimile (831) 438-2793 • www.scottsvally.org

June 18, 2014

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

**SUBJECT: 2014-15 Fiscal Year Budget**

Honorable Mayor and City Council:

It is with pleasure that I submit to the City Council the budget for fiscal year 2014-2015. Below is an overview of the General Fund followed by a discussion of the revenues and expenditures of the larger funds that comprise the budget of the City of Scotts Valley: the General Fund, Wastewater Fund, and Recreation Fund.

### GENERAL FUND OVERVIEW

As shown below, the 2014-15 General Fund is budgeted with a \$789,588 surplus. This is because of the overlap of the Measure U temporary sales tax revenue and the final payment from the successful lawsuit against the County of Santa Cruz for property taxes. This surplus will replenish the depleted reserves which were used to balance the budget prior to the passage of Measure U. After next fiscal year there will be no more payments from the County for back taxes awarded in the lawsuit. If the final litigation payment were subtracted out, the surplus would be only \$64,588. This would be the surplus in the future from ongoing operations with all other things remaining the same.

Revenues / Transfers In	\$10,043,305
Expenditures / Transfers Out	<u>(9,253,717)</u>
Net Surplus to replenish depleted reserves	789,588
One-time litigation settlement revenue	<u>(725,000)</u>
Revised surplus from ongoing operations	<u>\$64,588</u>

The budgeted surplus will bring the General Fund reserves back up to \$1,450,000. The Measure U temporary sales tax will go through fiscal year 2021-22. During that time, there are a number of projects that will be moving forward that will impact City tax revenues.

- The private educational facility at the former Bethany University location could provide additional transient occupancy tax to the City.
- The planned new hotel on Scotts Valley Drive will provide additional transient occupancy tax.

- The Town Center project continues to move forward. This will provide additional sales and property taxes to the City.
- The former Borland Building was recently purchased and is being reinvigorated with new tenants. More employees in the City will mean more sales tax as these people will be purchasing meals, gas, etc in the City.
- The former Aviza property was also recently purchased and is being leased out to businesses. As with the former Borland Building, more employees in the City will mean more sales tax.
- The seven-acre property next to the former Borland Building was also recently purchased. Possible development of this property would increase property taxes as well as bring additional people into the City and increase sales tax revenues.

With the above projects there is potential for tax revenues to increase in the future. However, there are other areas for decreases in revenues. Planning/building revenues have been increased for the 2014-15 budget due to numerous projects as described above. Once these projects are completed, this revenue will decrease. In addition, the City receives monies for the administration of the Successor Agency. In the years right after the elimination of the Scotts Valley Redevelopment Agency by the State, it was easy to use the administrative allowance due to all of the work involved. With the audits and reports being completed, it is getting more routine in administering the Successor Agency. The administrative revenues will decrease as less and less time will be spent on the Successor Agency.

With a small annual surplus after the litigation settlement payment was adjusted out, the City will need to watch its budget closely to ensure it remains balanced without needing to use reserves.

**GENERAL FUND REVENUE**

Compared to 2013-14 projected revenue, 2014-15 budgeted revenues are increasing \$1,296,657 as shown below by revenue category. Without the new Measure U temporary sales tax, revenues would have increased \$316,657.

<u>Revenue Category</u>	<u>2013-14 Projected</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
Taxes	\$6,635,650	\$7,771,500	\$1,135,850
Franchise Fees	827,743	842,000	14,257
Fines & Forfeitures	58,700	58,700	-
Charges for Services	436,555	593,105	156,550
Investment Earnings	5,000	5,000	-
Other Revenue	<u>483,000</u>	<u>473,000</u>	<u>(10,000)</u>
Total	<u>\$8,446,648</u>	<u>\$9,743,305</u>	<u>\$1,296,657</u>

The big item in **taxes** as described below is the Measure U temporary sales tax. Smaller increases in regular sales tax, utility users tax, and transient occupancy tax account for the majority remaining increase.

Fiscal year 2014-15 will be the first full year the new Measure U temporary sales tax. This is being budgeted at \$1,100,000. With a partial year's collection of \$120,000 in 2013-14, this account is budgeted for a \$980,000 increase. Next year's budget amount is based on the City's experience with the Measure C temporary sales tax from 2006 to 2011.

Regular sales tax increased 5.5% in the previous year (2012-13). The current year it is projected to increase 3%. The \$65,000 increase for next year's budget reflects another 3% increase. The increase in residents in the City from new housing units and more employees from new businesses will provide the increase in spending. Last year a comparison of sales tax by calendar year showed the larger increases coming from contractors and fast food. This year, comparing calendar years 2012 to 2013, sales tax is increasing the most with contractors once again as well as building materials and business services (with the start of Bay Photo). Service stations showed the largest decrease. Actual amounts cannot be given as this is proprietary information of the individual businesses.

Transient occupancy tax increased an amazing 25% two years ago (2011-12), then 9.5% last year (2012-13, and now is projected to increase 12% in 2013-14. With a set amount of rooms available in the City, an increase due to higher occupancy can only happen for so long. With such high increases the last three years, a more conservative increase of \$45,000 (5%) is budgeted for next year. Staff will continue to be conservative until this account levels off unless more room stock is added from the planned new hotel is built on Scotts Valley Drive.

Utility users tax is projected to increase a solid 6% this fiscal year from increased business activity. As discussed earlier, this represents an additional \$925,000 in gas/electric charges. With such a large increase, staff is budgeting only a \$20,000 (3%) increase for next year's budget.

## **GENERAL FUND EXPENDITURES**

The 2014-15 General Fund expenditures are being recommended with a net increase of \$67,310 from the 2013-14 budget. The increases and decreases in the major categories are detailed below.

	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
Salaries & Benefits	\$6,846,496	\$6,843,027	(\$3,469)
Services & Supplies	1,216,946	1,282,470	65,524
Fixed Assets	5,000	-	(5,000)
Other	<u>645,444</u>	<u>655,699</u>	<u>10,255</u>
Total	<u>\$8,713,886</u>	<u>\$8,781,196</u>	<u>\$67,310</u>

### **Salaries & Benefits:**

In total this category is decreasing \$3,469. This is mostly made up of a combination of a decrease in pension costs (\$19,509) and group insurance (\$24,249) offset by increases in salaries (\$19,745) and workers compensation (\$20,361).

Pension costs are decreasing because of the new pension reform legislation that went into effect January 1, 2013. As new employees are hired under this new legislation, the pension costs are lower. There are eight employees budgeted for next year that fall into this category, an increase of five from the 2013-14 budget. Group insurance is decreasing due to one less employee from the retirement of the Public Works Director and changes in coverage from new employees.

As for the increases, salaries are increasing only one-half of one percent because of several new hires starting at lower salary steps than the employees they are replacing. There are several new police officer positions being filled. The City also recently hired a new maintenance worker and senior building inspector. In addition, our newly promoted Public Works Director is at a lower step than our recently retired Public Works Director. Workers compensation is increasing due to increased costs of the insurance pool the City is a member as well as a new formula that limits the amount of individual member city increases from year to year. The excess is spread to the remaining member cities.

**Services & Supplies:** Overall, this category is increasing \$65,524. The main changes are in the following accounts:

Insurance	38,838
Elections	15,000
Supplemental Services	13,500
Contract Services	11,000
Equipment Maintenance	(17,750)
All Other Accounts	<u>4,936</u>
Total	<u>\$65,524</u>

Liability insurance is increasing again for fiscal year 2014-15. As discussed last year there was a change in the method in allocation of the premiums among the cities in the joint powers authority in which Scotts Valley is a member. This change increased the proportion of the premiums allocated to Scotts Valley. That increase will be factored in over time.

Elections are every other year; therefore, no amounts were budgeted for 2013-14.

The City now has only one engineer after the retirement of our Public Works Director/City Engineer last December. The City may need the services of an outside firm to supplement our current City Engineer during peak workload times. An additional \$13,500 was added to the Public Works Engineering budget with an offsetting amount added to revenue for these services. The work performed by the contract engineer would be paid for by the developer.

Contract services in General Government Department has consistently been over budget. In addition to the identified costs, something unexpected arises each year. To account for this, staff is recommending an increase in this account.

Equipment maintenance is being decreased in both Police and General Government departments as explained earlier. An analysis of these accounts supported a lowering of the budgeted amounts.

**Other:** This category includes the City's debt payments and contributions to other organizations providing services to the City. The increase in this category is primarily for payments for existing debt. Principal payments increased more than the reduction in interest payments.

## WASTEWATER

A recap of the Wastewater Operations is shown below.

	2013-14 <u>Budget</u>	2013-14 <u>Projected</u>	2014-15 <u>Budget</u>
Revenues	<u>\$1,700,000</u>	<u>\$1,646,800</u>	<u>\$1,731,800</u>
Salaries/Benefits	821,990	777,096	759,510
Services/Supplies	680,846	677,486	655,404
Fixed Assets	29,600	20,100	35,600
Other	225,000	218,000	215,000
Pension Bond	50,355	50,355	50,462
Tertiary Treatment	<u>77,357</u>	<u>67,844</u>	<u>73,880</u>
Total Expenditures	<u>1,885,148</u>	<u>1,810,881</u>	<u>1,789,856</u>
Net Deficit	<u>(\$185,148)</u>	<u>(\$164,081)</u>	<u>(\$58,056)</u>

The 2014-15 budgeted revenues are \$85,000 higher than the 2013-14 projected revenues, all related to the wastewater service fees. This is a little higher than the 5% rate increase due to additional residential units being added in the City and more commercial activity.

In total, expenditures are being budgeted next fiscal year with a \$95,292 decrease from the current fiscal year budget as follows:

	Increase <u>(Decrease)</u>
Salaries / Benefits	(\$62,480)
Services and Supplies	(25,442)
Fixed Assets	6,000
Other	(10,000)
Pension Bond	107
Tertiary Treatment	<u>(3,477)</u>
Total	<u>\$95,292</u>

The budget for salaries and benefits is decreasing due to the one less position being budgeted for the same reason as described above. Staff is currently looking at possible changes to existing job descriptions to accommodate changes in job duties due not to hiring a replacement Wastewater & Environmental Program Manager. This will come back to Council at a future meeting.

Services and supplies is being budgeted \$25,442 lower next year than the current year. This is made up of the following:

	Increase <u>(Decrease)</u>
Insurance	\$14,858
Equipment Maintenance	5,000
Contract Services	4,200
Special Department Expense	(50,000)
All other accounts	<u>500</u>
Total	<u>(\$25,442)</u>

As discussed above with the General Fund budget, insurance is increasing due to an increase in liability premiums.

Equipment maintenance is increasing to better reflect the actual costs for this account. As equipment ages, it needs more and more maintenance.

Contract services are increasing mainly for services related to the storm water management program (\$3,000). The SWMP is also funded from CSA 9C monies; however, staff is recommending reducing funding from the CSA 9C monies by \$5,000 for next year due to the decrease in CSA 9C annual revenues. Part of that reduced funding can be replaced in the WWTP budget.

Special department expense is decreasing dramatically to reflect the lower costs associated with sludge disposal. The WWTP will now be taking its sludge to the City of Santa Cruz for processing rather than to the landfill located in Marina. This will decrease transportation and disposal costs substantially.

**Future Analysis:**

The rate increases are lowering the budgeted deficit over time. Fiscal year 2014-15 is the third year of the approved five-year rate increase. The budgeted deficit for next year is lower than the current year by approximately \$106,000; however, a large portion of that decrease is attributable to the decrease in staffing and sludge disposal costs. Those will not occur again in the future. Future decreases will be mainly from the two remaining rate increases after next fiscal year and additional services from new residential home construction and increased commercial activity.

**RECREATION**

A recap of the Recreation budget is presented below. It presents revenues in detail and expenditures in summary for the following: 2013-14 budget, 2013-14 projected amounts, and 2014-15 budget.

	<u>2013-14 Budget</u>	<u>2013-14 Projected</u>	<u>2014-15 Budget</u>
Revenue:			
School Age Recreation	\$520,000	\$550,000	\$570,000
Sports	80,000	75,000	80,000
Aquatics	55,000	55,000	55,000
Classes	55,000	72,000	75,000
Facility Rental	50,000	60,000	65,000
Other Revenue	<u>15,000</u>	<u>17,000</u>	<u>17,000</u>
Total Revenue	<u>775,000</u>	<u>829,000</u>	<u>862,000</u>
Expenditures:			
Salaries/Benefits	620,138	649,458	663,832
Services/Supplies	214,659	222,457	238,192
Pension Bond Transfer	<u>30,009</u>	<u>30,009</u>	<u>30,072</u>
Total Expenditures	<u>864,806</u>	<u>901,924</u>	<u>932,096</u>
Net Deficit	<u>(\$89,806)</u>	<u>(\$72,924)</u>	<u>(\$70,096)</u>

Fiscal year 2014-15 is being budgeted with a \$70,000 deficit. This is a \$3,000 decrease from the projected deficit for the current fiscal year. This is due to higher budgeted revenues (\$33,000) being offset by higher expenses (\$30,000).

Total revenues are being budgeted \$33,000 higher than the 2013-14 projected amounts as follows:

	<u>Increase</u>
School Age Recreation	\$20,000
Sports	5,000
Facility Rentals	5,000
Classes	<u>3,000</u>
Total	<u>\$33,000</u>

School age recreation is being budgeted with a \$20,000 increase over the current year projected amount. This is a 3.6% increase. This is compared to the current year projected amount being 8.4% over last year's actual amount. After such a high increase this year, the \$20,000 increase is being conservative.

The increase in sports revenue is partially related to the increase in fees approved by Council at your May 7, 2014, meeting. In addition, Recreation is adding a new kickball league and expanding the popular basketball camps.

Facility rentals continue to do well. The additional 10% fee for renters charging an admission tax was partially implemented this year due to their events already being advertised and could not absorb the entire fee. For next year, the entire 10% will be charged which partially accounts for the increase in next year's budgeted revenues.

Class revenue is projected to increase almost \$10,000 from last year's actual revenue. For next year, staff is budgeting a conservative \$3,000 increase. There are new classes being offered such as martial arts, advantage driving school, and Play Well Technologies (lego camps). Existing classes such as musical me, Wing's Dance, and itty bitty sports are growing in enrollment.

Expenditures are budgeted in 2014-15 with a increase of \$30,172 from the current year projected amounts as shown below.

	<u>Increase</u>
Salaries and Benefits	\$14,374
Services and Supplies	15,735
Pension Bond Transfer	<u>63</u>
Total	<u>\$30,172</u>

Salaries and benefits are being budgeted with a \$14,374 increase over the current year projected amount. This is only a 2.2% increase and relates to normal salary step increases for current employees.

Services and supplies are being budgeted with a \$15,735 increase over the current year projected amount. Most of this (\$10,000) relates to special department expense. This expense is projected to be below budget, but to be conservative, staff is budgeting the same as the current year budget amount. This account is used mainly in school age recreation for activities, craft supplies, and transportation on field trips.

**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.

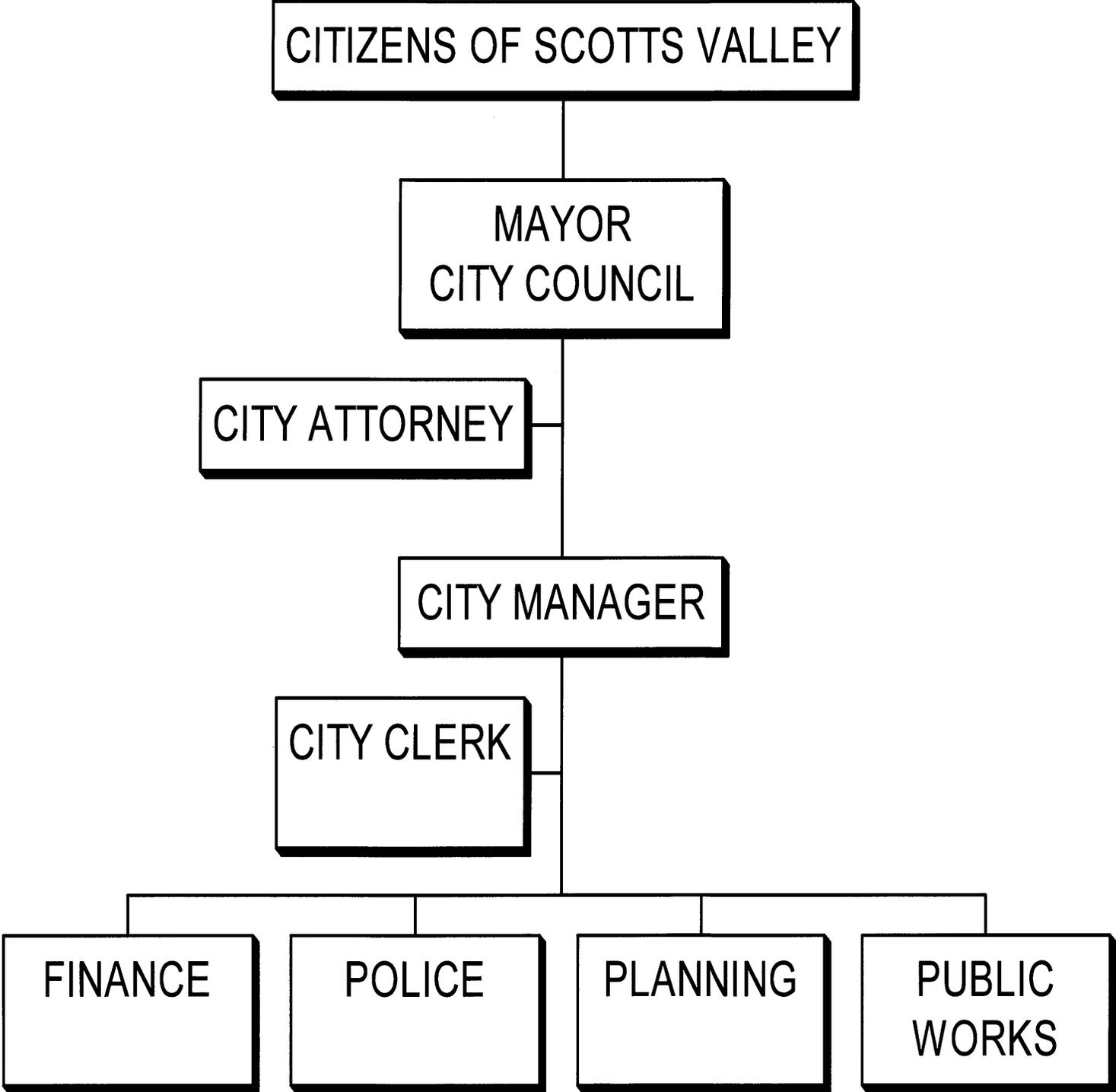
I would also like to close the budget message by indicating, as I have in the past, how proud I am to be associated with the City of Scotts Valley, its Council, its employees, and the community. The City continues to respond in an excellent fashion in a difficult environment where we are challenged by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

Sincerely,

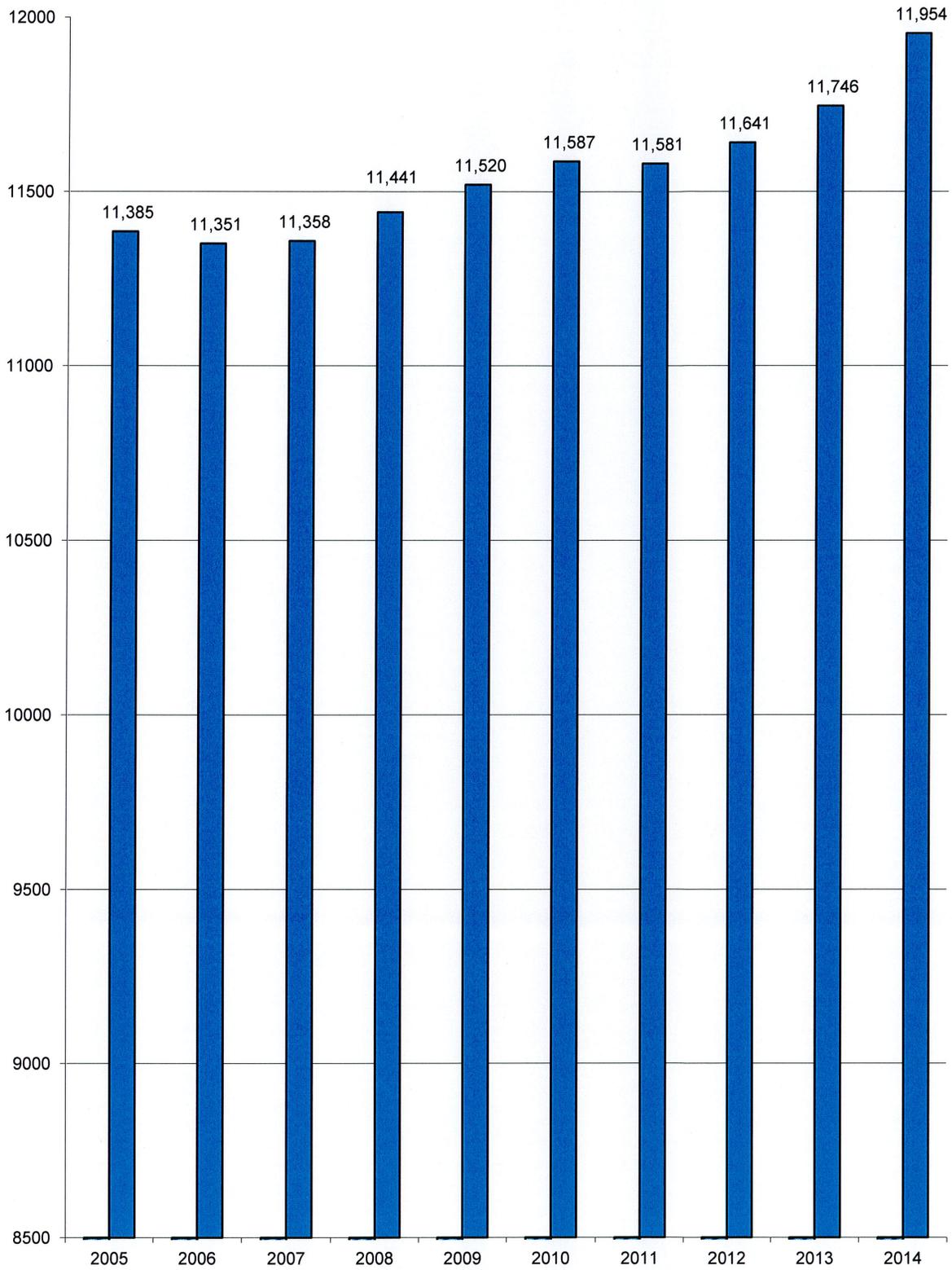
A handwritten signature in blue ink, appearing to read "Stephen H. Ando".

Stephen H. Ando  
City Manager

CITY OF SCOTT'S 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 - 2014 / 2015**

		<b>7/1/2014</b>	<b>2014 / 2015</b>	<b>ESTIMATED</b>	<b>TOTAL</b>
<b>FUND</b>	<b>FUND TITLE</b>	<b>AVAILABLE</b>	<b>ESTIMATED</b>	<b>TRANSFERS</b>	<b>FUNDS</b>
		<b>ASSETS</b>	<b>REVENUE</b>	<b>IN</b>	<b>AVAILABLE</b>
1	General	660,000	9,743,305	300,000	10,703,305
2	Recycling Operations	30,000	55,300		85,300
3	Gas Tax	530,000	305,200		835,200
4	Recreation Operations	0	862,000	70,096	932,096
5	SMIP Fees	3,000	5		3,005
6	General Capital	440,000	15,800		455,800
7	Drainage Construction	126,000	40,125		166,125
8	Traffic Impact Mitigation	1,420,000	47,400		1,467,400
9	Parks & Recreation Facilities	520,000	55,500		575,500
10	Wastewater Operations	420,000	1,731,800		2,151,800
11	Tertiary Treatment Plant	0	90,300	73,880	164,180
12	Wastewater Capital Reserve	2,610,000	19,000		2,629,000
14	Wastewater Equip Replacement Reserve	870,000	2,000		872,000
18	Senior Center Designated Donations	3,600	5		3,605
21	General Facility	85,000	10,125		95,125
26	Pension Obligation Bonds	0	0	444,203	444,203
27	Police Facility Building	240,000	240,550		480,550
28	Senior Center Operations	25,000	76,100		101,100
31	STP Exchange Projects	27,000	50		27,050
33	Tree Replacement Fund	50,000	600		50,600
35	Green Building Funding	85,000	10,600		95,600
45	1990 Refunding Dist Redemption	273,000	0		273,000
50	Pinewood Estates Maintenance Dist	7,500	6,270		13,770
51	Mt Hermon Traffic Mitigation	17,000	10		17,010
53	Gateway So II/C Redemption	175,000	0		175,000
59	Victor Square Dist Redemption	149,500	0		149,500
60	Ridgecrest Subdivision Dist Redemption	54,000	0		54,000
66	COP Debt Service Reserve	1,000,000	2,000		1,002,000
75	Gateway So Supplemental Redemption	342,000	0		342,000
77	Skypark Maint Assessment District	0	41,750		41,750
78	Skypark Maint Assessment District Insurance	445,000	9,800		454,800
80	2002 Consolidated Refunding District Prepayment	4,000	0		4,000
82	2002 Consolidated Refunding District Reserve	396,000	750		396,750
86	Library	185,000	7,600		192,600
90	Scotts Valley Drive Redemption	410,000	415,250		825,250
91	Scotts Valley Drive Prepayment	7,800	0		7,800
92	Scotts Valley Drive Reserve	418,000	0		418,000
112	Dental Insurance	0	72,000		72,000
123	Community Facility Center	10,000	65,000		75,000
150	General Capital Projects	134,000	975,000	240,000	1,349,000
151	Vehicle Replacement Fund	12,000	20		12,020
306	Supplemental Law Enforcement Services	100,000	100,130		200,130
315	Police Development Fees	164,000	300		164,300
317	EDG - Revolving Loan Fund	557,000	1,000		558,000
	<b>TOTAL:</b>	<b>13,005,400</b>	<b>15,002,645</b>	<b>1,128,179</b>	<b>29,136,224</b>

**CITY OF SCOTTS VALLEY**  
**FUND BALANCE SUMMARY - 2014 / 2015**

		<b>2014 / 2015</b>	<b>ESTIMATED</b>	<b>6/30/2015</b>	<b>6/30/2015</b>
		<b>BUDGETED</b>	<b>TRANSFERS</b>	<b>RESTRICTED</b>	<b>FUND</b>
<b>FUND</b>	<b>FUND TITLE</b>	<b>EXPENDITURES</b>	<b>OUT</b>	<b>RESERVE</b>	<b>BALANCE</b>
1	General	8,781,196	472,521		1,449,588
2	Recycling Operations	55,300			30,000
3	Gas Tax	75,000	350,000		410,200
4	Recreation Operations	902,024	30,072		0
5	SMIP Fees	0			3,005
6	General Capital	0			455,800
7	Drainage Construction	0	50,000		116,125
8	Traffic Impact Mitigation	150,000			1,317,400
9	Parks & Recreation Facilities	25,000	100,000		450,500
10	Wastewater Operations	1,665,514	124,342		361,944
11	Tertiary Treatment Plant	164,172			8
12	Wastewater Capital Reserve	206,000		2,423,000	
14	Wastewater Equip Replacement Reserve	95,000		777,000	
18	Senior Center Designated Donations	0			3,605
21	General Facility	95,000			125
26	Pension Obligation Bonds	444,203			0
27	Police Facility Building	430,000			50,550
28	Senior Center Operations	76,757	622		23,721
31	STP Exchange Projects	0			27,050
33	Tree Replacement Fund	10,000			40,600
35	Green Building Funding	0			95,600
45	1990 Refunding Dist Redemption	273,000		0	
50	Pinewood Estates Maintenance Dist	13,500		270	
51	Mt Hermon Traffic Mitigation			17,010	
53	Gateway So II/C Redemption	175,000		0	
59	Victor Square Dist Redemption	149,500		0	
60	Ridgecrest Subdivision Dist Redemption	54,000		0	
66	COP Debt Service Reserve	0		1,002,000	
75	Gateway So Supplemental Redemption	342,000		0	
77	Skypark Maint Assessment Dist	41,000		750	
78	Skypark Maint Assessment Dist Insurance	0		454,800	
80	2002 Consolidated Refunding District Prepayment	0		4,000	
82	2002 Consolidated Refunding District Reserve	0		396,750	
86	Library	0		192,600	
90	Scotts Valley Drive Redemption	415,590		409,660	
91	Scotts Valley Drive Prepayment	0		7,800	
92	Scotts Valley Drive Reserve	0		418,000	
112	Dental Insurance	72,000			0
123	Community Facility Center	69,711	622		4,667
150	General Capital Projects	1,175,000			174,000
151	Vehicle Replacement Fund	0			12,020
306	Supplemental Law Enforcement Services	30,000			170,130
315	Police Development Fees	0			164,300
317	EDG - Revolving Loan Fund	0			558,000
	<b>TOTAL:</b>	<b>15,985,467</b>	<b>1,128,179</b>	<b>6,103,640</b>	<b>5,918,938</b>

**AUTHORIZED FUND TRANSFERS  
TO BE MADE  
BY RESOLUTION OF THE COUNCIL  
DURING THE FISCAL YEAR 2014 / 2015**

<b>To:</b>	Pension Obligation Bonds (26)	\$ 444,203
<b>From:</b>	General Fund (1)	362,425
	Wastewater Operations (10)	50,462
	Recreation (4)	30,072
	Senior Center Operations (28)	622
	Community Center Operations (123)	622

To transfer the amounts necessary for the 2013-14 Pension Obligation Bond payments.

<b>To:</b>	Recreation (4)	\$ 70,096
<b>From:</b>	General Fund (1)	70,096

General Fund subsidy to the Recreation Department.

<b>To:</b>	General Fund (1)	\$ 300,000
<b>From:</b>	Gas Tax (3)	300,000

To reimburse the General Fund for gas tax related expenditures.

<b>To:</b>	Tertiary Treatment Plant (11)	\$ 73,880
<b>From:</b>	Wastewater Operations (10)	73,880

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

<b>To:</b>	General Capital Projects (150)	\$ 40,000
<b>From:</b>	General Fund (1)	40,000

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

<b>To:</b>	General Capital Projects (150)	\$ 100,000
<b>From:</b>	Gas Tax (3)	50,000
	Drainage Construction (7)	50,000

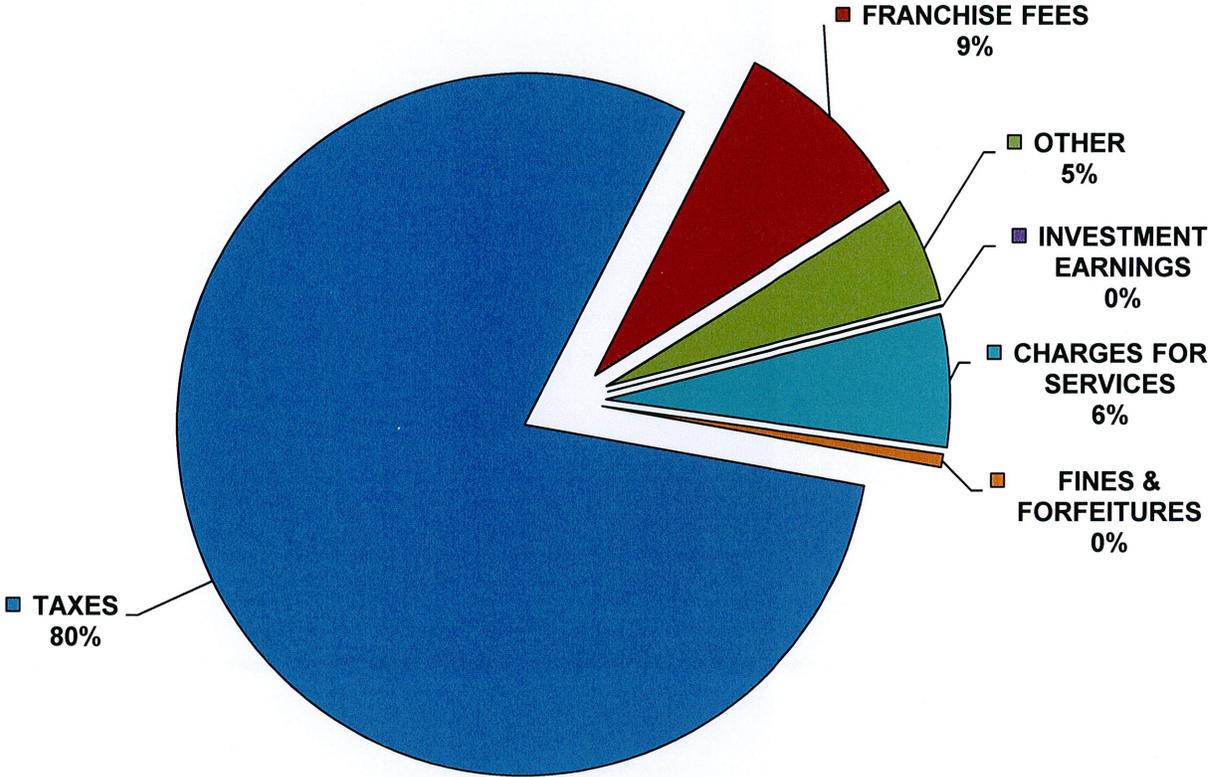
To provide grant matching funds for the Vine Hill Road project.

AUTHORIZED FUND TRANSFERS  
TO BE MADE  
BY RESOLUTION OF THE COUNCIL  
DURING THE FISCAL YEAR 2014 / 2015

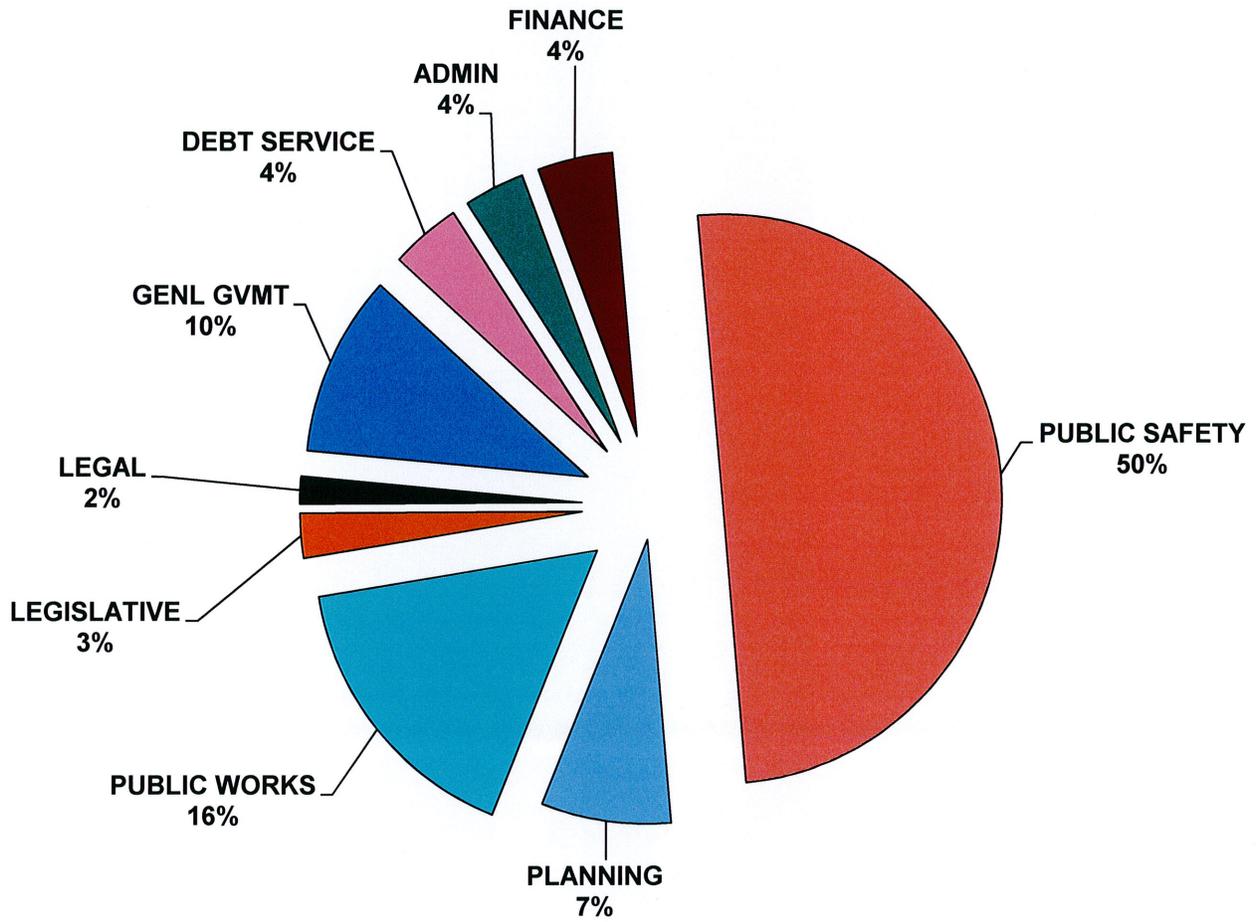
To:	General Capital Projects (150)	\$ 100,000
From:	Parks and Recreation Facilities (9)	100,000

To provide grant matching funds for the Shugart Park Pathway project.

# 2014 / 2015 GENERAL FUND REVENUES



# 2014 / 2015 GENERAL FUND EXPENDITURES



**CITY OF SCOTTS VALLEY  
2014 / 2015 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	219,929	189,179	30,750	0	0
42 LEGAL	134,000	0	134,000	0	0
43 GENERAL GOVERNMENT	1,254,672	435,203	260,263	0	559,206
44 ADMINISTRATION	301,292	299,192	2,100	0	0
45 FINANCE	370,217	344,392	25,825	0	0
61 PLANNING	513,150	501,150	12,000	0	0
62 BUILDING	129,477	97,077	32,400	0	0
<b>TOTAL</b>	<b>2,922,737</b>	<b>1,866,193</b>	<b>497,338</b>	<b>0</b>	<b>559,206</b>
<b><u>PUBLIC SAFETY</u></b>					
51 POLICE	4,264,298	3,955,842	280,080	0	28,376
52 ANIMAL CONTROL	104,202	0	104,202	0	0
53 EMERGENCY SERVICES	69,117	0	1,000	0	68,117
<b>TOTAL</b>	<b>4,437,617</b>	<b>3,955,842</b>	<b>385,282</b>	<b>0</b>	<b>96,493</b>
<b><u>PUBLIC WORKS</u></b>					
71 ENGINEERING	434,656	396,156	38,500	0	0
72 STREET MAINTENANCE	349,903	219,653	130,250	0	0
73 VEHICLE/EQMT MAINTENANCE	114,829	109,329	5,500	0	0
74 WASTEWATER OPERATIONS	1,665,514	759,510	655,404	35,600	215,000
75 PARK MAINTENANCE	312,291	181,341	130,950	0	0
76 BUILDING MAINTENANCE	209,163	114,513	94,650	0	0
77 RECREATION	902,024	663,832	238,192	0	0
<b>TOTAL</b>	<b>3,988,380</b>	<b>2,444,334</b>	<b>1,293,446</b>	<b>35,600</b>	<b>215,000</b>
<b><u>NON-DEPARTMENTAL</u></b>					
2 RECYCLING OPERATIONS	55,300	0	55,300	0	0
3 GAS TAX	75,000	0	0	75,000	0
8 TRAFFIC IMPACT MITIGATION	150,000	0	0	150,000	0
9 PARKS AND RECREATION FACILITIES	25,000	0	0	25,000	0
11 TERTIARY TREATMENT PLANT	164,172	45,270	118,902	0	0
12 WASTEWATER CAPITAL RESERVE	206,000	0	0	206,000	0
14 WASTEWATER EQMT REPLACEMENT RESERVE	95,000	0	0	95,000	0
21 GENERAL FACILITY	95,000	0	0	95,000	0
26 PENSION OBLIGATION BONDS	444,203	0	0	0	444,203
27 POLICE FACILITY	430,000	0	0	430,000	0
28 SENIOR CENTER OPERATIONS	76,757	44,539	32,218	0	0
33 TREE REPLACEMENT FUND	10,000	0	0	10,000	0
45 1990 REFUNDING DIST REDEMPTION	273,000	0	3,820	0	269,180
50 PINEWOOD EST LNDS CP MAINT DIST	13,500	0	13,500	0	0
53 GATEWAY SOUTH IIC REDEMPTION	175,000	0	2,530	0	172,470
59 VICTOR SQUARE DIST REDEMPTION	149,500	0	1,140	0	148,360
60 RIDGECREST SUBDIVISION DIST REDEMPTION	54,000	0	980	0	53,020
75 GATEWAY SOUTH SUPPLEMENTAL REDEMPTION	342,000	0	2,770	0	339,230
77 SKYPARK OPEN SPACE MAINT ASSESSMENT DIST	41,000	0	41,000	0	0
90 SV DRIVE A REDEMPTION	415,590	0	10,000	0	405,590
112 DENTAL INSURANCE	72,000	72,000	0	0	0
123 COMMUNITY FACILITIES CENTER	69,711	24,146	30,565	15,000	0
150 GENERAL CAPITAL PROJECTS	1,175,000	0	0	1,175,000	0
306 SUPPLEMENTAL LAW ENFORCEMENT SERVICES	30,000	0	0	30,000	0
<b>TOTAL</b>	<b>4,636,733</b>	<b>185,955</b>	<b>312,725</b>	<b>2,306,000</b>	<b>1,832,053</b>
<b>GRAND TOTAL</b>	<b>15,985,467</b>	<b>8,452,324</b>	<b>2,488,791</b>	<b>2,341,600</b>	<b>2,702,752</b>

**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.

<u>DEPT DEPARTMENT</u>	<u>2012 / 2013 ACTUAL</u>	<u>2013 / 2014 BUDGET</u>	<u>2013 / 2014 PROJECTED</u>	<u>2014 / 2015 DEPT REQUEST</u>	<u>2014 / 2015 CITY MANAGER PROPOSED</u>
41 LEGISLATIVE / ELECTIONS	203,933	202,021	238,821	219,929	219,929
42 LEGAL	153,073	134,000	154,000	134,000	134,000
43 GENERAL GOVERNMENT	1,178,544	1,211,493	1,245,611	1,254,672	1,254,672
44 ADMINISTRATION	290,961	287,202	289,202	301,292	301,292
45 FINANCE	361,186	351,576	351,041	370,217	370,217
51 POLICE	4,131,291	4,319,757	4,020,909	4,283,101	4,264,298
52 ANIMAL CONTROL	104,202	104,202	104,202	104,202	104,202
53 EMERGENCY SERVICES	62,721	66,962	66,962	69,117	69,117
61 PLANNING	485,477	484,703	485,228	513,150	513,150
62 BUILDING	138,171	120,903	147,730	129,477	129,477
71 PUBLIC WORKS-ENGINEERING	480,052	461,029	478,625	435,406	434,656
72 PUBLIC WORKS-STREET MAINT	397,710	334,482	344,082	349,903	349,903
73 PUBLIC WORKS-VEHICLE/EQMT MAINT	101,046	110,187	111,295	114,829	114,829
75 PUBLIC WORKS-PARK MAINT	325,347	319,329	248,040	312,291	312,291
76 PUBLIC WORKS-BUILDING MAINT	210,663	206,040	180,700	209,163	209,163
<b>TOTAL</b>	<b><u>8,624,377</u></b>	<b><u>8,713,886</u></b>	<b><u>8,466,448</u></b>	<b><u>8,800,749</u></b>	<b><u>8,781,196</u></b>

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

	<b>2012 / 2013 ACTUAL</b>	<b>2013 / 2014 BUDGET</b>	<b>2013 / 2014 PROJECTED</b>	<b>2014 / 2015 DEPT REQUEST</b>	<b>2014 / 2015 CITY MANAGER PROPOSED</b>	
<b>SALARIES &amp; BENEFITS:</b>						
101	REGULAR WAGES	3,702,564	3,820,175	3,551,266	3,839,920	3,839,920
107	TEMPORARY WAGES	33,613	12,144	27,144	12,144	12,144
109	OVERTIME WAGES	144,821	132,000	127,508	132,000	132,000
202	PARS	500	557	557	557	557
203	FICA	283,942	293,202	270,862	293,385	293,385
204	RETIREMENT	1,001,599	1,038,264	945,748	1,018,755	1,018,755
205	GROUP INSURANCE	1,304,520	1,338,549	1,268,940	1,314,300	1,314,300
206	WORKERS' COMPENSATION	249,266	201,605	210,463	221,966	221,966
207	UNEMPLOYMENT INSURANCE	25,564	10,000	20,000	10,000	10,000
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>6,746,389</b>	<b>6,846,496</b>	<b>6,422,488</b>	<b>6,843,027</b>	<b>6,843,027</b>
<b>SERVICES &amp; SUPPLIES:</b>						
208	UNIFORM EXPENSE	25,665	25,825	25,550	27,750	27,750
210	SUPPLEMENTAL SERVICES	205,769	171,500	190,000	185,000	185,000
301	OFFICE EXPENSE	35,121	32,425	31,225	33,225	33,225
302	SPECIAL DEPARTMENT EXPENSE	26,377	32,435	33,700	32,735	32,735
303	SMALL TOOLS & SUPPLIES	14,653	13,175	15,225	14,975	14,975
306	COMMUNICATIONS	51,205	50,120	48,520	50,020	50,020
308	RENTS & LEASES	6,450	7,679	7,179	5,179	4,000
310	RECRUITMENT	21,123	16,900	19,630	20,000	20,000
312	PROFESSIONAL/SPECIALIZED SVC	46,495	53,250	144,000	53,000	53,000
313	OTHER CONTRACTUAL SERVICES	294,931	240,852	256,482	251,852	251,852
314	INSURANCE & SURETY BONDS	56,617	79,080	96,210	117,918	117,918
315	MEMBERSHIPS & DUES	24,699	18,145	18,385	19,035	19,035
316	TRAVEL/CONFERENCES/MEETINGS	11,964	11,510	13,160	13,560	13,310
319	ELECTIONS	171	0	42,000	15,000	15,000
322	TRAINING & EDUCATION	28,468	45,250	44,050	44,750	44,750
327	POWER UTILITIES	99,172	91,000	95,000	95,000	95,000
328	WATER UTILITIES	30,163	39,500	37,500	32,500	32,500
349	MISCELLANEOUS	9,353	8,000	8,000	8,000	8,000
401	MAINT OF BLDGS/STRUCT/GRNDS	73,664	71,000	76,000	73,500	73,500
402	MAINT & OPERATION OF EQMT	73,986	82,250	64,200	73,000	64,500
403	MAINT & OPERATION OF VEHICLES	108,477	101,550	102,000	100,900	100,900
404	ROAD MAINTENANCE MATERIALS	57,429	25,500	25,500	25,500	25,500
	<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>1,301,952</b>	<b>1,216,946</b>	<b>1,393,516</b>	<b>1,292,399</b>	<b>1,282,470</b>

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

	<u>2012 / 2013 ACTUAL</u>	<u>2013 / 2014 BUDGET</u>	<u>2013 / 2014 PROJECTED</u>	<u>2014 / 2015 DEPT REQUEST</u>	<u>2014 / 2015 CITY MANAGER PROPOSED</u>
<b>FIXED ASSETS:</b>					
904 IMPROVEMENTS O/T BUILDINGS	32,022	0	0	0	0
910 OFFICE EQMT & FURNITURE	6,250	5,000	5,000	5,000	0
<b>TOTAL FIXED ASSETS</b>	<b>38,272</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>
<b>OTHER:</b>					
701 CONTRIBUTIONS	61,917	61,680	61,680	68,459	63,835
705 CONTRIBUTIONS/SOCIAL SERVICE	39,683	46,258	46,258	46,258	46,258
801 RETIREMENT OF PRINCIPAL	123,411	335,000	335,000	350,000	350,000
802 INTEREST EXPENSE	312,753	202,506	202,506	195,606	195,606
<b>TOTAL OTHER</b>	<b>537,764</b>	<b>645,444</b>	<b>645,444</b>	<b>660,323</b>	<b>655,699</b>
<b>GRAND TOTAL:</b>	<b>8,624,377</b>	<b>8,713,886</b>	<b>8,466,448</b>	<b>8,800,749</b>	<b>8,781,196</b>

**CITY OF SCOTTS VALLEY**

**2014 / 2015 PERSONNEL DETAIL SUMMARY**

DEPARTMENT						2014 / 15 CITY MANAGER PROPOSED	POSITIONS FROZEN
	2010 / 11	2011 / 12	2012 / 13	2013 / 14			
LEGISLATIVE	5.50	5.50	5.50	5.50	<b>5.50</b>		
ADMINISTRATION	1.20	1.20	1.60	1.60	<b>1.60</b>	0.10	
FINANCE	4.75	4.75	4.75	4.75	<b>4.75</b>	1.40	
POLICE	30.00	30.00	30.00	30.00	<b>30.00</b>	2.00	
PLANNING	3.40	3.40	4.50	4.50	<b>4.50</b>	1.00	
BUILDING	1.41	1.41	2.41	2.41	<b>1.75</b>	0.75	
ENGINEERING	3.00	3.00	3.30	3.30	<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>	1.00	
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	1.25	1.25	0.00	0.00	<b>0.00</b>		
AFFORDABLE HOUSING	0.55	0.55	0.00	0.00	<b>0.00</b>		
<b>TOTAL</b>	<b>74.41</b>	<b>74.41</b>	<b>75.41</b>	<b>75.41</b>	<b>74.75</b>	<b>10.25</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
Secretary I	0.75
Network Systems Specialist	0.50
Senior Recreation Specialist	1.00
Senior Center Coordinator	1.00
Chief Wastewater Plant Operator	1.00
Maintenance Division Manager	1.00
Maintenance Worker I	1.00
<b>Total Full-Time Equivalent Positions</b>	<u><u>10.25</u></u>